

1.1 moves to amend H.F. No. 2208 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 APPROPRIATIONS

1.5 Section 1. JOBS AND ECONOMIC DEVELOPMENT.

1.6 (a) The sums shown in the columns marked "Appropriations" are appropriated to the
1.7 agencies and for the purposes specified in this article. The appropriations are from the
1.8 general fund, or another named fund, and are available for the fiscal years indicated for
1.9 each purpose. The figures "2020" and "2021" used in this article mean the appropriations
1.10 listed under them are available for the fiscal year ending June 30, 2020, or June 30, 2021,
1.11 respectively. "The first year" is fiscal year 2020. "The second year" is fiscal year 2021.
1.12 "Each year" means each of fiscal years 2020 and 2021.

1.13 (b) If an appropriation in this article is enacted more than once in the 2019 legislative
1.14 session, the appropriation must be given effect only once.

1.15 APPROPRIATIONS

1.16 Available for the Year

1.17 Ending June 30

1.18 2020

2021

1.19 Sec. 2. DEPARTMENT OF EMPLOYMENT
1.20 AND ECONOMIC DEVELOPMENT

1.21 Subdivision 1. Total Appropriation \$ 167,498,000 \$ 131,569,000

1.22 Appropriations by Fund

1.23 2020

2021

1.24 General 135,026,000 99,298,000

2.1	<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
2.2	<u>Workforce</u>		
2.3	<u>Development</u>	<u>31,772,000</u>	<u>31,571,000</u>

2.4 The amounts that may be spent for each
 2.5 purpose are specified in the following
 2.6 subdivisions.

2.7	<u>Subd. 2. Business and Community Development</u>	<u>44,114,000</u>	<u>31,474,000</u>
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2.8	<u>Appropriations by Fund</u>		
2.9	<u>General</u>	<u>40,714,000</u>	<u>28,074,000</u>
2.10	<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
2.11	<u>Workforce</u>		
2.12	<u>Development</u>	<u>2,700,000</u>	<u>2,700,000</u>

2.13 (a) \$9,350,000 the first year is for:

2.14 (1) the greater Minnesota business
 2.15 development public infrastructure grant
 2.16 program under Minnesota Statutes, section
 2.17 116J.431;

2.18 (2) the spark program, formerly known as the
 2.19 business development competitive grant
 2.20 program;

2.21 (3) the community prosperity grant program;
 2.22 and

2.23 (4) a grant to the Minnesota Design Center at
 2.24 the University of Minnesota for the greater
 2.25 Minnesota community design program.

2.26 The commissioner has discretion to allocate
 2.27 this appropriation among the listed programs,
 2.28 including awarding zero funds to a listed
 2.29 program or grantee. The commissioner has
 2.30 discretion to stipulate reasonable terms for
 2.31 individual programs and grants. Of this
 2.32 amount, up to four percent is for
 2.33 administration and monitoring of the funded

3.1 programs. This appropriation is available until
3.2 June 30, 2022.

3.3 (b) \$2,500,000 each year is for the Minnesota
3.4 Innovation Collaborative. This is a onetime
3.5 appropriation and funds are available until
3.6 June 30, 2023. Of this amount:

3.7 (1) \$1,600,000 each year is for innovation
3.8 grants to eligible Minnesota entrepreneurs or
3.9 start-up businesses to assist with their
3.10 operating needs. Of this amount, five percent
3.11 is for the department's administrative costs;

3.12 (2) \$450,000 each year is for administration
3.13 of the Minnesota Innovation Collaborative;
3.14 and

3.15 (3) \$450,000 each year is for grantee activities
3.16 at the Minnesota Innovation Collaborative. Of
3.17 this amount, five percent is for the
3.18 department's administrative costs.

3.19 (c) \$1,772,000 each year is from the general
3.20 fund and \$700,000 each year is from the
3.21 remediation fund for contaminated site cleanup
3.22 and development grants under Minnesota
3.23 Statutes, sections 116J.551 to 116J.558. These
3.24 appropriations are available until spent.

3.25 (d) \$139,000 each year is for a grant to the
3.26 Rural Policy and Development Center under
3.27 Minnesota Statutes, section 116J.421.

3.28 (e) \$25,000 each year is for the administration
3.29 of state aid for the Destination Medical Center
3.30 under Minnesota Statutes, sections 469.40 to
3.31 469.47.

3.32 (f) \$875,000 each year is for the host
3.33 community economic development grant

- 4.1 program established in Minnesota Statutes,
4.2 section 116J.548.
- 4.3 (g) \$500,000 the first year and \$125,000 the
4.4 second year are for grants to the White Earth
4.5 Nation for the White Earth Nation Integrated
4.6 Business Development System to provide
4.7 business assistance with workforce
4.8 development, outreach, technical assistance,
4.9 infrastructure and operational support,
4.10 financing, and other business development
4.11 activities. This is a onetime appropriation.
- 4.12 (h) \$875,000 each year is for a grant to
4.13 Enterprise Minnesota, Inc. for the small
4.14 business growth acceleration program under
4.15 Minnesota Statutes, section 116O.115. This
4.16 is a onetime appropriation.
- 4.17 (i) \$300,000 each year is to provide business
4.18 performance assessments to Minnesota
4.19 manufacturers with 50 or fewer employees,
4.20 with focus on very small and rural locations.
4.21 The assessment findings must position
4.22 Minnesota manufacturers to retain and recruit
4.23 employees and grow in their community. This
4.24 is a onetime appropriation.
- 4.25 (j) \$125,000 each year is for a grant to the
4.26 Rondo Community Land Trust for
4.27 improvements to leased commercial space in
4.28 the Selby Milton Victoria Project that will
4.29 create long-term affordable space for small
4.30 businesses and for build-out and development
4.31 of new businesses. This is a onetime
4.32 appropriation.
- 4.33 (k) \$2,865,000 the first year is for grants for
4.34 projects that support economic development

5.1 by increasing the availability of child care.

5.2 Eligible recipients for these grants are limited

5.3 to:

5.4 (1) WomenVenture;

5.5 (2) the Minnesota Initiative Foundations; and

5.6 (3) eligible applicants under the child care

5.7 economic development grant program.

5.8 The commissioner has discretion to allocate

5.9 the available grant funds among the listed

5.10 eligible recipients, including awarding zero

5.11 funds to a listed entity. The commissioner has

5.12 discretion to stipulate reasonable terms for

5.13 individual programs and grants. Of this

5.14 amount, up to four percent is for

5.15 administration and monitoring of the funded

5.16 programs. This appropriation is available until

5.17 June 30, 2021.

5.18 (l)(1) \$750,000 each year is for grants to the

5.19 Neighborhood Development Center for small

5.20 business programs. This is a onetime

5.21 appropriation.

5.22 (2) Of the amount appropriated in the first

5.23 year, \$150,000 is for outreach and training

5.24 activities outside the seven-county

5.25 metropolitan area, as defined in Minnesota

5.26 Statutes, section 473.121, subdivision 2.

5.27 (m)(1) \$50,000 the first year is for grants to

5.28 support broadband connections for coworking

5.29 spaces designed to foster start-up businesses.

5.30 Grant recipients must be located in an

5.31 unserved area or an underserved area for

5.32 broadband, as defined in Minnesota Statutes,

5.33 section 116J.394. Grant recipients must obtain

5.34 a 100 percent nonstate match to grant funds

6.1 in either cash or in-kind contributions, though
6.2 matching funds may be used for expenses of
6.3 the coworking space other than broadband.

6.4 This is a onetime appropriation.

6.5 (2) Within one year of receiving grant funds,
6.6 grant recipients must report to the
6.7 commissioner on the outcomes of the grant
6.8 program including but not limited to the
6.9 number of start-up businesses served and the
6.10 amount of local funds invested.

6.11 (n) \$5,500,000 each year is for the Minnesota
6.12 job creation fund under Minnesota Statutes,
6.13 section 116J.8748. Of this amount, the
6.14 commissioner of employment and economic
6.15 development may use up to three percent for
6.16 administrative expenses. This appropriation
6.17 is available until expended.

6.18 (o)(1) \$5,500,000 each year is for the
6.19 Minnesota investment fund under Minnesota
6.20 Statutes, section 116J.8731. Of this amount,
6.21 the commissioner of employment and
6.22 economic development may use up to three
6.23 percent for administration and monitoring of
6.24 the program. This appropriation is available
6.25 until expended.

6.26 (2) Of the amount appropriated in the first
6.27 year, \$2,000,000 is for a loan to a paper mill
6.28 in Duluth for a retrofit project that will support
6.29 the operation and manufacture of packaging
6.30 paper grades. The company that owns the
6.31 paper mill must spend \$20,000,000 on project
6.32 activities by December 31, 2020, in order to
6.33 be eligible to receive this loan. Loan funds
6.34 may be used for purchases of materials,
6.35 supplies, and equipment for the project and

7.1 are available from July 1, 2019, to July 30,
7.2 2021. The commissioner of employment and
7.3 economic development shall forgive 25
7.4 percent of the loan each year after the second
7.5 year during a five-year period if the mill has
7.6 retained at least 200 full-time equivalent
7.7 employees and has satisfied other performance
7.8 goals and contractual obligations as required
7.9 under Minnesota Statutes, section 116J.8731.

7.10 (p) \$1,000,000 each year is for the Minnesota
7.11 emerging entrepreneur loan program under
7.12 Minnesota Statutes, section 116M.18. Funds
7.13 available under this paragraph are for transfer
7.14 into the emerging entrepreneur program
7.15 special revenue fund account created under
7.16 Minnesota Statutes, chapter 116M, and are
7.17 available until expended. Of this amount, up
7.18 to four percent is for administration and
7.19 monitoring of the program.

7.20 (q) \$163,000 each year is for the Minnesota
7.21 Film and TV Board. The appropriation in each
7.22 year is available only upon receipt by the
7.23 board of \$1 in matching contributions of
7.24 money or in-kind contributions from nonstate
7.25 sources for every \$3 provided by this
7.26 appropriation, except that each year up to
7.27 \$50,000 is available on July 1 even if the
7.28 required matching contribution has not been
7.29 received by that date.

7.30 (r) \$12,000 each year is for a grant to the
7.31 Upper Minnesota Film Office.

7.32 (s) \$500,000 each year is from the general
7.33 fund for a grant to the Minnesota Film and TV
7.34 Board for the film production jobs program
7.35 under Minnesota Statutes, section 116U.26.

8.1 This appropriation is available until June 30,
 8.2 2023.

8.3 (t) \$4,195,000 each year is for the Minnesota
 8.4 job skills partnership program under
 8.5 Minnesota Statutes, sections 116L.01 to
 8.6 116L.17. If the appropriation for either year
 8.7 is insufficient, the appropriation for the other
 8.8 year is available. This appropriation is
 8.9 available until expended.

8.10 (u) \$1,350,000 each year is from the
 8.11 workforce development fund for jobs training
 8.12 grants under Minnesota Statutes, section
 8.13 116L.42.

8.14 (v) \$1,350,000 each year is from the
 8.15 workforce development fund for metropolitan
 8.16 job training grants under Minnesota Statutes,
 8.17 section 116L.43.

8.18 **Subd. 3. Workforce Development** 51,451,000 26,736,000

	<u>Appropriations by Fund</u>	
8.20 <u>General</u>	<u>30,264,000</u>	<u>5,750,000</u>
8.21 <u>Workforce</u>		
8.22 <u>Development</u>	<u>21,187,000</u>	<u>20,986,000</u>

8.23 (a) \$250,000 each year is for pilot programs
 8.24 in the workforce service areas to combine
 8.25 career and higher education advising.

8.26 (b) \$500,000 each year is for rural career
 8.27 counseling coordinator positions in the
 8.28 workforce service areas and for the purposes
 8.29 specified in Minnesota Statutes, section
 8.30 116L.667.

8.31 (c) \$750,000 each year is for the women and
 8.32 high-wage, high-demand, nontraditional jobs
 8.33 grant program under Minnesota Statutes,
 8.34 section 116L.99. Of this amount, up to five

9.1 percent is for administration and monitoring
9.2 of the program.

9.3 (d) \$700,000 the first year is for a grant to the
9.4 Washburn Center for Children to train and
9.5 hire additional children's mental health
9.6 treatment staff. This appropriation is available
9.7 until June 30, 2023.

9.8 (e)(1) \$300,000 the first year is for a grant to
9.9 the Regional Center for Entrepreneurial
9.10 Facilitation hosted by a county or higher
9.11 education institution. Funds available under
9.12 this paragraph must be used to provide
9.13 entrepreneur and small business development
9.14 direct professional business assistance services
9.15 in the following counties in Minnesota: Blue
9.16 Earth, Brown, Faribault, Le Sueur, Martin,
9.17 Nicollet, Sibley, Watonwan, and Waseca. For
9.18 the purposes of this paragraph, "direct
9.19 professional business assistance services" must
9.20 include but is not limited to payment of
9.21 overhead costs, pre-venture assistance for
9.22 individuals considering starting a business,
9.23 and services for underserved populations,
9.24 agricultural businesses, and students. This
9.25 appropriation is not available until the
9.26 commissioner determines that an equal amount
9.27 is committed from nonstate sources. This
9.28 appropriation is available until June 30, 2021.

9.29 (2) Grant recipients shall report to the
9.30 commissioner by February 1, 2021, and
9.31 include information on the number of
9.32 customers served in each county; the number
9.33 of businesses started, stabilized, or expanded;
9.34 the number of jobs created and retained; and
9.35 business success rates in each county. By April

- 10.1 1, 2021, the commissioner shall report the
10.2 information submitted by grant recipients to
10.3 the chairs and ranking minority members of
10.4 the standing committees of the house of
10.5 representatives and senate having jurisdiction
10.6 over economic development issues.
- 10.7 (f) \$20,000 in the first year is for preparing
10.8 the inventory of workforce development
10.9 programs under Minnesota Statutes, section
10.10 116L.35.
- 10.11 (g) \$1,500,000 each year is for a grant to
10.12 Summit Academy OIC to expand its
10.13 contextualized GED and employment
10.14 placement program and STEM program. This
10.15 is a onetime appropriation.
- 10.16 (h) \$485,000 the first year is for a grant to
10.17 Lifetrack, a St. Paul nonprofit organization,
10.18 for building maintenance. This appropriation
10.19 is available until June 30, 2023.
- 10.20 (i) \$23,009,000 the first year is for:
- 10.21 (1) distribution to existing nonprofit and state
10.22 displaced homemaker programs under
10.23 Minnesota Statutes, section 116L.96;
- 10.24 (2) the special education employment pilot
10.25 project;
- 10.26 (3) a grant to Fathers Rise Together to study
10.27 the creation of a Duluth-Iron Range African
10.28 heritage hub;
- 10.29 (4) a grant to Hennepin County for the Cedar
10.30 Riverside Partnership;
- 10.31 (5) a grant to Youthprise to give grants
10.32 through a competitive process to community
10.33 organizations to provide economic

- 11.1 development services designed to enhance
11.2 long-term economic self-sufficiency in
11.3 communities with concentrated east African
11.4 populations;
- 11.5 (6) a grant to Goodwill-Easter Seals Minnesota
11.6 and its partners for the FATHER Project;
- 11.7 (7) competitive grants to eligible nonprofit
11.8 minority business development organizations
11.9 for statewide business development and
11.10 assistance services to minority-owned
11.11 businesses, including the creation of revolving
11.12 loan funds and operating support for the
11.13 organizations providing the services;
- 11.14 (8) a grant to Lifetrack for job training and
11.15 employment preparation for at-risk adults;
- 11.16 (9) a grant to the YWCA of Minneapolis to
11.17 provide economically challenged individuals
11.18 the job skills training, career counseling, and
11.19 job placement assistance necessary to secure
11.20 a child development associate credential and
11.21 to have a career path in early childhood
11.22 education;
- 11.23 (10) a grant to YWCA St. Paul to provide
11.24 low-income workers and workers from
11.25 communities of color with comprehensive
11.26 workforce development programs and services
11.27 including training, education, workforce
11.28 readiness, job coaching and support, job
11.29 placement, and post-placement support
11.30 services;
- 11.31 (11) the pathways to prosperity grant program
11.32 under Minnesota Statutes, section 116L.25;
- 11.33 (12) a grant to Better Futures Minnesota to
11.34 provide job skills training to individuals who

- 12.1 have been released from incarceration for a
12.2 felony-level offense and are no more than 12
12.3 months from the date of release; and
12.4 (13) a grant to the Hmong American
12.5 Partnership, in collaboration with community
12.6 partners, for services targeting Minnesota
12.7 communities with the highest concentrations
12.8 of Southeast Asian joblessness, based on the
12.9 most recent census tract data, to provide
12.10 employment readiness training, credentialed
12.11 training placement, job placement and
12.12 retention services, supportive services for
12.13 hard-to-employ individuals, and a general
12.14 education development fast track and adult
12.15 diploma program.
- 12.16 The commissioner has discretion to allocate
12.17 this appropriation among the listed programs
12.18 and grantees, including awarding zero funds
12.19 to a listed program or grantee. The
12.20 commissioner has discretion to stipulate
12.21 reasonable terms for individual programs and
12.22 grants. Of these amounts, up to four percent
12.23 is for administration and monitoring of the
12.24 funded programs. This is a onetime
12.25 appropriation and funds are available until
12.26 June 30, 2021.
- 12.27 (j) \$100,000 the first year is from the
12.28 workforce development fund for a grant to the
12.29 Cook County Higher Education Board to
12.30 provide educational programming and
12.31 academic support services to remote regions
12.32 in northeastern Minnesota. This appropriation
12.33 is in addition to other funds previously
12.34 appropriated to the board.

- 13.1 (k) \$500,000 each year is from the workforce
13.2 development fund for the Nonprofits
13.3 Assistance Fund to make grants for
13.4 infrastructure support to small nonprofit
13.5 organizations that serve historically
13.6 underserved cultural communities.
- 13.7 (l) \$250,000 each year is from the workforce
13.8 development fund for a grant to the American
13.9 Indian Opportunities and Industrialization
13.10 Center, in collaboration with the Northwest
13.11 Indian Community Development Center, to
13.12 reduce academic disparities for American
13.13 Indian students and adults. This is a onetime
13.14 appropriation. The grant funds may be used
13.15 to provide:
- 13.16 (1) student tutoring and testing support
13.17 services;
- 13.18 (2) training and employment placement in
13.19 information technology;
- 13.20 (3) training and employment placement within
13.21 trades;
- 13.22 (4) assistance in obtaining a GED;
- 13.23 (5) remedial training leading to enrollment
13.24 and to sustain enrollment in a postsecondary
13.25 higher education institution;
- 13.26 (6) real-time work experience in information
13.27 technology fields and in the trades;
- 13.28 (7) contextualized adult basic education;
- 13.29 (8) career and educational counseling for
13.30 clients with significant and multiple barriers;
13.31 and;
- 13.32 (9) reentry services and counseling for adults
13.33 and youth.

- 14.1 After notification to the legislature, the
14.2 commissioner may transfer this appropriation
14.3 to the commissioner of education.
- 14.4 (m) \$350,000 each year is from the workforce
14.5 development fund for a grant to the
14.6 International Institute of Minnesota. Grant
14.7 funds must be used for workforce training for
14.8 New Americans in industries in need of trained
14.9 workforce. This is a onetime appropriation.
- 14.10 (n) \$100,000 the first year is from the
14.11 workforce development fund for preparing a
14.12 plan to address barriers to employment for
14.13 persons with mental illness.
- 14.14 (o) \$11,489,000 the first year and \$11,488,000
14.15 the second year are from the workforce
14.16 development fund for:
- 14.17 (1) a grant to Minnesota Diversified Industries,
14.18 Inc., to provide progressive development and
14.19 employment opportunities for persons with
14.20 disabilities;
- 14.21 (2) the getting to work grant program under
14.22 Minnesota Statutes, section 116J.545;
- 14.23 (3) a grant to the Minnesota High Tech
14.24 Association to support SciTechsperience;
- 14.25 (4) the Opportunities Industrialization Center
14.26 programs;
- 14.27 (5) rural career counseling coordinator
14.28 positions in the workforce service areas and
14.29 for the purposes specified in Minnesota
14.30 Statutes, section 116L.667;
- 14.31 (6) grants to community-based organizations
14.32 serving Somali youth for youth development,

- 15.1 community engagement, legal services, and
15.2 capacity building;
- 15.3 (7) a grant to EMERGE Community
15.4 Development, in collaboration with
15.5 community partners, for services targeting
15.6 communities with the highest concentrations
15.7 of African and African American joblessness,
15.8 based on the most recent census tract data, to
15.9 provide employment readiness training,
15.10 credentialed training placement, job placement
15.11 and retention services, supportive services for
15.12 hard-to-employ individuals, and a general
15.13 education development fast track and adult
15.14 diploma program;
- 15.15 (8) a grant to the Minneapolis Foundation for
15.16 a strategic intervention program designed to
15.17 target and connect program participants to
15.18 meaningful, sustainable living-wage
15.19 employment;
- 15.20 (9) a grant to the Construction Careers
15.21 Foundation for the construction career
15.22 pathway initiative to provide year-round
15.23 educational and experiential learning
15.24 opportunities for teens and young adults under
15.25 the age of 21 that lead to careers in the
15.26 construction industry;
- 15.27 (10) the pathways to prosperity grant program
15.28 under Minnesota Statutes, section 116L.25;
- 15.29 (11) a grant to Latino Communities United in
15.30 Service (CLUES) for programs that address
15.31 employment and education skill gaps for
15.32 working parents and underserved youth by
15.33 providing new job skills training to stimulate
15.34 higher wages for low-income people, family

16.1 support systems designed to reduce
16.2 intergenerational poverty, and youth
16.3 programming to promote educational
16.4 advancement and career pathways in
16.5 high-demand fields, including information
16.6 technology;

16.7 (12) performance grants under Minnesota
16.8 Statutes, section 116J.8747, to Twin Cities
16.9 R!SE to provide training for hard-to-train
16.10 individuals;

16.11 (13) a grant to Bridges to Healthcare to
16.12 provide career education, wraparound support
16.13 services, and job skills training in
16.14 high-demand health care fields to low-income
16.15 parents, nonnative speakers of English, and
16.16 other hard-to-train individuals;

16.17 (14) a grant to Avivo to provide low-income
16.18 individuals with career education and job skills
16.19 training that are fully integrated with chemical
16.20 and mental health services; and

16.21 (15) a grant to Better Futures Minnesota to
16.22 provide job skills training to individuals who
16.23 have been released from incarceration for a
16.24 felony-level offense and are no more than 12
16.25 months from the date of release.

16.26 The commissioner has discretion to allocate
16.27 this appropriation among the listed programs
16.28 and grantees, including awarding zero funds
16.29 to a listed program or grantee. The
16.30 commissioner has discretion to stipulate
16.31 reasonable terms for individual programs and
16.32 grants. Of these amounts, up to four percent
16.33 is for administration and monitoring of the
16.34 funded programs. This is a onetime

- 17.1 appropriation and funds are available until
17.2 June 30, 2022.
- 17.3 (p) \$1,000,000 each year is for a competitive
17.4 grant program to provide grants to
17.5 organizations that provide support services for
17.6 individuals, such as job training, employment
17.7 preparation, internships, job assistance to
17.8 parents, financial literacy, academic and
17.9 behavioral interventions for low-performing
17.10 students, and youth intervention. Grants made
17.11 under this section must focus on low-income
17.12 communities, young adults from families with
17.13 a history of intergenerational poverty, and
17.14 communities of color. Of this amount, up to
17.15 four percent is for administration and
17.16 monitoring of the program.
- 17.17 (q) \$1,000,000 each year is for a grant to
17.18 Ujamaa Place for job training, employment
17.19 preparation, internships, education, training
17.20 in vocational trades, housing, and
17.21 organizational capacity building. This is a
17.22 onetime appropriation.
- 17.23 (r) \$750,000 each year is from the general fund
17.24 and \$8,398,000 each year is from the
17.25 workforce development fund for:
- 17.26 (1) the youth-at-work grant program under
17.27 Minnesota Statutes, section 116L.562;
- 17.28 (2) the youthbuild program under Minnesota
17.29 Statutes, sections 116L.361 to 116L.366;
- 17.30 (3) the Minnesota youth program under
17.31 Minnesota Statutes, sections 116L.56 and
17.32 116L.561;
- 17.33 (4) a grant to Big Brothers, Big Sisters of the
17.34 Greater Twin Cities for workforce readiness,

18.1 employment exploration, and skills
 18.2 development for youth ages 12 to 21; and
 18.3 (5) a grant to the Minnesota Alliance of Boys
 18.4 and Girls Clubs to administer a statewide
 18.5 project of youth job skills and career
 18.6 development.
 18.7 The commissioner has discretion to allocate
 18.8 these appropriations among the listed
 18.9 programs and grantees, including awarding
 18.10 zero funds to a listed program or grantee. The
 18.11 commissioner has discretion to stipulate
 18.12 reasonable terms for individual programs and
 18.13 grants. Of these amounts, up to four percent
 18.14 is for administration and monitoring of the
 18.15 funded programs. This is a onetime
 18.16 appropriation and funds are available until
 18.17 June 30, 2021.

18.18 **Subd. 4. General Support Services** 4,726,000 4,726,000

<u>Appropriations by Fund</u>			
18.19 <u>General Fund</u>	<u>4,671,000</u>	<u>4,671,000</u>	
18.20 <u>Workforce</u>			
18.21 <u>Development</u>	<u>55,000</u>	<u>55,000</u>	

18.23 (a) \$250,000 each year is for the publication,
 18.24 dissemination, and use of labor market
 18.25 information under Minnesota Statutes, section
 18.26 116J.401.

18.27 (b) \$1,269,000 each year is for transfer to the
 18.28 Minnesota Housing Finance Agency for
 18.29 operating the Olmstead Compliance Office.

18.30 (c) \$500,000 each year is for the
 18.31 capacity-building grant program to assist
 18.32 nonprofit organizations offering or seeking to
 18.33 offer workforce development and economic
 18.34 development programming.

19.1	<u>Subd. 5. Minnesota Trade Office</u>		<u>2,292,000</u>	<u>2,292,000</u>
19.2	<u>(a) \$300,000 each year is for the STEP grants</u>			
19.3	<u>in Minnesota Statutes, section 116J.979.</u>			
19.4	<u>(b) \$180,000 each year is for the Invest</u>			
19.5	<u>Minnesota marketing initiative in Minnesota</u>			
19.6	<u>Statutes, section 116J.9781.</u>			
19.7	<u>(c) \$270,000 each year is for the Minnesota</u>			
19.8	<u>Trade Offices under Minnesota Statutes,</u>			
19.9	<u>section 116J.978.</u>			
19.10	<u>(d) \$50,000 each year is for the Trade Policy</u>			
19.11	<u>Advisory Council under Minnesota Statutes,</u>			
19.12	<u>section 116J.9661.</u>			
19.13	<u>Subd. 6. Vocational Rehabilitation</u>		<u>37,941,000</u>	<u>37,941,000</u>
19.14	<u>Appropriations by Fund</u>			
19.15	<u>General</u>	<u>30,111,000</u>		<u>30,111,000</u>
19.16	<u>Workforce</u>			
19.17	<u>Development</u>	<u>7,830,000</u>		<u>7,830,000</u>
19.18	<u>(a) \$14,800,000 each year is for the state's</u>			
19.19	<u>vocational rehabilitation program under</u>			
19.20	<u>Minnesota Statutes, chapter 268A.</u>			
19.21	<u>(b) \$8,995,000 each year from the general fund</u>			
19.22	<u>and \$6,830,000 each year from the workforce</u>			
19.23	<u>development fund is for extended employment</u>			
19.24	<u>services for persons with severe disabilities</u>			
19.25	<u>under Minnesota Statutes, section 268A.15.</u>			
19.26	<u>Of the general fund amount appropriated,</u>			
19.27	<u>\$2,000,000 each year is for rate increases to</u>			
19.28	<u>providers of extended employment services</u>			
19.29	<u>for persons with severe disabilities under</u>			
19.30	<u>Minnesota Statutes, section 268A.15.</u>			
19.31	<u>(c) \$2,555,000 each year is for grants to</u>			
19.32	<u>programs that provide employment support</u>			
19.33	<u>services to persons with mental illness under</u>			

20.1 Minnesota Statutes, sections 268A.13 and
20.2 268A.14.

20.3 (d) \$3,761,000 each year is for grants to
20.4 centers for independent living under
20.5 Minnesota Statutes, section 268A.11. Of these
20.6 amounts, at least \$1,000,000 each year must
20.7 be used for providing services to veterans.

20.8 (e) \$1,000,000 each year is from the workforce
20.9 development fund for grants under Minnesota
20.10 Statutes, section 268A.16, for employment
20.11 services for persons, including transition-age
20.12 youth, who are deaf, deafblind, or
20.13 hard-of-hearing. If the amount in the first year
20.14 is insufficient, the amount in the second year
20.15 is available in the first year.

20.16 **Subd. 7. Services for the Blind** 6,425,000 6,425,000

20.17 Of this amount, \$500,000 each year is for
20.18 senior citizens who are becoming blind. At
20.19 least one-half of the funds for this purpose
20.20 must be used to provide training services for
20.21 seniors who are becoming blind. Training
20.22 services must provide independent living skills
20.23 to seniors who are becoming blind to allow
20.24 them to continue to live independently in their
20.25 homes.

20.26 **Subd. 8. Paid Family and Medical Leave** 10,549,000 21,975,000

20.27 (a) \$10,549,000 the first year and \$21,442,000
20.28 the second year are for the purposes of
20.29 Minnesota Statutes, chapter 268B.
20.30 Unexpended funds appropriated in the first
20.31 year are available in the second year. In fiscal
20.32 year 2022, the base amount is \$16,096,000;
20.33 in fiscal year 2023, the base amount is
20.34 \$15,181,000; in fiscal year 2024, the base

21.1 amount is \$11,520,000; and in fiscal year 2025
 21.2 and beyond, the base amount is \$0.

21.3 (b) \$533,000 the second year is for the purpose
 21.4 of outreach, education, and technical
 21.5 assistance for employees and employers
 21.6 regarding Minnesota Statutes, chapter 268B.
 21.7 Of the amount appropriated, at least one-half
 21.8 must be used for grants to community-based
 21.9 groups providing outreach, education, and
 21.10 technical assistance for employees, employers,
 21.11 and self-employed individuals regarding
 21.12 Minnesota Statutes, chapter 268B. This
 21.13 outreach must include efforts to notify
 21.14 self-employed individuals of their ability to
 21.15 elect coverage under Minnesota Statutes,
 21.16 section 268B.11, and provide them with
 21.17 technical assistance in doing so. This is a
 21.18 onetime appropriation.

21.19 **Subd. 9. Dairy Assistance** 10,000,000 -0-

21.20 \$10,000,000 the first year is for transfer to the
 21.21 commissioner of agriculture to award need
 21.22 based grants to Minnesota dairy producers
 21.23 who milk herds of no more than 750 cows for
 21.24 buy-in to the federal Dairy Margin Coverage
 21.25 Program. The commissioner of agriculture
 21.26 must develop eligibility criteria in consultation
 21.27 with the chairs and ranking minority members
 21.28 of the legislative committees with jurisdiction
 21.29 over agriculture finance.

21.30 **Sec. 3. DEPARTMENT OF LABOR AND**
 21.31 **INDUSTRY**

21.32 **Subdivision 1. Total Appropriation** **\$ 36,178,000** **\$ 34,532,000**

21.33 Appropriations by Fund

21.34	<u>2020</u>	<u>2021</u>
21.35	<u>General</u>	<u>8,556,000</u> <u>9,910,000</u>

22.1	<u>Workers'</u>		
22.2	<u>Compensation</u>	<u>25,088,000</u>	<u>22,088,000</u>
22.3	<u>Workforce</u>		
22.4	<u>Development</u>	<u>2,534,000</u>	<u>2,534,000</u>

22.5 The amounts that may be spent for each
 22.6 purpose are specified in the following
 22.7 subdivisions.

22.8	<u>Subd. 2. General Support</u>	<u>8,039,000</u>	<u>8,339,000</u>
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22.9	<u>Appropriations by Fund</u>		
22.10	<u>General</u>	<u>1,250,000</u>	<u>1,550,000</u>
22.11	<u>Workers'</u>		
22.12	<u>Compensation</u>	<u>6,039,000</u>	<u>6,039,000</u>
22.13	<u>Workforce</u>		
22.14	<u>Development Fund</u>	<u>750,000</u>	<u>750,000</u>

22.15 (a) Except as provided in paragraphs (b) and
 22.16 (c), this appropriation is from the workers'
 22.17 compensation fund.

22.18 (b) \$1,250,000 the first year and \$1,550,000
 22.19 the second year are from the general fund for
 22.20 system upgrades. This is a onetime
 22.21 appropriation and funds are available until
 22.22 June 30, 2023. This appropriation includes
 22.23 funds for information technology project
 22.24 services and support subject to Minnesota
 22.25 Statutes, section 16E.0466. Any ongoing
 22.26 information technology costs must be
 22.27 incorporated into the service level agreement
 22.28 and must be paid to the Office of MN.IT
 22.29 Services by the commissioner of labor and
 22.30 industry under the rates and mechanism
 22.31 specified in that agreement.

22.32 (c) \$750,000 each year is from the workforce
 22.33 development fund to administer the youth
 22.34 skills training program and make grant awards
 22.35 under Minnesota Statutes, section 175.46.

22.36	<u>Subd. 3. Labor Standards and Apprenticeship</u>	<u>9,090,000</u>	<u>10,144,000</u>
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- 23.1 Appropriations by Fund
- | | | | |
|------|--------------------|------------------|------------------|
| 23.2 | <u>General</u> | <u>7,306,000</u> | <u>8,360,000</u> |
| 23.3 | <u>Workforce</u> | | |
| 23.4 | <u>Development</u> | <u>1,784,000</u> | <u>1,784,000</u> |
- 23.5 (a) \$1,546,000 each year is for wage theft
- 23.6 prevention.
- 23.7 (b) \$3,866,000 the first year and \$4,072,000
- 23.8 the second year are for enforcement and other
- 23.9 duties regarding earned sick and safe time
- 23.10 under Minnesota Statutes, section 181.9445
- 23.11 and chapter 177. In fiscal years 2022 and
- 23.12 beyond, the base appropriation is \$3,770,000.
- 23.13 (c) \$214,000 the first year and \$377,000 the
- 23.14 second year are for the purpose of outreach,
- 23.15 education, and technical assistance for
- 23.16 employees, employers, and self-employed
- 23.17 individuals regarding Minnesota Statutes,
- 23.18 chapter 268B. This outreach must include
- 23.19 efforts to notify self-employed individuals of
- 23.20 their ability to elect coverage under Minnesota
- 23.21 Statutes, section 268B.11, and provide them
- 23.22 with technical assistance in doing so.
- 23.23 Unexpended amounts appropriated the first
- 23.24 year are available in the second year. This is
- 23.25 a onetime appropriation.
- 23.26 (d) \$382,000 the first year and \$1,101,000 the
- 23.27 second year are for enforcement duties and
- 23.28 related administration under Minnesota
- 23.29 Statutes, chapter 268B. This is a onetime
- 23.30 appropriation.
- 23.31 (e) \$151,000 each year is from the workforce
- 23.32 development fund for prevailing wage
- 23.33 enforcement.
- 23.34 (f) \$1,133,000 each year is from the workforce
- 23.35 development fund for the apprenticeship

24.1 program under Minnesota Statutes, chapter
24.2 178.

24.3 (g) \$100,000 each year is from the workforce
24.4 development fund for labor education and
24.5 advancement program grants under Minnesota
24.6 Statutes, section 178.11, to expand and
24.7 promote registered apprenticeship training for
24.8 minorities and women.

24.9 (h)(1) \$400,000 each year is from the
24.10 workforce development fund for grants to the
24.11 Construction Careers Foundation for the
24.12 Helmets to Hardhats Minnesota initiative.
24.13 Grant funds must be used to recruit, retain,
24.14 assist, and support National Guard, reserve,
24.15 and active duty military members' and
24.16 veterans' participation into apprenticeship
24.17 programs registered with the Department of
24.18 Labor and Industry and connect them with
24.19 career training and employment in the building
24.20 and construction industry. The recruitment,
24.21 selection, employment, and training must be
24.22 without discrimination due to race, color,
24.23 creed, religion, national origin, sex, sexual
24.24 orientation, marital status, physical or mental
24.25 disability, receipt of public assistance, or age.

24.26 (2) Construction Careers Foundation must
24.27 report to the commissioner and the chairs and
24.28 ranking minority members of the house of
24.29 representatives and senate committees
24.30 overseeing labor and industry policy and
24.31 finance and veterans affairs policy and finance
24.32 by January 15 of each year on the Helmets to
24.33 Hardhats program. The report must include
24.34 an overview of the program's budget, a
24.35 detailed explanation of program expenditures,

25.1	<u>the number of veterans and service members</u>		
25.2	<u>served by the program, a list and explanation</u>		
25.3	<u>of the services provided to program</u>		
25.4	<u>participants, details of the positions program</u>		
25.5	<u>participants assumed, the number of</u>		
25.6	<u>participants placed in union jobs, and the</u>		
25.7	<u>number of participants placed in nonunion</u>		
25.8	<u>jobs.</u>		
25.9	<u>Subd. 4. Workers' Compensation</u>	<u>14,882,000</u>	<u>11,882,000</u>
25.10	<u>\$3,000,000 the first year is from the workers'</u>		
25.11	<u>compensation fund for workers' compensation</u>		
25.12	<u>system upgrades. This amount is available</u>		
25.13	<u>until June 30, 2023. This is a onetime</u>		
25.14	<u>appropriation.</u>		
25.15	<u>This appropriation includes funds for</u>		
25.16	<u>information technology project services and</u>		
25.17	<u>support subject to the provisions of Minnesota</u>		
25.18	<u>Statutes, section 16E.0466. Any ongoing</u>		
25.19	<u>information technology costs must be</u>		
25.20	<u>incorporated into the service level agreement</u>		
25.21	<u>and must be paid to the Office of MN.IT</u>		
25.22	<u>Services by the commissioner of labor and</u>		
25.23	<u>industry under the rates and mechanism</u>		
25.24	<u>specified in that agreement.</u>		
25.25	<u>Subd. 5. Workplace Safety</u>	<u>4,167,000</u>	<u>4,167,000</u>
25.26	<u>This appropriation is from the workers'</u>		
25.27	<u>compensation fund.</u>		
25.28	<u>Sec. 4. WORKERS' COMPENSATION COURT</u>		
25.29	<u>OF APPEALS</u> \$	<u>2,222,000</u> \$	<u>2,283,000</u>
25.30	<u>This appropriation is from the workers'</u>		
25.31	<u>compensation fund.</u>		
25.32	<u>Sec. 5. BUREAU OF MEDIATION SERVICES</u> \$	<u>3,076,000</u> \$	<u>3,076,000</u>

26.1 (a) \$560,000 each year is for purposes of the
 26.2 Public Employment Relations Board under
 26.3 Minnesota Statutes, section 179A.041.

26.4 (b) \$68,000 each year is from the general fund
 26.5 for grants to area labor management
 26.6 committees. Grants may be awarded for a
 26.7 12-month period beginning July 1 each year.
 26.8 Any unencumbered balance remaining at the
 26.9 end of the first year does not cancel but is
 26.10 available for the second year.

26.11 (c) \$394,000 each year is for the Office of
 26.12 Collaboration and Dispute Resolution under
 26.13 Minnesota Statutes, section 179.90. Of this
 26.14 amount, \$160,000 each year is for grants under
 26.15 Minnesota Statutes, section 179.91.

26.16 **Sec. 6. DEPARTMENT OF COMMERCE**

26.17	Subdivision 1. <u>Total Appropriation</u>	\$	<u>25,323,000</u>	\$	<u>24,795,000</u>
26.18	<u>Appropriations by Fund</u>				
26.19	<u>General</u>		<u>22,955,000</u>		<u>22,426,000</u>
26.20	<u>Special Revenue</u>		<u>1,610,000</u>		<u>1,610,000</u>
26.21	<u>Workers'</u>				
26.22	<u>Compensation</u>		<u>758,000</u>		<u>759,000</u>

26.23 The amounts that may be spent for each
 26.24 purpose are specified in the following
 26.25 subdivisions.

26.26	Subd. 2. <u>Financial Institutions</u>		<u>1,031,000</u>		<u>1,036,000</u>
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26.27 (a) \$400,000 each year is for a grant to Prepare
 26.28 and Prosper to develop, market, evaluate, and
 26.29 distribute a financial services inclusion
 26.30 program that (1) assists low-income and
 26.31 financially underserved populations to build
 26.32 savings and strengthen credit, and (2) provides
 26.33 services to assist low-income and financially
 26.34 underserved populations to become more

27.1 financially stable and secure. Grants must be
 27.2 matched by nonstate contributions. Money
 27.3 remaining after the first year is available for
 27.4 the second year.

27.5 (b) \$100,000 each year is for a grant to Exodus
 27.6 Lending to assist individuals in reaching
 27.7 financial stability and resolving payday loans.
 27.8 This is a onetime appropriation and funds are
 27.9 available until June 30, 2022.

27.10 (c) \$200,000 each year is to administer the
 27.11 requirements of Minnesota Statutes, chapter
 27.12 58B. This is a onetime appropriation.

27.13	<u>Subd. 3. Administrative Services</u>	<u>9,645,000</u>	<u>8,955,000</u>
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27.14 (a) \$384,000 each year is for additional
 27.15 compliance efforts with unclaimed property.
 27.16 The commissioner may issue contracts for
 27.17 these services.

27.18 (b) \$100,000 each year is for the support of
 27.19 broadband development.

27.20 (c) \$33,000 each year is for rulemaking and
 27.21 administration under Minnesota Statutes,
 27.22 section 80A.461.

27.23 (d) \$960,000 the first year is to pay the award
 27.24 in the SafeLite Group, Inc., litigation.

27.25	<u>Subd. 4. Telecommunications</u>	<u>2,647,000</u>	<u>2,657,000</u>
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27.26	<u>Appropriations by Fund</u>		
27.27	<u>General</u>	<u>1,037,000</u>	<u>1,047,000</u>
27.28	<u>Special Revenue</u>	<u>1,610,000</u>	<u>1,610,000</u>

27.29 \$1,610,000 each year is from the
 27.30 telecommunication access Minnesota fund
 27.31 account in the special revenue fund for the
 27.32 following transfers. This appropriation is
 27.33 added to the department's base:

28.1 (1) \$1,170,000 each year is to the
 28.2 commissioner of human services to
 28.3 supplement the ongoing operational expenses
 28.4 of the Commission of the Deaf, DeafBlind and
 28.5 Hard of Hearing;

28.6 (2) \$290,000 each year is to the chief
 28.7 information officer for the purpose of
 28.8 coordinating technology accessibility and
 28.9 usability;

28.10 (3) \$100,000 each year is to the Legislative
 28.11 Coordinating Commission for captioning of
 28.12 legislative coverage. This transfer is subject
 28.13 to Minnesota Statutes, section 16A.281; and

28.14 (4) \$50,000 each year is to the Office of
 28.15 MN.IT Services for a consolidated access fund
 28.16 to provide grants to other state agencies related
 28.17 to accessibility of their web-based services.

28.18 **Subd. 5. Enforcement** 6,417,000 6,507,000

28.19	<u>Appropriations by Fund</u>		
28.20	<u>General</u>	<u>6,217,000</u>	<u>6,307,000</u>
28.21	<u>Workers'</u>		
28.22	<u>Compensation</u>	<u>200,000</u>	<u>200,000</u>

28.23 (a) \$279,000 each year is for health care
 28.24 enforcement.

28.25 (b) \$250,000 each year is for a statewide
 28.26 education and outreach campaign to protect
 28.27 seniors, meaning those 60 years of age or
 28.28 older, vulnerable adults, as defined in
 28.29 Minnesota Statutes, section 626.5572,
 28.30 subdivision 21, and their caregivers from
 28.31 financial fraud and exploitation. The education
 28.32 and outreach campaign must include but is not
 28.33 limited to the dissemination of information
 28.34 through television, print, or other media,

29.1	<u>training and outreach to senior living facilities,</u>		
29.2	<u>and the creation of a senior fraud toolkit. This</u>		
29.3	<u>is a onetime appropriation.</u>		
29.4	<u>Subd. 6. Insurance</u>	<u>5,583,000</u>	<u>5,640,000</u>
29.5	<u>Appropriations by Fund</u>		
29.6	<u>General</u>	<u>5,025,000</u>	<u>5,081,000</u>
29.7	<u>Workers'</u>		
29.8	<u>Compensation</u>	<u>558,000</u>	<u>559,000</u>
29.9	<u>(a) \$642,000 each year is for health insurance</u>		
29.10	<u>rate review staffing.</u>		
29.11	<u>(b) \$412,000 each year is for actuarial work</u>		
29.12	<u>to prepare for implementation of</u>		
29.13	<u>principle-based reserves.</u>		
29.14	<u>Sec. 7. HUMAN SERVICES DEPARTMENT</u>	<u>\$ 501,000</u>	<u>\$ 173,000</u>
29.15	<u>\$501,000 the first year and \$173,000 the</u>		
29.16	<u>second year are for IT systems costs associated</u>		
29.17	<u>with paid family and medical leave under</u>		
29.18	<u>Minnesota Statutes, chapter 268B. In fiscal</u>		
29.19	<u>year 2022 and beyond, the base amount is</u>		
29.20	<u>\$115,000.</u>		
29.21	<u>Sec. 8. MINNESOTA MANAGEMENT AND</u>		
29.22	<u>BUDGET</u>	<u>\$ 51,000</u>	<u>\$ 106,000</u>
29.23	<u>(a) \$29,000 the first year and \$13,000 the</u>		
29.24	<u>second year are for implementation and costs</u>		
29.25	<u>associated with paid family and medical leave</u>		
29.26	<u>under Minnesota Statutes, chapter 268B.</u>		
29.27	<u>(b) \$22,000 the first year and \$93,000 the</u>		
29.28	<u>second year are for costs associated with</u>		
29.29	<u>earned sick and safe time under Minnesota</u>		
29.30	<u>Statutes, section 181.9445.</u>		
29.31	<u>Sec. 9. REVENUE DEPARTMENT</u>	<u>\$ -0-</u>	<u>\$ 91,000</u>
29.32	<u>\$91,000 the second year is for implementation</u>		
29.33	<u>and costs associated with paid family and</u>		

30.1 medical leave under Minnesota Statutes,
 30.2 chapter 268B. In fiscal year 2022, the base
 30.3 amount is \$149,000 and in fiscal year 2023
 30.4 and beyond, the base amount is \$117,000.

30.5 Sec. 10. SUPREME COURT \$ -0- \$ 15,000

30.6 \$15,000 the second year is for responsibilities
 30.7 related to Minnesota Statutes, chapter 268B.
 30.8 In fiscal year 2022, the base amount is \$0 and
 30.9 in fiscal year 2023 and beyond, the base
 30.10 amount is \$3,433,000.

30.11 Sec. 11. ATTORNEY GENERAL \$ 654,000 \$ 654,000

30.12 \$654,000 each year is for wage theft
 30.13 prevention.

30.14 **ARTICLE 2**

30.15 **FAMILY AND MEDICAL BENEFITS**

30.16 Section 1. Minnesota Statutes 2018, section 13.719, is amended by adding a subdivision
 30.17 to read:

30.18 Subd. 7. **Family and medical insurance data.** (a) For the purposes of this subdivision,
 30.19 the terms used have the meanings given them in section 268B.01.

30.20 (b) Data on applicants, family members, or employers under chapter 268B are private
 30.21 or nonpublic data, provided that the department may share data collected from applicants
 30.22 with employers or health care providers to the extent necessary to meet the requirements
 30.23 of chapter 268B or other applicable law.

30.24 (c) The department and the Department of Labor and Industry may share data classified
 30.25 under paragraph (b) to the extent necessary to meet the requirements of chapter 268B or
 30.26 the Department of Labor and Industry's enforcement authority over chapter 268B, as provided
 30.27 in section 177.27.

30.28 Sec. 2. Minnesota Statutes 2018, section 177.27, subdivision 4, is amended to read:

30.29 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an
 30.30 employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032,
 30.31 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275,

31.1 subdivision 2a, 181.722, 181.79, ~~and~~ 181.939 to 181.943, 268B.09, subdivisions 1 to 6, and
31.2 268B.12, subdivision 2, or with any rule promulgated under section 177.28. The
31.3 commissioner shall issue an order requiring an employer to comply with sections 177.41
31.4 to 177.435 if the violation is repeated. For purposes of this subdivision only, a violation is
31.5 repeated if at any time during the two years that preceded the date of violation, the
31.6 commissioner issued an order to the employer for violation of sections 177.41 to 177.435
31.7 and the order is final or the commissioner and the employer have entered into a settlement
31.8 agreement that required the employer to pay back wages that were required by sections
31.9 177.41 to 177.435. The department shall serve the order upon the employer or the employer's
31.10 authorized representative in person or by certified mail at the employer's place of business.
31.11 An employer who wishes to contest the order must file written notice of objection to the
31.12 order with the commissioner within 15 calendar days after being served with the order. A
31.13 contested case proceeding must then be held in accordance with sections 14.57 to 14.69.
31.14 If, within 15 calendar days after being served with the order, the employer fails to file a
31.15 written notice of objection with the commissioner, the order becomes a final order of the
31.16 commissioner.

31.17 Sec. 3. Minnesota Statutes 2018, section 181.032, is amended to read:

31.18 **181.032 REQUIRED STATEMENT OF EARNINGS BY EMPLOYER.**

31.19 (a) At the end of each pay period, the employer shall provide each employee an earnings
31.20 statement, either in writing or by electronic means, covering that pay period. An employer
31.21 who chooses to provide an earnings statement by electronic means must provide employee
31.22 access to an employer-owned computer during an employee's regular working hours to
31.23 review and print earnings statements, and must make statements available for review or
31.24 printing for a period of at least 12 months.

31.25 (b) The earnings statement may be in any form determined by the employer but must
31.26 include:

31.27 (1) the name of the employee;

31.28 (2) the hourly rate of pay (if applicable);

31.29 (3) the total number of hours worked by the employee unless exempt from chapter 177;

31.30 (4) the total amount of gross pay earned by the employee during that period;

31.31 (5) a list of deductions made from the employee's pay;

32.1 (6) any amount deducted by the employer under section 268B.12, subdivision 2, and
 32.2 the amount paid by the employer based on the employee's wages under section 268B.12,
 32.3 subdivision 1;

32.4 ~~(6)~~ (7) the net amount of pay after all deductions are made;

32.5 ~~(7)~~ (8) the date on which the pay period ends; and

32.6 ~~(8)~~ (9) the legal name of the employer and the operating name of the employer if different
 32.7 from the legal name.

32.8 (c) An employer must provide earnings statements to an employee in writing, rather
 32.9 than by electronic means, if the employer has received at least 24 hours notice from an
 32.10 employee that the employee would like to receive earnings statements in written form. Once
 32.11 an employer has received notice from an employee that the employee would like to receive
 32.12 earnings statements in written form, the employer must comply with that request on an
 32.13 ongoing basis.

32.14 Sec. 4. Minnesota Statutes 2018, section 268.19, subdivision 1, is amended to read:

32.15 Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from
 32.16 any person under the administration of the Minnesota Unemployment Insurance Law are
 32.17 private data on individuals or nonpublic data not on individuals as defined in section 13.02,
 32.18 subdivisions 9 and 12, and may not be disclosed except according to a district court order
 32.19 or section 13.05. A subpoena is not considered a district court order. These data may be
 32.20 disseminated to and used by the following agencies without the consent of the subject of
 32.21 the data:

32.22 (1) state and federal agencies specifically authorized access to the data by state or federal
 32.23 law;

32.24 (2) any agency of any other state or any federal agency charged with the administration
 32.25 of an unemployment insurance program;

32.26 (3) any agency responsible for the maintenance of a system of public employment offices
 32.27 for the purpose of assisting individuals in obtaining employment;

32.28 (4) the public authority responsible for child support in Minnesota or any other state in
 32.29 accordance with section 256.978;

32.30 (5) human rights agencies within Minnesota that have enforcement powers;

32.31 (6) the Department of Revenue to the extent necessary for its duties under Minnesota
 32.32 laws;

33.1 (7) public and private agencies responsible for administering publicly financed assistance
33.2 programs for the purpose of monitoring the eligibility of the program's recipients;

33.3 (8) the Department of Labor and Industry and the Commerce Fraud Bureau in the
33.4 Department of Commerce for uses consistent with the administration of their duties under
33.5 Minnesota law;

33.6 (9) the Department of Human Services and the Office of Inspector General and its agents
33.7 within the Department of Human Services, including county fraud investigators, for
33.8 investigations related to recipient or provider fraud and employees of providers when the
33.9 provider is suspected of committing public assistance fraud;

33.10 (10) local and state welfare agencies for monitoring the eligibility of the data subject
33.11 for assistance programs, or for any employment or training program administered by those
33.12 agencies, whether alone, in combination with another welfare agency, or in conjunction
33.13 with the department or to monitor and evaluate the statewide Minnesota family investment
33.14 program by providing data on recipients and former recipients of food stamps or food
33.15 support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under
33.16 chapter 119B, or medical programs under chapter 256B or 256L or formerly codified under
33.17 chapter 256D;

33.18 (11) local and state welfare agencies for the purpose of identifying employment, wages,
33.19 and other information to assist in the collection of an overpayment debt in an assistance
33.20 program;

33.21 (12) local, state, and federal law enforcement agencies for the purpose of ascertaining
33.22 the last known address and employment location of an individual who is the subject of a
33.23 criminal investigation;

33.24 (13) the United States Immigration and Customs Enforcement has access to data on
33.25 specific individuals and specific employers provided the specific individual or specific
33.26 employer is the subject of an investigation by that agency;

33.27 (14) the Department of Health for the purposes of epidemiologic investigations;

33.28 (15) the Department of Corrections for the purposes of case planning and internal research
33.29 for preprobation, probation, and postprobation employment tracking of offenders sentenced
33.30 to probation and preconfinement and postconfinement employment tracking of committed
33.31 offenders;

33.32 (16) the state auditor to the extent necessary to conduct audits of job opportunity building
33.33 zones as required under section 469.3201; ~~and~~

34.1 (17) the Office of Higher Education for purposes of supporting program improvement,
34.2 system evaluation, and research initiatives including the Statewide Longitudinal Education
34.3 Data System; and

34.4 (18) the Family and Medical Benefits Division of the Department of Employment and
34.5 Economic Development to be used as necessary to administer chapter 268B.

34.6 (b) Data on individuals and employers that are collected, maintained, or used by the
34.7 department in an investigation under section 268.182 are confidential as to data on individuals
34.8 and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3
34.9 and 13, and must not be disclosed except under statute or district court order or to a party
34.10 named in a criminal proceeding, administrative or judicial, for preparation of a defense.

34.11 (c) Data gathered by the department in the administration of the Minnesota unemployment
34.12 insurance program must not be made the subject or the basis for any suit in any civil
34.13 proceedings, administrative or judicial, unless the action is initiated by the department.

34.14 Sec. 5. [268B.01] DEFINITIONS.

34.15 Subdivision 1. **Scope.** For the purposes of this chapter, the terms defined in this section
34.16 have the meanings given them.

34.17 Subd. 2. **Account.** "Account" means the family and medical benefit insurance account
34.18 in the special revenue fund in the state treasury under section 268B.02.

34.19 Subd. 3. **Applicant.** "Applicant" means an individual applying for leave with benefits
34.20 under this chapter.

34.21 Subd. 4. **Applicant's average weekly wage.** "Applicant's average weekly wage" means
34.22 an amount equal to the applicant's high quarter wage credits divided by 13.

34.23 Subd. 5. **Benefit.** "Benefit" or "benefits" mean monetary payments under this chapter
34.24 associated with qualifying bonding, family care, pregnancy, serious health condition,
34.25 qualifying exigency, or safety leave events, unless otherwise indicated by context.

34.26 Subd. 6. **Benefit year.** "Benefit year" means a period of 52 consecutive calendar weeks
34.27 beginning on the first day of a leave approved for benefits under this chapter.

34.28 Subd. 7. **Bonding.** "Bonding" means time spent by an applicant who is a biological,
34.29 adoptive, or foster parent with a biological, adopted, or foster child in conjunction with the
34.30 child's birth, adoption, or placement.

34.31 Subd. 8. **Calendar day.** "Calendar day" or "day" means a fixed 24-hour period
34.32 corresponding to a single calendar date.

35.1 Subd. 9. **Calendar week.** "Calendar week" means a period of seven consecutive calendar
35.2 days.

35.3 Subd. 10. **Commissioner.** "Commissioner" means the commissioner of employment
35.4 and economic development, unless otherwise indicated by context.

35.5 Subd. 11. **Continuing treatment.** A serious health condition involving continuing
35.6 treatment by a health care provider includes any one or more of the following:

35.7 (1) a period of incapacity of more than three consecutive, full calendar days, and any
35.8 subsequent treatment or period of incapacity relating to the same condition, that also involves:

35.9 (i) treatment two or more times within 30 calendar days of the first day of incapacity,
35.10 unless extenuating circumstances exist, by a health care provider; or

35.11 (ii) treatment by a health care provider on at least one occasion that results in a regimen
35.12 of continuing treatment under the supervision of the health care provider;

35.13 (2) any period of incapacity or treatment for such incapacity due to a chronic serious
35.14 health condition. A chronic serious health condition is one that:

35.15 (i) requires periodic visits, defined as at least twice per year, for treatment for the
35.16 incapacity by a health care provider;

35.17 (ii) continues over an extended period of time, including recurring episodes of a single
35.18 underlying condition; and

35.19 (iii) may cause episodic rather than a continuing period of incapacity;

35.20 (3) a period of incapacity that is long-term due to a condition for which treatment may
35.21 not be effective, with the employee or family member under the supervision of, but not
35.22 necessarily receiving active treatment by a health care provider; and

35.23 (4) any period of absence to receive multiple treatments by a health care provider,
35.24 including any period of recovery therefrom, for:

35.25 (i) restorative surgery after an accident or other injury; or

35.26 (ii) a condition that would likely result in a period of incapacity of more than seven
35.27 consecutive, calendar days in the absence of medical intervention or treatment, such as
35.28 cancer, severe arthritis, or kidney disease.

35.29 Subd. 12. **Covered employment.** "Covered employment" has the meaning given in
35.30 section 268.035, subdivision 12.

35.31 Subd. 13. **Day.** "Day" means an eight-hour period.

36.1 Subd. 14. **Department.** "Department" means the Department of Employment and
36.2 Economic Development, unless otherwise indicated by context.

36.3 Subd. 15. **Employee.** "Employee" means an individual for whom premiums are paid on
36.4 wages under this chapter.

36.5 Subd. 16. **Employer.** "Employer" means a person or entity, other than an employee,
36.6 required to pay premiums under this chapter, except that a self-employed individual who
36.7 has elected and been approved for coverage under section 268B.11 is not considered an
36.8 employer with regard to the self-employed individual's own coverage and benefits.

36.9 Subd. 17. **Estimated self-employment income.** "Estimated self-employment income"
36.10 means a self-employed individual's average net earnings from self-employment in the two
36.11 most recent taxable years. For a self-employed individual who had net earnings from
36.12 self-employment in only one of the years, the individual's estimated self-employment income
36.13 equals the individual's net earnings from self-employment in the year in which the individual
36.14 had net earnings from self-employment.

36.15 Subd. 18. **Family benefit program.** "Family benefit program" means the program
36.16 administered under this chapter for the collection of premiums and payment of benefits
36.17 related to family care, bonding, safety leave, and leave related to a qualifying exigency.

36.18 Subd. 19. **Family care.** "Family care" means an applicant caring for a family member
36.19 with a serious health condition or caring for a family member who is a covered service
36.20 member.

36.21 Subd. 20. **Family member.** (a) "Family member" means an employee's child, adult
36.22 child, spouse, sibling, parent, parent-in-law, grandchild, grandparent, stepparent, member
36.23 of the employee's household, or an individual described in paragraph (e).

36.24 (b) For the purposes of this chapter, a child includes a stepchild, biological, adopted, or
36.25 foster child of the employee.

36.26 (c) For the purposes of this chapter, a grandchild includes a step-grandchild, biological,
36.27 adopted, or foster grandchild of the employee.

36.28 (d) For the purposes of this chapter, an individual is a member of the employee's
36.29 household if the individual has resided at the same address as the employee for at least one
36.30 year as of the first day of a leave under this chapter.

36.31 (e) For the purposes of this chapter, an individual with a serious health condition is
36.32 deemed a family member of the employee if (1) a health care provider certifies in writing
36.33 that the individual requires care relating to the serious health condition, and (2) the employee

37.1 and the care recipient certify in writing that the employee will be providing the required
37.2 care.

37.3 Subd. 21. **Health care provider.** "Health care provider" means an individual who is
37.4 licensed, certified, or otherwise authorized under law to practice in the individual's scope
37.5 of practice as a physician, osteopath, physician assistant, chiropractor, advanced practice
37.6 registered nurse, licensed psychologist, licensed independent clinical social worker, or
37.7 dentist. "Chiropractor" means only a chiropractor who provides manual manipulation of
37.8 the spine to correct a subluxation demonstrated to exist by an x-ray.

37.9 Subd. 22. **High quarter.** "High quarter" has the meaning given in section 268.035,
37.10 subdivision 19.

37.11 Subd. 23. **Independent contractor.** (a) If there is an existing specific test or definition
37.12 for independent contractor in Minnesota statute or rule applicable to an occupation or sector
37.13 as of the date of enactment of this chapter, that test or definition will apply to that occupation
37.14 or sector for purposes of this chapter. If there is not an existing test or definition as described,
37.15 the definition for independent contractor shall be as provided in this subdivision.

37.16 (b) An individual is an independent contractor and not an employee of the person for
37.17 whom the individual is performing services in the course of the person's trade, business,
37.18 profession, or occupation only if:

37.19 (1) the individual maintains a separate business with the individual's own office,
37.20 equipment, materials, and other facilities;

37.21 (2) the individual:

37.22 (i) holds or has applied for a federal employer identification number; or

37.23 (ii) has filed business or self-employment income tax returns with the federal Internal
37.24 Revenue Service if the individual has performed services in the previous year;

37.25 (3) the individual is operating under contract to perform the specific services for the
37.26 person for specific amounts of money and under which the individual controls the means
37.27 of performing the services;

37.28 (4) the individual is incurring the main expenses related to the services that the individual
37.29 is performing for the person under the contract;

37.30 (5) the individual is responsible for the satisfactory completion of the services that the
37.31 individual has contracted to perform for the person and is liable for a failure to complete
37.32 the services;

38.1 (6) the individual receives compensation from the person for the services performed
38.2 under the contract on a commission or per-job or competitive bid basis and not on any other
38.3 basis;

38.4 (7) the individual may realize a profit or suffer a loss under the contract to perform
38.5 services for the person;

38.6 (8) the individual has continuing or recurring business liabilities or obligations; and

38.7 (9) the success or failure of the individual's business depends on the relationship of
38.8 business receipts to expenditures.

38.9 (c) For the purposes of this chapter, an insurance producer, as defined in section 60K.31,
38.10 subdivision 6, is an independent contractor of an insurance company, as defined in section
38.11 60A.02, subdivision 4, unless the insurance producer and insurance company agree otherwise.

38.12 Subd. 24. **Inpatient care.** "Inpatient care" means an overnight stay in a hospital, hospice,
38.13 or residential medical care facility, including any period of incapacity defined under
38.14 subdivision 33, paragraph (b), or any subsequent treatment in connection with such inpatient
38.15 care.

38.16 Subd. 25. **Maximum weekly benefit amount.** "Maximum weekly benefit amount"
38.17 means the state's average weekly wage as calculated under section 268.035, subdivision 23.

38.18 Subd. 26. **Medical benefit program.** "Medical benefit program" means the program
38.19 administered under this chapter for the collection of premiums and payment of benefits
38.20 related to an applicant's serious health condition or pregnancy.

38.21 Subd. 27. **Net earnings from self-employment.** "Net earnings from self-employment"
38.22 has the meaning given in section 1402 of the Internal Revenue Code, as defined in section
38.23 290.01, subdivision 31.

38.24 Subd. 28. **Noncovered employment.** "Noncovered employment" has the meaning given
38.25 in section 268.035, subdivision 20.

38.26 Subd. 29. **Pregnancy.** "Pregnancy" means prenatal care or incapacity due to pregnancy,
38.27 or recovery from childbirth, still birth, miscarriage, or related health conditions.

38.28 Subd. 30. **Qualifying exigency.** (a) "Qualifying exigency" means a need arising out of
38.29 a military member's active duty service or notice of an impending call or order to active
38.30 duty in the United States armed forces, including providing for the care or other needs of
38.31 the family member's child or other dependent, making financial or legal arrangements for
38.32 the family member, attending counseling, attending military events or ceremonies, spending

39.1 time with the family member during a rest and recuperation leave or following return from
39.2 deployment, or making arrangements following the death of the military member.

39.3 (b) For the purposes of this chapter, a "military member" means a current or former
39.4 member of the United States armed forces, including a member of the National Guard or
39.5 reserves, who, except for a deceased military member, is a resident of the state and is a
39.6 family member of the employee taking leave related to the qualifying exigency.

39.7 Subd. 31. **Safety leave.** "Safety leave" means leave from work because of domestic
39.8 abuse, sexual assault, or stalking of the employee or employee's family member, provided
39.9 the leave is to:

39.10 (1) seek medical attention related to the physical or psychological injury or disability
39.11 caused by domestic abuse, sexual assault, or stalking;

39.12 (2) obtain services from a victim services organization;

39.13 (3) obtain psychological or other counseling;

39.14 (4) seek relocation due to the domestic abuse, sexual assault, or stalking; or

39.15 (5) seek legal advice or take legal action, including preparing for or participating in any
39.16 civil or criminal legal proceeding related to, or resulting from, the domestic abuse, sexual
39.17 assault, or stalking.

39.18 Subd. 32. **Self-employed individual.** "Self-employed individual" means a resident of
39.19 the state who, in one of the two taxable years preceding the current calendar year, derived
39.20 at least \$10,000 in net earnings from self-employment from an entity other than an S
39.21 corporation for the performance of services in this state.

39.22 Subd. 33. **Self-employment premium base.** "Self-employment premium base" means
39.23 the lesser of:

39.24 (1) a self-employed individual's estimated self-employment income for the calendar year
39.25 plus the individual's self-employment wages in the calendar year; or

39.26 (2) the maximum earnings subject to the FICA Old-Age, Survivors, and Disability
39.27 Insurance tax in the taxable year.

39.28 Subd. 34. **Self-employment wages.** "Self-employment wages" means the amount of
39.29 wages that a self-employed individual earned in the calendar year from an entity from which
39.30 the individual also received net earnings from self-employment.

39.31 Subd. 35. **Serious health condition.** (a) "Serious health condition" means an illness,
39.32 injury, impairment, or physical or mental condition that involves inpatient care as defined

40.1 in subdivision 24 or continuing treatment by a health care provider as defined in subdivision
40.2 11.

40.3 (b) "Incapacity" means inability to work, attend school, or perform other regular daily
40.4 activities due to the serious health condition, treatment therefore, or recovery therefrom.

40.5 (c) Treatment includes but is not limited to examinations to determine if a serious health
40.6 condition exists and evaluations of the condition. Treatment does not include routine physical
40.7 examinations, eye examinations, or dental examinations. A regimen of continuing treatment
40.8 includes, for example, a course of prescription medication or therapy requiring special
40.9 equipment to resolve or alleviate the health condition.

40.10 Subd. 36. **State's average weekly wage.** "State's average weekly wage" means the
40.11 weekly wage calculated under section 268.035, subdivision 23.

40.12 Subd. 37. **Taxable year.** "Taxable year" has the meaning given in section 290.01,
40.13 subdivision 9.

40.14 Subd. 38. **Wage credits.** "Wage credits" has the meaning given in section 268.035,
40.15 subdivision 27.

40.16 Sec. 6. **[268B.02] FAMILY AND MEDICAL BENEFIT INSURANCE PROGRAM**
40.17 **CREATION.**

40.18 Subdivision 1. **Creation.** A family and medical benefit insurance program is created to
40.19 be administered by the commissioner according to the terms of this chapter.

40.20 Subd. 2. **Creation of division.** A Family and Medical Benefit Insurance Division is
40.21 created within the department under the authority of the commissioner. The commissioner
40.22 shall appoint a director of the division. The division shall administer and operate the benefit
40.23 program under this chapter.

40.24 Subd. 3. **Rulemaking.** The commissioner may adopt rules to implement the provisions
40.25 of this chapter.

40.26 Subd. 4. **Account creation; appropriation.** The family and medical benefit insurance
40.27 account is created in the special revenue fund in the state treasury. Money in this account
40.28 is appropriated to the commissioner to pay benefits under and to administer this chapter,
40.29 including outreach required under section 268B.15.

40.30 Subd. 5. **Information technology services and equipment.** The department is exempt
40.31 from the provisions of section 16E.016 for the purposes of this chapter.

41.1 Sec. 7. **[268B.03] ELIGIBILITY.**

41.2 **Subdivision 1. Applicant.** An applicant who has a serious health condition, has a
41.3 qualifying exigency, is taking safety leave, is providing family care, is bonding, or is pregnant
41.4 or recovering from pregnancy, and who satisfies the conditions of this section is eligible to
41.5 receive benefits subject to the provisions of this chapter.

41.6 **Subd. 2. Wage credits.** An applicant must have sufficient wage credits from an employer
41.7 or employers as defined in section 268B.01, subdivision 16, to establish a benefit account
41.8 under section 268.07, subdivision 2.

41.9 **Subd. 3. Seven-day qualifying event.** (a) The period for which an applicant is seeking
41.10 benefits must be or have been based on a single event of at least seven calendar days' duration
41.11 related to pregnancy, recovery from pregnancy, family care, a qualifying exigency, safety
41.12 leave, or the applicant's serious health condition. The days need not be consecutive.

41.13 **(b) Benefits related to bonding need not meet the seven-day qualifying event requirement.**

41.14 **(c) The commissioner must use the rulemaking authority under section 268B.02,**
41.15 subdivision 3, to adopt rules regarding what serious health conditions and other events are
41.16 prospectively presumed to constitute seven-day qualifying events under this chapter.

41.17 **Subd. 4. Ineligible.** (a) An applicant is not eligible for benefits for any portion of a day
41.18 for which the applicant worked for pay.

41.19 **(b) An applicant is not eligible for benefits for any day for which the applicant received**
41.20 benefits under chapter 176 or 268.

41.21 **Subd. 5. Certification.** An applicant for benefits under this chapter must fulfill the
41.22 certification requirements under section 268B.04, subdivision 2.

41.23 **Subd. 6. Records release.** An individual whose medical records are necessary to
41.24 determine eligibility for benefits under this chapter must sign and date a legally effective
41.25 waiver authorizing release of medical or other records, to the limited extent necessary to
41.26 administer or enforce this chapter, to the department and the Department of Labor and
41.27 Industry.

41.28 **Subd. 7. Self-employed individual applicant.** To fulfill the requirements of this section,
41.29 a self-employed individual or independent contractor who has elected and been approved
41.30 for coverage under section 268B.011 must fulfill only the requirements of subdivisions 3,
41.31 4, 5, and 6.

42.1 Sec. 8. **[268B.04] APPLICATIONS.**

42.2 Subdivision 1. **Process; deadline.** Applicants must file a benefit claim pursuant to rules
42.3 promulgated by the commissioner within 90 calendar days of the related qualifying event.
42.4 If a claim is filed more than 90 calendar days after the start of leave, the covered individual
42.5 may receive reduced benefits. All claims shall include a certification supporting a request
42.6 for leave under this chapter. The commissioner must establish good cause exemptions from
42.7 the certification requirement deadline in the event that a serious health condition of the
42.8 applicant prevents the applicant from providing the required certification within the 90
42.9 calendar days.

42.10 Subd. 2. **Certification.** (a) Certification for an applicant taking leave related to the
42.11 applicant's serious health condition shall be sufficient if the certification states the date on
42.12 which the serious health condition began, the probable duration of the condition, and the
42.13 appropriate medical facts within the knowledge of the health care provider as required by
42.14 the commissioner.

42.15 (b) Certification for an applicant taking leave to care for a family member with a serious
42.16 health condition shall be sufficient if the certification states the date on which the serious
42.17 health condition commenced, the probable duration of the condition, the appropriate medical
42.18 facts within the knowledge of the health care provider as required by the commissioner, a
42.19 statement that the family member requires care, and an estimate of the amount of time that
42.20 the family member will require care.

42.21 (c) Certification for an applicant taking leave related to pregnancy shall be sufficient if
42.22 the certification states the expected due date and recovery period based on appropriate
42.23 medical facts within the knowledge of the health care provider.

42.24 (d) Certification for an applicant taking bonding leave because of the birth of the
42.25 applicant's child shall be sufficient if the certification includes either the child's birth
42.26 certificate or a document issued by the health care provider of the child or the health care
42.27 provider of the person who gave birth, stating the child's birth date.

42.28 (e) Certification for an applicant taking bonding leave because of the placement of a
42.29 child with the applicant for adoption or foster care shall be sufficient if the applicant provides
42.30 a document issued by the health care provider of the child, an adoption or foster care agency
42.31 involved in the placement, or by other individuals as determined by the commissioner that
42.32 confirms the placement and the date of placement. To the extent that the status of an applicant
42.33 as an adoptive or foster parent changes while an application for benefits is pending, or while

43.1 the covered individual is receiving benefits, the applicant must notify the department of
43.2 such change in status in writing.

43.3 (f) Certification for an applicant taking leave because of a qualifying exigency shall be
43.4 sufficient if the certification includes:

43.5 (1) a copy of the family member's active-duty orders;

43.6 (2) other documentation issued by the United States armed forces; or

43.7 (3) other documentation permitted by the commissioner.

43.8 (g) Certification for an applicant taking safety leave is sufficient if the certification
43.9 includes a court record or documentation signed by a volunteer or employee of a victim's
43.10 services organization, an attorney, a police officer, or an antiviolence counselor. The
43.11 commissioner must not require disclosure of details relating to an applicant's or applicant's
43.12 family member's domestic abuse, sexual assault, or stalking.

43.13 (h) Certifications under paragraphs (a) to (e) must be reviewed and signed by a health
43.14 care provider with knowledge of the qualifying event associated with the leave.

43.15 (i) For a leave taken on an intermittent or reduced-schedule basis, based on a serious
43.16 health condition of an applicant or applicant's family member, the certification under this
43.17 subdivision must include an explanation of how such leave would be medically beneficial
43.18 to the individual with the serious health condition.

43.19 **Sec. 9. [268B.05] DETERMINATION OF APPLICATION.**

43.20 Upon the filing of a complete application for benefits, the commissioner shall examine
43.21 the application and on the basis of facts found by the commissioner and records maintained
43.22 by the department, the applicant shall be determined to be eligible or ineligible within two
43.23 weeks. If the application is determined to be valid, the commissioner shall promptly notify
43.24 the applicant and any other interested party as to the week when benefits commence, the
43.25 weekly benefit amount payable, and the maximum duration of those benefits. If the
43.26 application is determined to be invalid, the commissioner shall notify the applicant and any
43.27 other interested party of that determination and the reasons for it. If the processing of the
43.28 application is delayed for any reason, the commissioner shall notify the applicant, in writing,
43.29 within two weeks of the date the application for benefits is filed of the reason for the delay.
43.30 Unless the applicant or any other interested party, within 30 calendar days, requests a hearing
43.31 before a benefit judge, the determination is final. For good cause shown, the 30-day period
43.32 may be extended. At any time within one year from the date of a monetary determination,
43.33 the commissioner, upon request of the applicant or on the commissioner's own initiative,

44.1 may reconsider the determination if it is found that an error in computation or identity has
44.2 occurred in connection with the determination or that additional wages pertinent to the
44.3 applicant's status have become available, or if that determination has been made as a result
44.4 of a nondisclosure or misrepresentation of a material fact.

44.5 Sec. 10. **[268B.06] EMPLOYER NOTIFICATION.**

44.6 (a) Upon a determination under section 268B.05 that an applicant is entitled to benefits,
44.7 the commissioner must promptly send a notification to each current employer of the applicant,
44.8 if any, in accordance with paragraph (b).

44.9 (b) The notification under paragraph (a) must include, at a minimum:

44.10 (1) the name of the applicant;

44.11 (2) that the applicant has applied for and received benefits;

44.12 (3) the week the benefits commence;

44.13 (4) the weekly benefit amount payable;

44.14 (5) the maximum duration of benefits; and

44.15 (6) descriptions of the employer's right to participate in a hearing under section 268B.05,
44.16 and appeal process under section 268B.07.

44.17 Sec. 11. **[268B.07] APPEAL PROCESS.**

44.18 Subdivision 1. **Hearing.** (a) The commissioner shall designate a chief benefit judge.

44.19 (b) Upon a timely appeal to a determination having been filed or upon a referral for
44.20 direct hearing, the chief benefit judge must set a time and date for a de novo due-process
44.21 hearing and send notice to an applicant and an employer, by mail or electronic transmission,
44.22 not less than ten calendar days before the date of the hearing.

44.23 (c) The commissioner may adopt rules on procedures for hearings. The rules need not
44.24 conform to common law or statutory rules of evidence and other technical rules of procedure.

44.25 (d) The chief benefit judge has discretion regarding the method by which the hearing is
44.26 conducted.

44.27 Subd. 2. **Decision.** (a) After the conclusion of the hearing, upon the evidence obtained,
44.28 the benefit judge must serve by mail or electronic transmission to all parties, the decision,
44.29 reasons for the decision, and written findings of fact.

44.30 (b) Decisions of a benefit judge are not precedential.

45.1 Subd. 3. **Request for reconsideration.** Any party, or the commissioner, may, within
45.2 30 calendar days after service of the benefit judge's decision, file a request for reconsideration
45.3 asking the judge to reconsider that decision.

45.4 Subd. 4. **Appeal to court of appeals.** Any final determination on a request for
45.5 reconsideration may be appealed by any party directly to the Minnesota Court of Appeals.

45.6 Subd. 5. **Benefit judges.** (a) Only employees of the department who are attorneys licensed
45.7 to practice law in Minnesota may serve as a chief benefit judge, senior benefit judges who
45.8 are supervisors, or benefit judges.

45.9 (b) The chief benefit judge must assign a benefit judge to conduct a hearing and may
45.10 transfer to another benefit judge any proceedings pending before another benefit judge.

45.11 Sec. 12. **[268B.08] BENEFITS.**

45.12 Subdivision 1. **Weekly benefit amount.** (a) Subject to the maximum weekly benefit
45.13 amount, an applicant's weekly benefit is calculated by adding the amounts obtained by
45.14 applying the following percentage to an applicant's average weekly wage:

45.15 (1) 90 percent of wages that do not exceed 50 percent of the state's average weekly wage;
45.16 plus

45.17 (2) 66 percent of wages that exceed 50 percent of the state's average weekly wage but
45.18 not 100 percent; plus

45.19 (3) 55 percent of wages that exceed 100 percent of the state's average weekly wage.

45.20 (b) The state's average weekly wage is the average wage as calculated under section
45.21 268.035, subdivision 23, at the time a benefit amount is first determined.

45.22 (c) Notwithstanding any other provision in this section, weekly benefits must not exceed
45.23 the maximum weekly benefit amount applicable at the time benefit payments commence.

45.24 Subd. 2. **Timing of payment.** Except as otherwise provided for in this chapter, benefits
45.25 must be paid weekly.

45.26 Subd. 3. **Maximum length of benefits.** (a) Except as provided in paragraph (b), in a
45.27 single benefit year, an applicant may receive up to 12 weeks of benefits under this chapter
45.28 related to the applicant's serious health condition or pregnancy and up to 12 weeks of benefits
45.29 under this chapter for bonding, safety leave, or family care.

45.30 (b) An applicant may receive up to 12 weeks of benefits in a single benefit year for leave
45.31 related to one or more qualifying exigencies.

46.1 Subd. 4. **Minimum period for which benefits payable.** Except for a claim for benefits
46.2 for bonding leave, any claim for benefits must be based on a single-qualifying event of at
46.3 least seven calendar days. Benefits may be paid for a minimum increment of one day. The
46.4 minimum increment of one day may consist of multiple, nonconsecutive portions of a day
46.5 totaling eight hours.

46.6 Subd. 5. **Withholding of federal tax.** If the Internal Revenue Service determines that
46.7 benefits are subject to federal income tax, and an applicant elects to have federal income
46.8 tax deducted and withheld from the applicant's benefits, the commissioner must deduct and
46.9 withhold the amount specified in the Internal Revenue Code in a manner consistent with
46.10 state law.

46.11 Sec. 13. **[268B.085] LEAVE.**

46.12 Subdivision 1. **Right to leave.** Ninety calendar days from the date of hire, an employee
46.13 has a right to leave from employment for any day, or portion of a day, for which the employee
46.14 would be eligible for benefits under this chapter, regardless of whether the employee actually
46.15 applied for benefits and regardless of whether the employee is covered under a private plan
46.16 or the public program under this chapter.

46.17 Subd. 2. **Notice to employer.** (a) If the need for leave is foreseeable, an employee must
46.18 provide the employer at least 30 days' advance notice before leave under this chapter is to
46.19 begin. If 30 days' notice is not practicable because of a lack of knowledge of approximately
46.20 when leave will be required to begin, a change in circumstances, or a medical emergency,
46.21 notice must be given as soon as practicable. Whether leave is to be continuous or is to be
46.22 taken intermittently or on a reduced schedule basis, notice need only be given one time, but
46.23 the employee must advise the employer as soon as practicable if dates of scheduled leave
46.24 change or are extended, or were initially unknown. In those cases where the employee is
46.25 required to provide at least 30 days' notice of foreseeable leave and does not do so, the
46.26 employee must explain the reasons why such notice was not practicable upon a request from
46.27 the employer for such information.

46.28 (b) "As soon as practicable" means as soon as both possible and practical, taking into
46.29 account all of the facts and circumstances in the individual case. When an employee becomes
46.30 aware of a need for leave under this chapter less than 30 days in advance, it should be
46.31 practicable for the employee to provide notice of the need for leave either the same day or
46.32 the next day, unless the need for leave is based on a medical emergency. In all cases,
46.33 however, the determination of when an employee could practicably provide notice must
46.34 take into account the individual facts and circumstances.

47.1 (c) An employee shall provide at least verbal notice sufficient to make the employer
47.2 aware that the employee needs leave allowed under this chapter and the anticipated timing
47.3 and duration of the leave. An employer may require an employee giving notice of leave to
47.4 include a certification for the leave as described in section 268B.04, subdivision 2. Such
47.5 certification, if required by an employer, is timely when the employee delivers it as soon
47.6 as practicable given the circumstances requiring the need for leave, and the required contents
47.7 of the certification.

47.8 (d) An employer may require an employee to comply with the employer's usual and
47.9 customary notice and procedural requirements for requesting leave, absent unusual
47.10 circumstances or other circumstances caused by the reason for the employee's need for
47.11 leave. Leave under this chapter must not be delayed or denied where an employer's usual
47.12 and customary notice or procedural requirements require notice to be given sooner than set
47.13 forth in this subdivision.

47.14 (e) If an employer has failed to provide notice to the employee as required under section
47.15 268B.22, paragraph (a), (b), or (e), the employee is not required to comply with the notice
47.16 requirements of this subdivision.

47.17 Subd. 3. **Bonding leave.** Bonding leave taken under this chapter begins at a time requested
47.18 by the employee. Bonding leave must begin within 12 months of the birth, adoption, or
47.19 placement of a foster child, except that, in the case where the child must remain in the
47.20 hospital longer than the mother, the leave must begin within 12 months after the child leaves
47.21 the hospital.

47.22 Subd. 4. **Intermittent or reduced leave schedule.** (a) Leave under this chapter, based
47.23 on a serious health condition, may be taken intermittently or on a reduced leave schedule
47.24 if such leave would be medically beneficial to the individual with the serious health condition.
47.25 For all other leaves under this chapter, leave may be taken intermittently or on a reduced
47.26 leave schedule. Intermittent leave is leave taken in separate blocks of time due to a single,
47.27 seven-day qualifying event. A reduced leave schedule is a leave schedule that reduces an
47.28 employee's usual number of working hours per workweek or hours per workday.

47.29 (b) Leave taken intermittently or on a reduced schedule basis counts toward the
47.30 maximums described in section 268B.08, subdivision 3.

48.1 Sec. 14. **[268B.09] EMPLOYMENT PROTECTIONS.**

48.2 **Subdivision 1. Retaliation prohibited.** An employer must not retaliate against an
48.3 employee for requesting or obtaining benefits, or for exercising any other right under this
48.4 chapter.

48.5 **Subd. 2. Interference prohibited.** An employer must not obstruct or impede an
48.6 application for leave or benefits or the exercise of any other right under this chapter.

48.7 **Subd. 3. Waiver of rights void.** Any agreement to waive, release, or commute rights
48.8 to benefits or any other right under this chapter is void.

48.9 **Subd. 4. No assignment of benefits.** Any assignment, pledge, or encumbrance of benefits
48.10 is void. Benefits are exempt from levy, execution, attachment, or any other remedy provided
48.11 for the collection of debt. Any waiver of this subdivision is void.

48.12 **Subd. 5. Continued insurance.** During any leave for which an employee is entitled to
48.13 benefits under this chapter, the employer must maintain coverage under any group insurance
48.14 policy, group subscriber contract, or health care plan for the employee and any dependents
48.15 as if the employee was not on leave, provided, however, that the employee must continue
48.16 to pay any employee share of the cost of such benefits.

48.17 **Subd. 6. Employee right to reinstatement.** (a) On return from leave under this chapter,
48.18 an employee is entitled to be returned to the same position the employee held when leave
48.19 commenced or to an equivalent position with equivalent benefits, pay, and other terms and
48.20 conditions of employment. An employee is entitled to such reinstatement even if the
48.21 employee has been replaced or the employee's position has been restructured to accommodate
48.22 the employee's absence.

48.23 **(b)(1) An equivalent position is one that is virtually identical to the employee's former**
48.24 **position in terms of pay, benefits, and working conditions, including privileges, prerequisites,**
48.25 **and status. It must involve the same or substantially similar duties and responsibilities,**
48.26 **which must entail substantially equivalent skill, effort, responsibility, and authority.**

48.27 **(2) If an employee is no longer qualified for the position because of the employee's**
48.28 **inability to attend a necessary course, renew a license, fly a minimum number of hours, or**
48.29 **the like, as a result of the leave, the employee must be given a reasonable opportunity to**
48.30 **fulfill those conditions upon return from leave.**

48.31 **(c)(1) An employee is entitled to any unconditional pay increases which may have**
48.32 **occurred during the leave period, such as cost of living increases. Pay increases conditioned**
48.33 **upon seniority, length of service, or work performed must be granted in accordance with**

49.1 the employer's policy or practice with respect to other employees on an equivalent leave
49.2 status for a reason that does not qualify for leave under this chapter. An employee is entitled
49.3 to be restored to a position with the same or equivalent pay premiums, such as a shift
49.4 differential. If an employee departed from a position averaging ten hours of overtime, and
49.5 corresponding overtime pay, each week an employee is ordinarily entitled to such a position
49.6 on return from leave under this chapter.

49.7 (2) Equivalent pay includes any bonus or payment, whether it is discretionary or
49.8 nondiscretionary, made to employees consistent with the provisions of clause (1). However,
49.9 if a bonus or other payment is based on the achievement of a specified goal such as hours
49.10 worked, products sold, or perfect attendance, and the employee has not met the goal due to
49.11 leave under this chapter, the payment may be denied, unless otherwise paid to employees
49.12 on an equivalent leave status for a reason that does not qualify for leave under this chapter.

49.13 (d) Benefits under this section include all benefits provided or made available to
49.14 employees by an employer, including group life insurance, health insurance, disability
49.15 insurance, sick leave, annual leave, educational benefits, and pensions, regardless of whether
49.16 such benefits are provided by a practice or written policy of an employer through an employee
49.17 benefit plan as defined in section 3(3) of United States Code, title 29, section 1002(3).

49.18 (1) At the end of an employee's leave under this chapter, benefits must be resumed in
49.19 the same manner and at the same levels as provided when the leave began, and subject to
49.20 any changes in benefit levels that may have taken place during the period of leave affecting
49.21 the entire workforce, unless otherwise elected by the employee. Upon return from a leave
49.22 under this chapter, an employee cannot be required to requalify for any benefits the employee
49.23 enjoyed before leave began, including family or dependent coverages.

49.24 (2) An employee may, but is not entitled to, accrue any additional benefits or seniority
49.25 during a leave under this chapter. Benefits accrued at the time leave began, however, must
49.26 be available to an employee upon return from leave.

49.27 (3) With respect to pension and other retirement plans, leave under this chapter must
49.28 not be treated as or counted toward a break in service for purposes of vesting and eligibility
49.29 to participate. Also, if the plan requires an employee to be employed on a specific date in
49.30 order to be credited with a year of service for vesting, contributions, or participation purposes,
49.31 an employee on leave under this chapter must be treated as employed on that date. However,
49.32 periods of leave under this chapter need not be treated as credited service for purposes of
49.33 benefit accrual, vesting, and eligibility to participate.

50.1 (4) Employees on leave under this chapter must be treated as if they continued to work
50.2 for purposes of changes to benefit plans. Employees on leave under this chapter are entitled
50.3 to changes in benefit plans, except those which may be dependent upon seniority or accrual
50.4 during the leave period, immediately upon return from leave or to the same extent they
50.5 would have qualified if no leave had been taken.

50.6 (e) An equivalent position must have substantially similar duties, conditions,
50.7 responsibilities, privileges, and status as the employee's original position.

50.8 (1) The employee must be reinstated to the same or a geographically proximate worksite
50.9 from where the employee had previously been employed. If the employee's original worksite
50.10 has been closed, the employee is entitled to the same rights as if the employee had not been
50.11 on leave when the worksite closed.

50.12 (2) The employee is ordinarily entitled to return to the same shift or the same or an
50.13 equivalent work schedule.

50.14 (3) The employee must have the same or an equivalent opportunity for bonuses,
50.15 profit-sharing, and other similar discretionary and nondiscretionary payments.

50.16 (4) This chapter does not prohibit an employer from accommodating an employee's
50.17 request to be restored to a different shift, schedule, or position which better suits the
50.18 employee's personal needs on return from leave, or to offer a promotion to a better position.
50.19 However, an employee must not be induced by the employer to accept a different position
50.20 against the employee's wishes.

50.21 (f) The requirement that an employee be restored to the same or equivalent job with the
50.22 same or equivalent pay, benefits, and terms and conditions of employment does not extend
50.23 to de minimis, intangible, or unmeasurable aspects of the job.

50.24 Subd. 7. **Limitations on an employee's right to reinstatement.** An employee has no
50.25 greater right to reinstatement or to other benefits and conditions of employment than if the
50.26 employee had been continuously employed during the period of leave under this chapter.
50.27 An employer must be able to show that an employee would not otherwise have been
50.28 employed at the time reinstatement is requested in order to deny restoration to employment.

50.29 (1) If an employee is laid off during the course of taking a leave under this chapter and
50.30 employment is terminated, the employer's responsibility to continue the leave, maintain
50.31 group health plan benefits, and restore the employee cease at the time the employee is laid
50.32 off, provided the employer has no continuing obligations under a collective bargaining
50.33 agreement or otherwise. An employer would have the burden of proving that an employee

51.1 would have been laid off during the period of leave under this chapter and, therefore, would
51.2 not be entitled to restoration. Restoration to a job slated for layoff when the employee's
51.3 original position would not meet the requirements of an equivalent position.

51.4 (2) If a shift has been eliminated or overtime has been decreased, an employee would
51.5 not be entitled to return to work that shift or the original overtime hours upon restoration.
51.6 However, if a position on, for example, a night shift has been filled by another employee,
51.7 the employee is entitled to return to the same shift on which employed before taking leave
51.8 under this chapter.

51.9 (3) If an employee was hired for a specific term or only to perform work on a discrete
51.10 project, the employer has no obligation to restore the employee if the employment term or
51.11 project is over and the employer would not otherwise have continued to employ the employee.

51.12 Subd. 8. Remedies. (a) In addition to any other remedies available to an employee in
51.13 law or equity, an employer who violates the provisions of this section is liable to any
51.14 employee affected for:

51.15 (1) damages equal to the amount of:

51.16 (i) any wages, salary, employment benefits, or other compensation denied or lost to such
51.17 employee by reason of the violation, or, in a cases in which wages, salary, employment
51.18 benefits, or other compensation have not been denied or lost to the employee, any actual
51.19 monetary losses sustained by the employee as a direct result of the violation; and

51.20 (ii) reasonable interest on the amount described in item (i); and

51.21 (2) such equitable relief as may be appropriate, including employment, reinstatement,
51.22 and promotion.

51.23 (b) An action to recover damages or equitable relief prescribed in paragraph (a) may be
51.24 maintained against any employer in any federal or state court of competent jurisdiction by
51.25 any one or more employees for and on behalf of:

51.26 (1) the employees; or

51.27 (2) the employees and other employees similarly situated.

51.28 (c) The court in an action under this section must, in addition to any judgment awarded
51.29 to the plaintiff or plaintiffs, allow reasonable attorney fees, reasonable expert witness fees,
51.30 and other costs of the action to be paid by the defendant.

52.1 (d) Nothing in this section shall be construed to allow an employee to recover damages
52.2 from an employer for the denial of benefits under this chapter by the department, unless the
52.3 employer unlawfully interfered with the application for benefits under subdivision 2.

52.4 Sec. 15. [268B.10] SUBSTITUTION OF A PRIVATE PLAN.

52.5 Subdivision 1. **Application for substitution.** Employers may apply to the commissioner
52.6 for approval to meet their obligations under this chapter through the substitution of a private
52.7 plan that provides paid family, paid medical, or paid family and medical benefits. In order
52.8 to be approved as meeting an employer's obligations under this chapter, a private plan must
52.9 confer all of the same rights, protections, and benefits provided to employees under this
52.10 chapter, including but not limited to benefits under section 268B.08 and employment
52.11 protections under section 268B.09. An employee covered by a private plan under this section
52.12 retains all applicable rights and remedies under section 268B.09.

52.13 Subd. 2. **Private plan requirements; medical benefit program.** The commissioner
52.14 must approve an application for private provision of the medical benefit program if the
52.15 commissioner determines:

52.16 (1) all of the employees of the employer are to be covered under the provisions of the
52.17 employer plan;

52.18 (2) eligibility requirements for benefits and leave are no more restrictive than as provided
52.19 under this chapter;

52.20 (3) the weekly benefits payable under the private plan for any week are at least equal to
52.21 the weekly benefit amount payable under this chapter, taking into consideration any coverage
52.22 with respect to concurrent employment by another employer;

52.23 (4) the total number of weeks for which benefits are payable under the private plan is
52.24 at least equal to the total number of weeks for which benefits would have been payable
52.25 under this chapter;

52.26 (5) no greater amount is required to be paid by employees toward the cost of benefits
52.27 under the employer plan than by this chapter;

52.28 (6) wage replacement benefits are stated in the plan separately and distinctly from other
52.29 benefits;

52.30 (7) the private plan will provide benefits and leave for any serious health condition or
52.31 pregnancy for which benefits are payable, and leave provided, under this chapter;

53.1 (8) the private plan will impose no additional condition or restriction on the use of
53.2 medical benefits beyond those explicitly authorized by this chapter or regulations
53.3 promulgated pursuant to this chapter;

53.4 (9) the private plan will allow any employee covered under the private plan who is
53.5 eligible to receive medical benefits under this chapter to receive medical benefits under the
53.6 employer plan; and

53.7 (10) coverage will be continued under the private plan while an employee remains
53.8 employed by the employer.

53.9 Subd. 3. **Private plan requirements; family benefit program.** The commissioner must
53.10 approve an application for private provision of the family benefit program if the
53.11 commissioner determines:

53.12 (1) all of the employees of the employer are to be covered under the provisions of the
53.13 employer plan;

53.14 (2) eligibility requirements for benefits and leave are no more restrictive than as provided
53.15 under this chapter;

53.16 (3) the weekly benefits payable under the private plan for any week are at least equal to
53.17 the weekly benefit amount payable under this chapter, taking into consideration any coverage
53.18 with respect to concurrent employment by another employer;

53.19 (4) the total number of weeks for which benefits are payable under the private plan is
53.20 at least equal to the total number of weeks for which benefits would have been payable
53.21 under this chapter;

53.22 (5) no greater amount is required to be paid by employees toward the cost of benefits
53.23 under the employer plan than by this chapter;

53.24 (6) wage replacement benefits are stated in the plan separately and distinctly from other
53.25 benefits;

53.26 (7) the private plan will provide benefits and leave for any care for a family member
53.27 with a serious health condition, bonding with a child, qualifying exigency, or safety leave
53.28 event for which benefits are payable, and leave provided, under this chapter;

53.29 (8) the private plan will impose no additional condition or restriction on the use of family
53.30 benefits beyond those explicitly authorized by this chapter or regulations promulgated
53.31 pursuant to this chapter;

54.1 (9) the private plan will allow any employee covered under the private plan who is
54.2 eligible to receive medical benefits under this chapter to receive medical benefits under the
54.3 employer plan; and

54.4 (10) coverage will be continued under the private plan while an employee remains
54.5 employed by the employer.

54.6 Subd. 4. **Use of private insurance products.** Nothing in this section prohibits an
54.7 employer from meeting the requirements of a private plan through a private insurance
54.8 product. If the employer plan involves a private insurance product, that insurance product
54.9 must conform to any applicable law or rule.

54.10 Subd. 5. **Private plan approval and oversight fee.** An employer with an approved
54.11 private plan will not be required to pay premiums established under section 268B.12. An
54.12 employer with an approved private plan will be responsible for a private plan approval and
54.13 oversight fee equal to \$250 for employers with fewer than 50 employees, \$500 for employers
54.14 with 50 to 499 employees, and \$1,000 for employers with 500 or more employees. The
54.15 employer must pay this fee (1) upon initial application for private plan approval and (2) any
54.16 time the employer applies to amend the private plan. The commissioner will review and
54.17 report on the adequacy of this fee to cover private plan administrative costs annually
54.18 beginning in 2020 as part of the annual report established in section 268B.21.

54.19 Subd. 6. **Plan duration.** A private plan under this section must be in effect for a period
54.20 of at least one year and, thereafter, continuously unless the commissioner finds that the
54.21 employer has given notice of withdrawal from the plan in a manner specified by the
54.22 commissioner in this section or rule. The plan may be withdrawn by the employer within
54.23 30 days of the effective date of any law increasing the benefit amounts or within 30 days
54.24 of the date of any change in the rate of premiums. If the plan is not withdrawn, it must be
54.25 amended to conform to provide the increased benefit amount or change in the rate of the
54.26 employee's premium on the date of the increase or change.

54.27 Subd. 7. **Appeals.** An employer may appeal any adverse action regarding that employer's
54.28 private plan to the commissioner, in a manner specified by the commissioner.

54.29 Subd. 8. **Employees no longer covered.** (a) An employee is no longer covered by an
54.30 approved private plan if a leave under this chapter occurs after the employment relationship
54.31 with the private plan employer ends, or if the commissioner revokes the approval of the
54.32 private plan.

55.1 (b) An employee no longer covered by an approved private plan is, if otherwise eligible,
55.2 immediately entitled to benefits under this chapter to the same extent as though there had
55.3 been no approval of the private plan.

55.4 Subd. 9. **Posting of notice regarding private plan.** An employer with a private plan
55.5 must provide a notice prepared by or approved by the commissioner regarding the private
55.6 plan consistent with the provisions of section 268B.22.

55.7 Subd. 10. **Amendment.** (a) The commissioner must approve any amendment to a private
55.8 plan adjusting the provisions thereof, if the commissioner determines:

55.9 (1) that the plan, as amended, will conform to the standards set forth in this chapter; and

55.10 (2) that notice of the amendment has been delivered to all affected employees at least
55.11 ten days before the submission of the amendment.

55.12 (b) Any amendments approved under this subdivision are effective on the date of the
55.13 commissioner's approval, unless the commissioner and the employer agree on a later date.

55.14 Subd. 11. **Successor employer.** A private plan in effect at the time a successor acquires
55.15 the employer organization, trade, or business, or substantially all the assets thereof, or a
55.16 distinct and severable portion of the organization, trade, or business, and continues its
55.17 operation without substantial reduction of personnel resulting from the acquisition, must
55.18 continue the approved private plan and must not withdraw the plan without a specific request
55.19 for withdrawal in a manner and at a time specified by the commissioner. A successor may
55.20 terminate a private plan with notice to the commissioner and within 90 days from the date
55.21 of the acquisition.

55.22 Subd. 12. **Revocation of approval by commissioner.** (a) The commissioner may
55.23 terminate any private plan if the commissioner determines the employer:

55.24 (1) failed to pay benefits;

55.25 (2) failed to pay benefits in a timely manner, consistent with the requirements of this
55.26 chapter;

55.27 (3) failed to submit reports as required by this chapter or rule adopted under this chapter;

55.28 or

55.29 (4) otherwise failed to comply with this chapter or rule adopted under this chapter.

55.30 (b) The commissioner must give notice of the intention to terminate a plan to the employer
55.31 at least ten days before taking any final action. The notice must state the effective date and
55.32 the reason for the termination.

56.1 (c) The employer may, within ten days from mailing or personal service of the notice,
56.2 file an appeal to the commissioner in the time, manner, method, and procedure provided by
56.3 the commissioner under subdivision 7.

56.4 (d) The payment of benefits must not be delayed during an employer's appeal of the
56.5 revocation of approval of a private plan.

56.6 (e) If the commissioner revokes approval of an employer's private plan, that employer
56.7 is ineligible to apply for approval of another private plan for a period of three years, beginning
56.8 on the date of revocation.

56.9 Subd. 13. **Employer penalties.** (a) The commissioner may assess the following monetary
56.10 penalties against an employer with an approved private plan found to have violated this
56.11 chapter:

56.12 (1) \$1,000 for the first violation; and

56.13 (2) \$2,000 for the second, and each successive violation.

56.14 (b) The commissioner must waive collection of any penalty if the employer corrects the
56.15 violation within 30 days of receiving a notice of the violation and the notice is for a first
56.16 violation.

56.17 (c) The commissioner may waive collection of any penalty if the commissioner determines
56.18 the violation to be an inadvertent error by the employer.

56.19 (d) Monetary penalties collected under this section shall be deposited in the account.

56.20 (e) Assessment of penalties under this subdivision may be appealed as provided by the
56.21 commissioner under subdivision 7.

56.22 Subd. 14. **Reports, information, and records.** Employers with an approved private
56.23 plan must maintain all reports, information, and records as relating to the private plan and
56.24 claims for a period of six years from creation and provide to the commissioner upon request.

56.25 Subd. 15. **Audit and investigation.** The commissioner may investigate and audit plans
56.26 approved under this section both before and after the plans are approved.

56.27 Sec. 16. **[268B.11] SELF-EMPLOYED AND INDEPENDENT CONTRACTOR**
56.28 **ELECTION OF COVERAGE.**

56.29 Subdivision 1. **Election of coverage.** (a) A self-employed individual or independent
56.30 contractor may file with the commissioner by electronic transmission in a format prescribed
56.31 by the commissioner an application to be entitled to benefits under this chapter for a period

57.1 not less than 104 consecutive calendar weeks. Upon the approval of the commissioner, sent
57.2 by United States mail or electronic transmission, the individual is entitled to benefits under
57.3 this chapter beginning the calendar quarter after the date of approval or beginning in a later
57.4 calendar quarter if requested by the self-employed individual or independent contractor.
57.5 The individual ceases to be entitled to benefits as of the first day of January of any calendar
57.6 year only if, at least 30 calendar days before the first day of January, the individual has filed
57.7 with the commissioner by electronic transmission in a format prescribed by the commissioner
57.8 a notice to that effect.

57.9 (b) The commissioner may terminate any application approved under this section with
57.10 30 calendar days' notice sent by United States mail or electronic transmission if the
57.11 self-employed individual is delinquent on any premiums due under this chapter an election
57.12 agreement. If an approved application is terminated in this manner during the first 104
57.13 consecutive calendar weeks of election, the self-employed individual remains obligated to
57.14 pay the premium under subdivision 3 for the remainder of that 104-week period.

57.15 Subd. 2. **Application** A self-employed individual who applies for coverage under this
57.16 section must provide the commissioner with (1) the amount of the individual's net earnings
57.17 from self-employment, if any, from the two most recent taxable years and all tax documents
57.18 necessary to prove the accuracy of the amounts reported and (2) any other documentation
57.19 the commissioner requires. A self-employed individual who is covered under this chapter
57.20 must annually provide the commissioner with the amount of the individual's net earnings
57.21 from self-employment within 30 days of filing a federal income tax return.

57.22 Subd. 3. **Premium.** A self-employed individual who elects to receive coverage under
57.23 this chapter must annually pay a premium equal to one-half the percentage in section
57.24 268B.12, subdivision 4, clause (1), times the lesser of:

57.25 (1) the individual's self-employment premium base; or

57.26 (2) the maximum earnings subject to the FICA Old-Age, Survivors, and Disability
57.27 Insurance tax.

57.28 Subd. 4. **Benefits.** Notwithstanding anything to the contrary, a self-employed individual
57.29 who has applied to and been approved for coverage by the commissioner under this section
57.30 is entitled to benefits on the same basis as an employee under this chapter, except that a
57.31 self-employed individual's weekly benefit amount under section 268B.08, subdivision 1,
57.32 must calculated as a percentage of the self-employed individual's self-employment premium
57.33 base, rather than wages.

58.1 Sec. 17. **[268B.12] PREMIUMS.**

58.2 **Subdivision 1. Employer.** (a) Each person or entity required, or who elected, to register
58.3 for a tax account under sections 268.042, 268.045, and 268.046 must pay a premium on the
58.4 wages paid to employees in covered employment for each calendar year. The premium must
58.5 be paid on all wages up to the maximum specified by this section.

58.6 (b) Each person or entity required, or who elected, to register for a reimbursable account
58.7 under sections 268.042, 268.045, and 268.046 must pay a premium on the wages paid to
58.8 employees in covered employment in the same amount and manner as provided by paragraph
58.9 (a).

58.10 **Subd. 2. Employee charge back.** Notwithstanding section 177.24, subdivision 4, or
58.11 181.06, subdivision 1, employers and covered business entities may deduct up to 50 percent
58.12 of annual premiums paid under this section from employee wages. Such deductions for any
58.13 given employee must be in equal proportion to the premiums paid based on the wages of
58.14 that employee, and all employees of an employer must be subject to the same percentage
58.15 deduction. Deductions under this section must not cause an employee's wage, after the
58.16 deduction, to fall below the rate required to be paid to the worker by law, including any
58.17 applicable statute, regulation, rule, ordinance, government resolution or policy, contract, or
58.18 other legal authority, whichever rate of pay is greater.

58.19 **Subd. 3. Wages and payments subject to premium.** (a) The maximum wages subject
58.20 to premium in a calendar year is equal to the maximum earnings in that year subject to the
58.21 FICA Old-Age, Survivors, and Disability Insurance tax.

58.22 (b) The maximum payment amount subject to premium in a calendar year, under
58.23 subdivision 1, paragraph (c), is equal to the maximum earnings in that year subject to the
58.24 FICA Old-Age, Survivors, and Disability Insurance tax.

58.25 **Subd. 4. Annual premium rates.** The employer premium rates for the calendar year
58.26 beginning January 1, 2021, shall be as follows:

58.27 (1) for employers participating in both family and medical benefit programs, 0.65 percent;

58.28 (2) for an employer participating in only the medical benefit program and with an
58.29 approved private plan for the family benefit program, 0.5265 percent; and

58.30 (3) for an employer participating in only the family benefit program and with an approved
58.31 private plan for the medical benefit program, 0.1235 percent.

59.1 Subd. 5. **Premium rate adjustments.** (a) Each calendar year following the calendar
59.2 year beginning January 1, 2023, the commissioner must adjust the annual premium rates
59.3 using the formula in paragraph (b).

59.4 (b) To calculate the employer rates for a calendar year, the commissioner must:

59.5 (1) multiply 1.45 times the amount disbursed from the account for the 52-week period
59.6 ending September 30 of the prior year;

59.7 (2) subtract the amount in the account on that September 30 from the resulting figure;

59.8 (3) divide the resulting figure by twice the total wages in covered employment of
59.9 employees of employers without approved private plans under section 268B.10 for either
59.10 the family or medical benefit program. For employers with an approved private plan for
59.11 either the medical benefit program or the family benefit program, but not both, count only
59.12 the proportion of wages in covered employment associated with the program for which the
59.13 employer does not have an approved private plan; and

59.14 (4) round the resulting figure down to the nearest one-hundredth of one percent.

59.15 (c) The commissioner must apportion the premium rate between the family and medical
59.16 benefit programs based on the relative proportion of expenditures for each program during
59.17 the preceding year.

59.18 Subd. 6. **Deposit of premiums.** All premiums collected under this section must be
59.19 deposited into the account.

59.20 Subd. 7. **Nonpayment of premiums by employer.** The failure of an employer to pay
59.21 premiums does not impact the right of an employee to benefits, or any other right, under
59.22 this chapter.

59.23 Sec. 18. **[268B.13] COLLECTION OF PREMIUMS.**

59.24 Subdivision 1. **Amount computed presumed correct.** Any amount due from an
59.25 employer, as computed by the commissioner, is presumed to be correctly determined and
59.26 assessed, and the burden is upon the employer to show any error. A statement by the
59.27 commissioner of the amount due is admissible in evidence in any court or administrative
59.28 proceeding and is prima facie evidence of the facts in the statement.

59.29 Subd. 2. **Priority of payments.** (a) Any payment received from an employer must be
59.30 applied in the following order:

59.31 (1) premiums due under this chapter; then

60.1 (2) interest on past due premiums; then

60.2 (3) penalties, late fees, administrative service fees, and costs.

60.3 (b) Paragraph (a) is the priority used for all payments received from an employer,
60.4 regardless of how the employer may designate the payment to be applied, except when:

60.5 (1) there is an outstanding lien and the employer designates that the payment made
60.6 should be applied to satisfy the lien;

60.7 (2) a court or administrative order directs that the payment be applied to a specific
60.8 obligation;

60.9 (3) a preexisting payment plan provides for the application of payment; or

60.10 (4) the commissioner agrees to apply the payment to a different priority.

60.11 Subd. 3. **Costs.** (a) Any employer that fails to pay any amount when due under this
60.12 chapter is liable for any filing fees, recording fees, sheriff fees, costs incurred by referral
60.13 to any public or private collection agency, or litigation costs, including attorney fees, incurred
60.14 in the collection of the amounts due.

60.15 (b) If any tendered payment of any amount due is not honored when presented to a
60.16 financial institution for payment, any costs assessed to the department by the financial
60.17 institution and a fee of \$25 must be assessed to the person.

60.18 (c) Costs and fees collected under this subdivision are credited to the account.

60.19 Subd. 4. **Interest on amounts past due.** If any amounts due from an employer under
60.20 this chapter, except late fees, are not received on the date due, the unpaid balance bears
60.21 interest at the rate of one percent per month or any part of a month. Interest collected under
60.22 this subdivision is payable to the account.

60.23 Subd. 5. **Interest on judgments.** Regardless of section 549.09, if judgment is entered
60.24 upon any past due amounts from an employer under this chapter, the unpaid judgment bears
60.25 interest at the rate specified in subdivision 4 until the date of payment.

60.26 Subd. 6. **Credit adjustments; refunds.** (a) If an employer makes an application for a
60.27 credit adjustment of any amount paid under this chapter within four years of the date that
60.28 the payment was due, in a manner and format prescribed by the commissioner, and the
60.29 commissioner determines that the payment or any portion thereof was erroneous, the
60.30 commissioner must make an adjustment and issue a credit without interest. If a credit cannot
60.31 be used, the commissioner must refund, without interest, the amount erroneously paid. The

61.1 commissioner, on the commissioner's own motion, may make a credit adjustment or refund
61.2 under this subdivision.

61.3 (b) Any refund returned to the commissioner is considered unclaimed property under
61.4 chapter 345.

61.5 (c) If a credit adjustment or refund is denied in whole or in part, a determination of denial
61.6 must be sent to the employer by United States mail or electronic transmission. The
61.7 determination of denial is final unless an employer files an appeal within 20 calendar days
61.8 after receipt of the determination.

61.9 (d) If an employer receives a credit adjustment or refund under this section, the employer
61.10 must determine the amount of any overpayment attributable to a deduction from employee
61.11 wages under section 268B.12, subdivision 2, and return any amount erroneously deducted
61.12 to each affected employee.

61.13 Subd. 7. **Priorities under legal dissolutions or distributions.** In the event of any
61.14 distribution of an employer's assets according to an order of any court, including any
61.15 receivership, assignment for benefit of creditors, adjudicated insolvency, or similar
61.16 proceeding, premiums then or thereafter due must be paid in full before all other claims
61.17 except claims for wages of not more than \$1,000 per former employee that are earned within
61.18 six months of the commencement of the proceedings. In the event of an employer's
61.19 adjudication in bankruptcy under federal law, premiums then or thereafter due are entitled
61.20 to the priority provided in that law for taxes due.

61.21 Sec. 19. **[268B.14] ADMINISTRATIVE COSTS.**

61.22 From July 1, 2021, through December 31, 2021, the commissioner may spend up to
61.23 seven percent of premiums collected under section 268B.13 for administration of this chapter.
61.24 Beginning January 1, 2022, and each calendar year thereafter, the commissioner may spend
61.25 up to seven percent of projected benefit payments for that calendar year for the administration
61.26 of this chapter. The department may enter into interagency agreements with the Department
61.27 of Labor and Industry, including agreements to transfer funds, subject to the limit in this
61.28 section, for the Department of Labor and Industry to fulfill its enforcement authority of this
61.29 chapter.

61.30 Sec. 20. **[268B.15] PUBLIC OUTREACH.**

61.31 Beginning in fiscal year 2022, the commissioner must use at least 0.5 percent of revenue
61.32 collected under this chapter for the purpose of outreach, education, and technical assistance

62.1 for employees, employers, and self-employed individuals eligible to elect coverage under
 62.2 section 268B.11. The department may enter into interagency agreements with the Department
 62.3 of Labor and Industry, including agreements to transfer funds, subject to the limit in section
 62.4 268B.14, to accomplish the requirements of this section. At least one-half of the amount
 62.5 spent under this section must be used for grants to community-based groups.

62.6 Sec. 21. **[268B.16] APPLICANT'S FALSE REPRESENTATIONS; CONCEALMENT**
 62.7 **OF FACTS; PENALTY.**

62.8 (a) Any applicant who knowingly makes a false statement or representation, knowingly
 62.9 fails to disclose a material fact, or makes a false statement or representation without a
 62.10 good-faith belief as to the correctness of the statement or representation in order to obtain
 62.11 or in an attempt to obtain benefits may be assessed, in addition to any other penalties, an
 62.12 administrative penalty of ineligibility of benefits for 13 to 104 weeks.

62.13 (b) A determination of ineligibility setting out the weeks the applicant is ineligible must
 62.14 be sent to the applicant by United States mail or electronic transmission. The determination
 62.15 is final unless an appeal is filed within 30 calendar days after receipt of the determination.

62.16 Sec. 22. **[268B.17] EMPLOYER MISCONDUCT; PENALTY.**

62.17 (a) The commissioner must penalize an employer if that employer or any employee,
 62.18 officer, or agent of that employer is in collusion with any applicant for the purpose of
 62.19 assisting the applicant in receiving benefits fraudulently. The penalty is \$500 or the amount
 62.20 of benefits determined to be overpaid, whichever is greater.

62.21 (b) The commissioner must penalize an employer if that employer or any employee,
 62.22 officer, or agent of that employer:

62.23 (1) made a false statement or representation knowing it to be false;

62.24 (2) made a false statement or representation without a good-faith belief as to the
 62.25 correctness of the statement or representation; or

62.26 (3) knowingly failed to disclose a material fact.

62.27 (c) The penalty is the greater of \$500 or 50 percent of the following resulting from the
 62.28 employer's action:

62.29 (1) the amount of any overpaid benefits to an applicant;

62.30 (2) the amount of benefits not paid to an applicant that would otherwise have been paid;

62.31 or

63.1 (3) the amount of any payment required from the employer under this chapter that was
63.2 not paid.

63.3 (d) Penalties must be paid within 30 calendar days of issuance of the determination of
63.4 penalty and credited to the account.

63.5 (e) The determination of penalty is final unless the employer files an appeal within 30
63.6 calendar days after the sending of the determination of penalty to the employer by United
63.7 States mail or electronic transmission.

63.8 Sec. 23. **[268B.18] RECORDS; AUDITS.**

63.9 (a) Each employer must keep true and accurate records on individuals performing services
63.10 for the employer, containing the information the commissioner may require under this
63.11 chapter. The records must be kept for a period of not less than four years in addition to the
63.12 current calendar year.

63.13 (b) For the purpose of administering this chapter, the commissioner has the power to
63.14 investigate, audit, examine, or cause to be supplied or copied, any books, correspondence,
63.15 papers, records, or memoranda that are the property of, or in the possession of, an employer
63.16 or any other person at any reasonable time and as often as may be necessary.

63.17 (c) An employer or other person that refuses to allow an audit of its records by the
63.18 department or that fails to make all necessary records available for audit in the state upon
63.19 request of the commissioner may be assessed an administrative penalty of \$500. The penalty
63.20 collected is credited to the account.

63.21 Sec. 24. **[268B.19] SUBPOENAS; OATHS.**

63.22 (a) The commissioner or benefit judge has authority to administer oaths and affirmations,
63.23 take depositions, certify to official acts, and issue subpoenas to compel the attendance of
63.24 individuals and the production of documents and other personal property necessary in
63.25 connection with the administration of this chapter.

63.26 (b) Individuals subpoenaed, other than applicants or officers and employees of an
63.27 employer that is the subject of the inquiry, must be paid witness fees the same as witness
63.28 fees in civil actions in district court. The fees need not be paid in advance.

63.29 (c) The subpoena is enforceable through the district court in Ramsey County.

64.1 Sec. 25. [268B.20] CONCILIATION SERVICES.

64.2 The Department of Labor and Industry may offer conciliation services to employers and
64.3 employees to resolve disputes concerning alleged violations of employment protections
64.4 identified in section 268B.09.

64.5 Sec. 26. [268B.21] ANNUAL REPORTS.

64.6 (a) Annually, beginning on or before December 1, 2021, the commissioner must report
64.7 to the Department of Management and Budget and the house of representatives and senate
64.8 committee chairs with jurisdiction over this chapter on program administrative expenditures
64.9 and revenue collection for the prior fiscal year, including but not limited to:

64.10 (1) total revenue raised through premium collection;

64.11 (2) the number of self-employed individuals or independent contractors electing coverage
64.12 under section 268B.11 and amount of associated revenue;

64.13 (3) the number of covered business entities paying premiums under this chapter and
64.14 associated revenue;

64.15 (4) administrative expenditures including transfers to other state agencies expended in
64.16 the administration of the chapter;

64.17 (5) summary of contracted services expended in the administration of this chapter;

64.18 (6) grant amounts and recipients under section 268B.15;

64.19 (7) an accounting of required outreach expenditures;

64.20 (8) summary of private plan approvals including the number of employers and employees
64.21 covered under private plans; and

64.22 (9) adequacy and use of the private plan approval and oversight fee.

64.23 (b) Annually, beginning on or before December 1, 2022, the commissioner must publish
64.24 a publicly available report providing the following information for the previous fiscal year:

64.25 (1) total eligible claims;

64.26 (2) the number and percentage of claims attributable to each category of benefit;

64.27 (3) claimant demographics by age, gender, average weekly wage, occupation, and the
64.28 type of leave taken;

64.29 (4) the percentage of claims denied and the reasons therefor, including, but not limited
64.30 to insufficient information and ineligibility and the reason therefor;

65.1 (5) average weekly benefit amount paid for all claims and by category of benefit;

65.2 (6) changes in the benefits paid compared to previous fiscal years;

65.3 (7) processing times for initial claims processing, initial determinations, and final
65.4 decisions;

65.5 (8) average duration for cases completed; and

65.6 (9) the number of cases remaining open at the close of such year.

65.7 **Sec. 27. [268B.22] NOTICE REQUIREMENTS.**

65.8 (a) Each employer must post in a conspicuous place on each of its premises a workplace
65.9 notice prepared or approved by the commissioner providing notice of benefits available
65.10 under this chapter. The required workplace notice must be in English and each language
65.11 other than English which is the primary language of five or more employees or independent
65.12 contractors of that workplace, if such notice is available from the department.

65.13 (b) Each employer must issue to each employee not more than 30 days from the beginning
65.14 date of the employee's employment, or 30 days before premium collection begins, which
65.15 ever is later, the following written information provided or approved by the department in
65.16 the primary language of the employee:

65.17 (1) an explanation of the availability of family and medical leave benefits provided under
65.18 this chapter, including rights to reinstatement and continuation of health insurance;

65.19 (2) the amount of premium deductions made by the employer under this chapter;

65.20 (3) the employer's premium amount and obligations under this chapter;

65.21 (4) the name and mailing address of the employer;

65.22 (5) the identification number assigned to the employer by the department;

65.23 (6) instructions on how to file a claim for family and medical leave benefits;

65.24 (7) the mailing address, e-mail address, and telephone number of the department; and

65.25 (8) any other information required by the department.

65.26 Delivery is made when an employee provides written acknowledgment of receipt of the
65.27 information, or signs a statement indicating the employee's refusal to sign such
65.28 acknowledgment.

65.29 (c) Each employer shall provide to each independent contractor with whom it contracts,
65.30 at the time such contract is made or, for existing contracts, within 30 days of the effective

66.1 date of this section, the following written information provided or approved by the department
66.2 in the self-employed individual's primary language:

66.3 (1) the address and telephone number of the department; and

66.4 (2) any other information required by the department.

66.5 (d) An employer that fails to comply with this subsection may be issued, for a first
66.6 violation, a civil penalty of \$50 per employee and per independent contractor with whom
66.7 it has contracted, and for each subsequent violation, a civil penalty of \$300 per employee
66.8 or self-employed individual with whom it has contracted. The employer shall have the
66.9 burden of demonstrating compliance with this section.

66.10 (e) Employer notice to an employee under this section may be provided in paper or
66.11 electronic format. For notice provided in electronic format only, the employer must provide
66.12 employee access to an employer-owner computer during an employee's regular working
66.13 hours to review and print required notices.

66.14 **Sec. 28. [268B.23] RELATIONSHIP TO OTHER LEAVE; CONSTRUCTION.**

66.15 Subdivision 1. **Concurrent leave.** An employer may require leave taken under this
66.16 chapter to run concurrently with leave taken for the same purpose under section 181.941
66.17 or the Family and Medical Leave Act, United States Code, title 29, sections 2601 to 2654,
66.18 as amended.

66.19 Subd. 2. **Construction.** Nothing in this chapter shall be construed to:

66.20 (1) allow an employer to compel an employee to exhaust accumulated sick, vacation,
66.21 or personal time before or while taking leave under this chapter;

66.22 (2) prohibit an employer from providing additional benefits, including, but not limited
66.23 to, covering the portion of earnings not provided under this chapter during periods of leave
66.24 covered under this chapter; or

66.25 (3) limit the parties to a collective bargaining agreement from bargaining and agreeing
66.26 with respect to leave benefits and related procedures and employee protections that meet
66.27 or exceed, and do not otherwise conflict with, the minimum standards and requirements in
66.28 this chapter.

66.29 **Sec. 29. [268B.24] SMALL BUSINESS ASSISTANCE GRANTS.**

66.30 (a) Employers with 50 or fewer employees may apply to the department for grants under
66.31 this section.

67.1 (b) The commissioner may approve a grant of up to \$3,000 if the employer hires a
67.2 temporary worker to replace an employee on family or medical leave for a period of seven
67.3 days or more.

67.4 (c) For an employee's family or medical leave, the commissioner may approve a grant
67.5 of up to \$1,000 as reimbursement for significant additional wage-related costs due to the
67.6 employee's leave.

67.7 (d) To be eligible for consideration for a grant under this section, the employer must
67.8 provide the department written documentation showing the temporary worker hired or
67.9 significant wage-related costs incurred are due to an employee's use of leave under this
67.10 chapter.

67.11 (e) The grants under this section may be funded from the account.

67.12 (f) For the purposes of this section, the commissioner shall average the number of
67.13 employees reported by an employer over the last four completed calendar quarters to
67.14 determine the size of the employer.

67.15 (g) An employer who has an approved private plan is not eligible to receive a grant under
67.16 this section.

67.17 (h) The commissioner may award grants under this section only up to a maximum of
67.18 \$5,000,000 per calendar year.

67.19 Sec. 30. Minnesota Statutes 2018, section 290.0132, is amended by adding a subdivision
67.20 to read:

67.21 Subd. 23. **Benefits under chapter 268B.** The amount received in benefits under chapter
67.22 268B is a subtraction.

67.23 Sec. 31. **EFFECTIVE DATES.**

67.24 (a) Benefits under Minnesota Statutes, chapter 268B, shall not be applied for or paid
67.25 until January 1, 2022, and thereafter.

67.26 (b) Sections 1, 2, 4, 5, and 6 are effective July 1, 2019.

67.27 (c) Section 15 is effective July 1, 2020.

67.28 (d) Sections 3, 17, 18, 22, 23, 24, and 26 are effective January 1, 2021.

67.29 (e) Sections 19 and 20 are effective July 1, 2021.

68.1 (f) Sections 7, 8, 9, 10, 11, 12, 13, 14, 16, 21, 25, 27, 28, 29, and 30 are effective January
68.2 1, 2022.

68.3 **ARTICLE 3**

68.4 **FAMILY AND MEDICAL LEAVE BENEFIT AS EARNINGS**

68.5 Section 1. Minnesota Statutes 2018, section 256J.561, is amended by adding a subdivision
68.6 to read:

68.7 Subd. 4. **Parents receiving family and medical leave benefits.** A parent who meets
68.8 the criteria under subdivision 2 and who receives benefits under chapter 268B is not required
68.9 to participate in employment services.

68.10 Sec. 2. Minnesota Statutes 2018, section 256J.95, subdivision 3, is amended to read:

68.11 **Subd. 3. Eligibility for diversionary work program.** (a) Except for the categories of
68.12 family units listed in clauses (1) to (8), all family units who apply for cash benefits and who
68.13 meet MFIP eligibility as required in sections 256J.11 to 256J.15 are eligible and must
68.14 participate in the diversionary work program. Family units or individuals that are not eligible
68.15 for the diversionary work program include:

68.16 (1) child only cases;

68.17 (2) single-parent family units that include a child under 12 months of age. A parent is
68.18 eligible for this exception once in a parent's lifetime;

68.19 (3) family units with a minor parent without a high school diploma or its equivalent;

68.20 (4) family units with an 18- or 19-year-old caregiver without a high school diploma or
68.21 its equivalent who chooses to have an employment plan with an education option;

68.22 (5) family units with a caregiver who received DWP benefits within the 12 months prior
68.23 to the month the family applied for DWP, except as provided in paragraph (c);

68.24 (6) family units with a caregiver who received MFIP within the 12 months prior to the
68.25 month the family applied for DWP;

68.26 (7) family units with a caregiver who received 60 or more months of TANF assistance;
68.27 ~~and~~

68.28 (8) family units with a caregiver who is disqualified from the work participation cash
68.29 benefit program, DWP, or MFIP due to fraud; and

69.1 (9) single-parent family units where a parent is receiving family and medical leave
69.2 benefits under chapter 268B.

69.3 (b) A two-parent family must participate in DWP unless both caregivers meet the criteria
69.4 for an exception under paragraph (a), clauses (1) through (5), or the family unit includes a
69.5 parent who meets the criteria in paragraph (a), clause (6), (7), or (8).

69.6 (c) Once DWP eligibility is determined, the four months run consecutively. If a participant
69.7 leaves the program for any reason and reapplies during the four-month period, the county
69.8 must redetermine eligibility for DWP.

69.9 Sec. 3. Minnesota Statutes 2018, section 256J.95, subdivision 11, is amended to read:

69.10 Subd. 11. **Universal participation required.** (a) All DWP caregivers, except caregivers
69.11 who meet the criteria in paragraph (d), are required to participate in DWP employment
69.12 services. Except as specified in paragraphs (b) and (c), employment plans under DWP must,
69.13 at a minimum, meet the requirements in section 256J.55, subdivision 1.

69.14 (b) A caregiver who is a member of a two-parent family that is required to participate
69.15 in DWP who would otherwise be ineligible for DWP under subdivision 3 may be allowed
69.16 to develop an employment plan under section 256J.521, subdivision 2, that may contain
69.17 alternate activities and reduced hours.

69.18 (c) A participant who is a victim of family violence shall be allowed to develop an
69.19 employment plan under section 256J.521, subdivision 3. A claim of family violence must
69.20 be documented by the applicant or participant by providing a sworn statement which is
69.21 supported by collateral documentation in section 256J.545, paragraph (b).

69.22 (d) One parent in a two-parent family unit ~~that has a natural born child under 12 months~~
69.23 ~~of age~~ is not required to have an employment plan ~~until the child reaches 12 months of age~~
69.24 ~~unless the family unit has already used the exclusion under section 256J.561, subdivision~~
69.25 ~~3, or the previously allowed child under age one exemption under section 256J.56, paragraph~~
69.26 ~~(a), clause (5).~~ if that parent:

69.27 (1) receives family and medical leave benefits under chapter 268B; or

69.28 (2) has a natural born child under 12 months of age until the child reaches 12 months
69.29 of age unless the family unit has already used the exclusion under section 256J.561,
69.30 subdivision 3, or the previously allowed child under age one exemption under section
69.31 256J.56, paragraph (a), clause (5).

70.1 (e) The provision in paragraph (d) ends the first full month after the child reaches 12
 70.2 months of age. This provision is allowable only once in a caregiver's lifetime. In a two-parent
 70.3 household, only one parent shall be allowed to use this category.

70.4 (f) The participant and job counselor must meet in the month after the month the child
 70.5 reaches 12 months of age to revise the participant's employment plan. The employment plan
 70.6 for a family unit that has a child under 12 months of age that has already used the exclusion
 70.7 in section 256J.561 must be tailored to recognize the caregiving needs of the parent.

70.8 Sec. 4. Minnesota Statutes 2018, section 256P.01, subdivision 3, is amended to read:

70.9 Subd. 3. **Earned income.** "Earned income" means cash or in-kind income earned through
 70.10 the receipt of wages, salary, commissions, bonuses, tips, gratuities, profit from employment
 70.11 activities, net profit from self-employment activities, payments made by an employer for
 70.12 regularly accrued vacation or sick leave, severance pay based on accrued leave time, benefits
 70.13 paid under chapter 268B, payments from training programs at a rate at or greater than the
 70.14 state's minimum wage, royalties, honoraria, or other profit from activity that results from
 70.15 the client's work, service, effort, or labor. The income must be in return for, or as a result
 70.16 of, legal activity.

70.17 Sec. 5. **EFFECTIVE DATES.**

70.18 Sections 1 to 4 are effective January 1, 2022.

70.19 ARTICLE 4

70.20 ECONOMIC DEVELOPMENT POLICY

70.21 Section 1. **[116J.545] GETTING TO WORK GRANT PROGRAM.**

70.22 Subdivision 1. **Creation.** The commissioner of employment and economic development
 70.23 shall make grants to nonprofit organizations to establish and operate programs under this
 70.24 section that provide, repair, or maintain motor vehicles to assist eligible individuals in
 70.25 obtaining or maintaining employment. All grants shall be for two years.

70.26 Subd. 2. **Qualified grantee.** A grantee must:

70.27 (1) qualify under section 501(c)(3) of the Internal Revenue Code; and

70.28 (2) at the time of application, offer or have the demonstrated capacity to offer a motor
 70.29 vehicle program that provides the services required under subdivision 3.

71.1 Subd. 3. Program requirements. (a) A program must offer one or more of the following
71.2 services:

71.3 (1) provision of new or used motor vehicles by gift, sale, or lease;

71.4 (2) motor vehicle repair and maintenance services; or

71.5 (3) motor vehicle loans.

71.6 (b) In addition to the requirements of paragraph (a), a program must offer one or more
71.7 of the following services:

71.8 (1) financial literacy education;

71.9 (2) education on budgeting for vehicle ownership;

71.10 (3) car maintenance and repair instruction;

71.11 (4) credit counseling; or

71.12 (5) job training related to motor vehicle maintenance and repair.

71.13 Subd. 4. Application. An application for a grant must be on a form provided by the
71.14 commissioner and on a schedule set by the commissioner. An application must, in addition
71.15 to any other information required by the commissioner, include the following:

71.16 (1) a detailed description of all services to be offered;

71.17 (2) the area to be served;

71.18 (3) the estimated number of program participants to be served by the grant; and

71.19 (4) a plan for leveraging resources from partners that may include but are not limited

71.20 to:

71.21 (i) automobile dealers;

71.22 (ii) automobile parts dealers;

71.23 (iii) independent local mechanics and automobile repair facilities;

71.24 (iv) banks and credit unions;

71.25 (v) employers;

71.26 (vi) employment and training agencies;

71.27 (vii) insurance companies and agents;

71.28 (viii) local workforce centers; and

72.1 (ix) educational institutions including vocational institutions and jobs or skills training
72.2 programs.

72.3 Subd. 5. **Participant eligibility.** (a) To be eligible to receive program services, a person
72.4 must:

72.5 (1) have a household income at or below 200 percent of the federal poverty level;

72.6 (2) be at least 18 years of age;

72.7 (3) have a valid driver's license;

72.8 (4) provide the grantee with proof of motor vehicle insurance; and

72.9 (5) demonstrate to the grantee that a motor vehicle is required by the person to obtain
72.10 or maintain employment.

72.11 (b) This subdivision does not preclude a grantee from imposing additional requirements
72.12 consistent with paragraph (a) for the receipt of program services.

72.13 Subd. 6. **Report to legislature.** By February 15, 2021, and each January 15 in an
72.14 odd-numbered year thereafter, the commissioner shall submit a report to the chairs of the
72.15 house of representatives and senate committees with jurisdiction over workforce and
72.16 economic development on program outcomes. At a minimum, the report must include:

72.17 (1) the total number of program participants;

72.18 (2) the number of program participants who received each of the following:

72.19 (i) provision of a motor vehicle;

72.20 (ii) motor vehicle repair services; and

72.21 (iii) motor vehicle loans;

72.22 (3) the number of program participants who report that they or their children were able
72.23 to increase their participation in community activities such as after-school programs, other
72.24 youth programs, church or civic groups, or library services as a result of participation in the
72.25 program; and

72.26 (4) an analysis of the impact of the getting to work grant program on the employment
72.27 rate and wages of program participants.

72.28 Sec. 2. Minnesota Statutes 2018, section 116J.8731, subdivision 5, is amended to read:

72.29 Subd. 5. **Grant limits.** A Minnesota investment fund grant may not be approved for an
72.30 amount in excess of \$1,000,000, except that a grant of up to \$2,000,000 is allowable for

73.1 projects that have at least \$25,000,000 in capital investment and 150 new employees. This
73.2 limit covers all money paid to complete the same project, whether paid to one or more grant
73.3 recipients and whether paid in one or more fiscal years. A local community or recognized
73.4 Indian tribal government may retain 40 percent, but not more than \$100,000, of a Minnesota
73.5 investment fund grant when it is repaid to the local community or recognized Indian tribal
73.6 government by the person or entity to which it was loaned by the local community or Indian
73.7 tribal government. Money repaid to the state must be credited to a Minnesota investment
73.8 revolving loan account in the state treasury. Funds in the account are appropriated to the
73.9 commissioner and must be used in the same manner as are funds appropriated to the
73.10 Minnesota investment fund. Funds repaid to the state through existing Minnesota investment
73.11 fund agreements must be credited to the Minnesota investment revolving loan account
73.12 effective July 1, 2005. A grant or loan may not be made to a person or entity for the operation
73.13 or expansion of a casino or a store which is used solely or principally for retail sales. Persons
73.14 or entities receiving grants or loans must pay each employee total compensation, including
73.15 benefits not mandated by law, that on an annualized basis is equal to at least ~~110~~ 125 percent
73.16 of the federal poverty level for a family of four.

73.17 Sec. 3. Minnesota Statutes 2018, section 116J.8748, subdivision 4, is amended to read:

73.18 Subd. 4. **Certification; benefits.** (a) The commissioner may certify a Minnesota job
73.19 creation fund business as eligible to receive a specific value of benefit under paragraphs (b)
73.20 and (c) when the business has achieved its job creation and capital investment goals noted
73.21 in its agreement under subdivision 3.

73.22 (b) A qualified Minnesota job creation fund business may be certified eligible for the
73.23 benefits in this paragraph for up to five years for projects located in the metropolitan area
73.24 as defined in section 200.02, subdivision 24, and seven years for projects located outside
73.25 the metropolitan area, as determined by the commissioner when considering the best interests
73.26 of the state and local area. Notwithstanding section 16B.98, subdivision 5, paragraph (a),
73.27 clause (3), or 16B.98, subdivision 5, paragraph (b), grant agreements for projects located
73.28 outside the metropolitan area may be for up to seven years in length. The eligibility for the
73.29 following benefits begins the date the commissioner certifies the business as a qualified
73.30 Minnesota job creation fund business under this subdivision:

73.31 (1) up to five percent rebate for projects located in the metropolitan area as defined in
73.32 section 200.02, subdivision 24, and 7.5 percent for projects located outside the metropolitan
73.33 area, on capital investment on qualifying purchases as provided in subdivision 5 with the
73.34 total rebate for a project not to exceed \$500,000;

74.1 (2) an award of up to \$500,000 based on full-time job creation and wages paid as provided
74.2 in subdivision 6 with the total award not to exceed \$500,000;

74.3 (3) up to \$1,000,000 in capital investment rebates and \$1,000,000 in job creation awards
74.4 are allowable for projects that have at least \$25,000,000 in capital investment and 200 new
74.5 employees in the metropolitan area as defined in section 200.02, subdivision 24, and 75
74.6 new employees for projects located outside the metropolitan area;

74.7 (4) up to \$1,000,000 in capital investment rebates are allowable for projects that have
74.8 at least \$25,000,000 in capital investment and 200 retained employees for projects located
74.9 in the metropolitan area as defined in section 200.02, subdivision 24, and 75 employees for
74.10 projects located outside the metropolitan area; and

74.11 (5) for clauses (3) and (4) only, the capital investment expenditure requirements may
74.12 include the installation and purchases of machinery and equipment. These expenditures are
74.13 not eligible for the capital investment rebate provided under subdivision 5.

74.14 (c) The job creation award may be provided in multiple years as long as the qualified
74.15 Minnesota job creation fund business continues to meet the job creation goals provided for
74.16 in its agreement under subdivision 3 and the total award does not exceed \$500,000 except
74.17 as provided under paragraph (b), clauses (3) and (4).

74.18 (d) No rebates or award may be provided until the Minnesota job creation fund business
74.19 or a third party constructing or managing the project has at least \$500,000 in capital
74.20 investment in the project and at least ten full-time jobs have been created and maintained
74.21 for at least one year or the retained employees, as provided in paragraph (b), clause (4),
74.22 remain for at least one year. The agreement may require additional performance outcomes
74.23 that need to be achieved before rebates and awards are provided. If fewer retained jobs are
74.24 maintained, but still above the minimum under this subdivision, the capital investment
74.25 award shall be reduced on a proportionate basis.

74.26 (e) The forms needed to be submitted to document performance by the Minnesota job
74.27 creation fund business must be in the form and be made under the procedures specified by
74.28 the commissioner. The forms shall include documentation and certification by the business
74.29 that it is in compliance with the business subsidy agreement, sections 116J.871 and 116L.66,
74.30 and other provisions as specified by the commissioner.

74.31 (f) Minnesota job creation fund businesses must pay each new full-time employee added
74.32 pursuant to the agreement total compensation, including benefits not mandated by law, that
74.33 on an annualized basis is equal to at least ~~110~~ 125 percent of the federal poverty level for
74.34 a family of four.

75.1 (g) A Minnesota job creation fund business must demonstrate reasonable progress on
 75.2 capital investment expenditures within six months following designation as a Minnesota
 75.3 job creation fund business to ensure that the capital investment goal in the agreement under
 75.4 subdivision 1 will be met. Businesses not making reasonable progress will not be eligible
 75.5 for benefits under the submitted application and will need to work with the local government
 75.6 unit to resubmit a new application and request to be a Minnesota job creation fund business.
 75.7 Notwithstanding the goals noted in its agreement under subdivision 1, this action shall not
 75.8 be considered a default of the business subsidy agreement.

75.9 Sec. 4. Minnesota Statutes 2018, section 116J.8748, subdivision 6, is amended to read:

75.10 Subd. 6. **Job creation award.** (a) A qualified Minnesota job creation fund business is
 75.11 eligible for an annual award for each new job created and maintained by the business using
 75.12 the following schedule: \$1,000 for each job position paying annual wages at least ~~\$26,000~~
 75.13 \$32,188 but less than \$35,000 no more than \$37,707; \$2,000 for each job position paying
 75.14 at least \$35,000 more than \$37,707 but less than \$45,000 no more than \$47,965; and \$3,000
 75.15 for each job position paying at least \$45,000 more than \$47,965; and as noted in the goals
 75.16 under the agreement provided under subdivision 1. These awards are increased by \$1,000
 75.17 if the business is located outside the metropolitan area as defined in section 200.02,
 75.18 subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans,
 75.19 women, or persons with a disability.

75.20 (b) The job creation award schedule must be adjusted annually using the percentage
 75.21 increase in the federal poverty level for a family of four.

75.22 (c) Minnesota job creation fund businesses seeking an award credit provided under
 75.23 subdivision 4 must submit forms and applications to the Department of Employment and
 75.24 Economic Development as prescribed by the commissioner.

75.25 Sec. 5. **[116L.25] PATHWAYS TO PROSPERITY GRANT PROGRAM.**

75.26 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
 75.27 the meanings given.

75.28 (b) "Career pathway" means a career-readiness program, connected to a specific industry
 75.29 sector, that combines basic skills training, education, and support services and results in
 75.30 either industry-specific training or an employer-recognized credential.

75.31 (c) "Commissioner" means the commissioner of employment and economic development.

76.1 (d) "Pathways to prosperity grant program" or "grant program" means the competitive
76.2 grant program created in this section.

76.3 Subd. 2. **Establishment.** The commissioner shall establish a pathways to prosperity
76.4 grant program to award grants to organizations to train adults facing the greatest employment
76.5 disparities and to assist them in finding employment in high-demand occupations with
76.6 long-term employment opportunities.

76.7 Subd. 3. **Grant process.** (a) The commissioner shall award grants to organizations
76.8 through a competitive grant process.

76.9 (b) The commissioner shall develop grant-making criteria for the grant program. These
76.10 criteria shall include guidelines for multiple types of career pathways. These criteria shall
76.11 also consider a program's alignment with the labor market in the community where the
76.12 program operates and, where applicable, a program's previous grant performance. At least
76.13 once every biennium, the commissioner shall consult with workforce development service
76.14 providers on program criteria and administration.

76.15 (c) All reporting requirements for grant recipients shall be outlined in plain language in
76.16 both the request for proposal and the grant contract.

76.17 (d) The commissioner shall provide applicants with technical assistance with
76.18 understanding application procedures and program guidelines.

76.19 **Sec. 6. [116L.35] INVENTORY OF WORKFORCE DEVELOPMENT PROGRAMS.**

76.20 (a) By January 15, 2020, and by January 15 of each even-numbered year thereafter, the
76.21 commissioner of employment and economic development must submit a report to the chairs
76.22 of the legislative committees with jurisdiction over workforce development that provides
76.23 an inventory of all workforce development programs either provided by or overseen by any
76.24 branch of the state of Minnesota.

76.25 (b) Programs related to workforce development that must be included in the report
76.26 include those that:

76.27 (1) are federally funded or state funded;

76.28 (2) provide assistance to either businesses or individuals; or

76.29 (3) support internships, apprenticeships, career and technical education, or any form of
76.30 employment training.

76.31 (c) For each workforce development program, the report must include, at a minimum,
76.32 the following information:

- 77.1 (1) details of program costs;
- 77.2 (2) the number of staff, both within the department and any outside organization;
- 77.3 (3) the number of program participants;
- 77.4 (4) a short description of what each program does; and
- 77.5 (5) to the extent practical, quantifiable measures of program success.

77.6 **Sec. 7. [116L.43] METROPOLITAN JOB TRAINING GRANTS.**

77.7 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have

77.8 the meanings given.

77.9 (b) "Agreement" means the agreement between an employer and the commissioner for

77.10 a project.

77.11 (c) "Commissioner" means the commissioner of employment and economic development.

77.12 (d) "Disability" has the meaning given under United States Code, title 42, chapter 126.

77.13 (e) "Employee" means the individual employed in a new job.

77.14 (f) "Employer" means the individual, corporation, partnership, limited liability company,

77.15 or association providing new jobs and entering into an agreement.

77.16 (g) "New job" means a job:

77.17 (1) that is provided by a new or expanding business in the manufacturing or technology

77.18 industry;

77.19 (2) that is located within the metropolitan area, as defined under section 473.121,

77.20 subdivision 2;

77.21 (3) that provides at least 32 hours of work per week for a minimum of nine months per

77.22 year and is permanent with no planned termination date;

77.23 (4) that is certified by the commissioner as qualifying under the program before the first

77.24 employee is hired to fill the job; and

77.25 (5) for which an employee hired was not:

77.26 (i) formerly employed by the employer in the state; or

77.27 (ii) a replacement worker, including a worker newly hired as a result of a labor dispute.

77.28 (h) "Program" means the project or projects established under this section.

78.1 (i) "Program costs" means all necessary and incidental costs of providing program
78.2 services, except that program costs are increased by \$1,000 per employee for an individual
78.3 with a disability. The term does not include the cost of purchasing equipment to be owned
78.4 or used by the training or educational institution or service.

78.5 (j) "Program services" means training and education specifically directed to new jobs
78.6 that are determined to be appropriate by the commissioner, including in-house training;
78.7 services provided by institutions of higher education and federal, state, or local agencies;
78.8 or private training or educational services. Administrative services and assessment and
78.9 testing costs are included.

78.10 (k) "Project" means a training arrangement that is the subject of an agreement entered
78.11 into between the commissioner and an employer to provide program services.

78.12 Subd. 2. **Service provision.** Upon request, the commissioner shall provide or coordinate
78.13 the provision of program services under this section to a business eligible for grants under
78.14 subdivision 8. The commissioner shall specify the form of and required information to be
78.15 provided with applications for projects to be funded with grants under this section.

78.16 Subd. 3. **Agreements; required terms.** (a) The commissioner may enter into an
78.17 agreement to establish a project with an employer that:

78.18 (1) identifies program costs to be paid from sources under the program;

78.19 (2) identifies program costs to be paid by the employer;

78.20 (3) provides that on-the-job training costs for employees may not exceed 50 percent of
78.21 the annual gross wages and salaries of the new jobs in the first full year after execution of
78.22 the agreement up to a maximum of \$10,000 per eligible employee;

78.23 (4) provides that each employee must be paid wages at least equal to the median hourly
78.24 wage for the county in which the job is located, as reported in the most recently available
78.25 data from the United States Bureau of the Census, plus benefits, by the earlier of the end
78.26 of the training period or 18 months of employment under the project; and

78.27 (5) provides that job training will be provided and the length of time of training.

78.28 (b) Before entering into a final agreement, the commissioner shall:

78.29 (1) determine that sufficient funds for the project are available under subdivision 8; and

78.30 (2) investigate the applicability of other training programs and determine whether the
78.31 job skills partnership grant program is a more suitable source of funding for the training

79.1 and whether the training can be completed in a timely manner that meets the needs of the
79.2 business.

79.3 The investigation under clause (2) must be completed within 15 days or as soon as reasonably
79.4 possible after the employer has provided the commissioner with all the requested information.

79.5 Subd. 4. **Grant funds sufficient.** The commissioner must not enter into an agreement
79.6 under subdivision 3 unless the commissioner determines that sufficient funds are available.

79.7 Subd. 5. **Grant limit.** The maximum grant amount for a project is \$400,000.

79.8 Subd. 6. **Allocation.** The commissioner shall allocate grant funds under subdivision 8
79.9 to project applications based on a first-come, first-served basis, determined on the basis of
79.10 the commissioner's receipt of a complete application for the project, including the provision
79.11 of all of the required information. The agreement must specify the amount of grant funds
79.12 available to the employer for each year covered by the agreement.

79.13 Subd. 7. **Application fee.** The commissioner may charge each employer an application
79.14 fee to cover part or all of the administrative and legal costs incurred, not to exceed \$500
79.15 per employer. The fee is deemed approved under section 16A.1283. The fee is deposited
79.16 in the metropolitan jobs training account in the special revenue fund and amounts in the
79.17 account are appropriated to the commissioner for the costs of administering the program.
79.18 The commissioner shall refund the fee to the employer if the application is denied because
79.19 program funding is unavailable.

79.20 Subd. 8. **Grants; recovery of program costs.** Amounts paid by employers for program
79.21 costs are repaid by a metropolitan job training grant equal to the lesser of the following:

79.22 (1) the amount of program costs specified in the agreement for the project; or

79.23 (2) the amount of program costs paid by the employer for new employees under a project.

79.24 Subd. 9. **Reports.** (a) By February 1, 2022, and each February 1 thereafter, the
79.25 commissioner shall report to the governor and the legislature on the program. The report
79.26 must include at least:

79.27 (1) the amount of grants issued under the program;

79.28 (2) the number of individuals receiving training under the program, including the number
79.29 of new hires who are individuals with disabilities;

79.30 (3) the number of new hires attributable to the program, including the number of new
79.31 hires who are individuals with disabilities;

79.32 (4) an analysis of the effectiveness of the grant in encouraging employment; and

80.1 (5) any other information the commissioner determines appropriate.

80.2 (b) The report to the legislature must be distributed as provided in section 3.195.

80.3 **Sec. 8. [116L.9761] MINNESOTA CALL CENTER JOBS ACT.**

80.4 Sections 116L.9762 to 116L.9766 shall be known as the "Minnesota Call Center Jobs
80.5 Act."

80.6 **EFFECTIVE DATE.** This section is effective 180 days after final enactment

80.7 **Sec. 9. [116L.9762] DEFINITIONS.**

80.8 Subdivision 1. **Application.** For the purposes of sections 116L.9762 to 116L.9766, the
80.9 terms defined in this section have the meanings given them.

80.10 Subd. 2. **Agency.** "Agency" means a state department under section 15.01.

80.11 Subd. 3. **Business entity.** "Business entity" means any organization, corporation, trust,
80.12 partnership, sole proprietorship, unincorporated association, or venture established to make
80.13 a profit, in whole or in part, by purposefully availing itself of the privilege of conducting
80.14 commerce in Minnesota.

80.15 Subd. 4. **Call center.** "Call center" means a facility or other operation with employees
80.16 who receive incoming telephone calls, e-mail, or other electronic communications for the
80.17 purpose of providing customer assistance or other service.

80.18 Subd. 5. **Commissioner.** "Commissioner" means the commissioner of employment and
80.19 economic development.

80.20 Subd. 6. **Employer.** "Employer" means a business enterprise that employs, for the
80.21 purpose of customer service or back-office operations:

80.22 (1) 50 or more employees, excluding part-time employees; or

80.23 (2) 50 or more employees who, in the aggregate, work at least 1,500 hours per week,
80.24 exclusive of hours of overtime.

80.25 Subd. 7. **Part-time employee.** "Part-time employee" means an employee who is employed
80.26 for an average of fewer than 20 hours per week or who has been employed for fewer than
80.27 six of the 12 months preceding the date on which notice is required under section 116L.9763.

80.28 Subd. 8. **Relocating; relocation.** "Relocating" or "relocation" means the closure of a
80.29 call center, the cessation of operations of a call center, or one or more facilities or operating
80.30 units within a call center comprising at least 30 percent of the call center's or operating unit's

81.1 total volume when measured against the previous 12-month average call volume of operations
81.2 or substantially similar operations, to a location outside of the United States.

81.3 **EFFECTIVE DATE.** This section is effective 180 days after final enactment

81.4 Sec. 10. **[116L.9763] CALL CENTER RELOCATIONS.**

81.5 (a) An employer must notify the commissioner if it intends to relocate from Minnesota
81.6 to a foreign country either of the following:

81.7 (1) a call center; or

81.8 (2) one or more facilities or operating units within a call center that comprise at least 30
81.9 percent of the call center's or operating unit's total volume when measured against the
81.10 previous 12-month average call volume of operations or substantially similar operations.

81.11 (b) The notification required under paragraph (a) must be given at least 120 days before
81.12 the relocation is to occur.

81.13 (c) An employer that violates paragraph (a) is subject to a civil penalty not to exceed
81.14 \$10,000 for each day of the violation, except that the commissioner may reduce the amount
81.15 for just cause shown.

81.16 (d) The commissioner shall compile a semiannual list of all employers that relocate a
81.17 call center, or one or more facilities or operating units within a call center comprising at
81.18 least 30 percent of the call center's total volume of operations, from the United States to a
81.19 foreign country, and distribute the list to all agencies.

81.20 **EFFECTIVE DATE.** This section is effective 180 days after final enactment

81.21 Sec. 11. **[116L.9764] GRANTS; LOANS; SUBSIDIES.**

81.22 (a) Except as provided in paragraph (b) and notwithstanding any other provision of law,
81.23 an employer that appears on the list prepared under section 116L.9763 shall be ineligible
81.24 for any direct or indirect state grants or state guaranteed loans for five years after the date
81.25 the employer is placed on the list.

81.26 (b) Except as provided in paragraph (c) and notwithstanding any other provision of law,
81.27 an employer that appears on the list prepared under section 116L.9763 shall remit to the
81.28 commissioner of management and budget the unamortized value of any grants, guaranteed
81.29 loans, tax benefits, or other governmental support it has previously received.

81.30 (c) The commissioner of management and budget, in consultation with the commissioner
81.31 of the agency providing or administering the public subsidy, may waive the ineligibility

82.1 requirement under paragraph (a) if the employer applying for the loan or grant demonstrates
 82.2 that not having the loan or grant would threaten national security, result in substantial job
 82.3 loss in Minnesota, or harm the environment.

82.4 **EFFECTIVE DATE.** This section is effective 180 days after final enactment

82.5 **Sec. 12. [116L.9765] PROCUREMENT.**

82.6 The commissioner of each agency shall ensure that all state business related call center
 82.7 and customer service work be performed by state contractors or their agents or subcontractors
 82.8 entirely within Minnesota. State contractors who currently perform work outside Minnesota
 82.9 shall have two years following the effective date of this act to comply with this section.
 82.10 Any new call center or customer service employees hired by the contractor during the
 82.11 compliance period under this section must be employed in Minnesota.

82.12 **EFFECTIVE DATE.** This section is effective 180 days after final enactment

82.13 **Sec. 13. [116L.9766] EMPLOYEE BENEFITS.**

82.14 Nothing in sections 116L.9762 to 116L.9766 shall be construed to permit the withholding
 82.15 or denial of payments, compensation, or benefits under any other state law, including state
 82.16 unemployment compensation, disability payments, or worker retraining or readjustment
 82.17 funds, to employees of employers that relocate to a foreign country.

82.18 **EFFECTIVE DATE.** This section is effective 180 days after final enactment

82.19 **Sec. 14. Laws 2017, chapter 94, article 1, section 2, subdivision 3, is amended to read:**

82.20	Subd. 3. Workforce Development	\$	31,498,000	\$	30,231,000
82.21	Appropriations by Fund				
82.22	General	\$6,239,000	\$5,889,000		
82.23	Workforce				
82.24	Development	\$25,259,000	\$24,342,000		

82.25 (a) \$500,000 each year is for the
 82.26 youth-at-work competitive grant program
 82.27 under Minnesota Statutes, section 116L.562.
 82.28 Of this amount, up to five percent is for
 82.29 administration and monitoring of the youth
 82.30 workforce development competitive grant
 82.31 program. All grant awards shall be for two

83.1 consecutive years. Grants shall be awarded in
83.2 the first year. In fiscal year 2020 and beyond,
83.3 the base amount is \$750,000.

83.4 (b) \$250,000 each year is for pilot programs
83.5 in the workforce service areas to combine
83.6 career and higher education advising.

83.7 (c) \$500,000 each year is for rural career
83.8 counseling coordinator positions in the
83.9 workforce service areas and for the purposes
83.10 specified in Minnesota Statutes, section
83.11 116L.667. The commissioner of employment
83.12 and economic development, in consultation
83.13 with local workforce investment boards and
83.14 local elected officials in each of the service
83.15 areas receiving funds, shall develop a method
83.16 of distributing funds to provide equitable
83.17 services across workforce service areas.

83.18 (d) \$1,000,000 each year is for a grant to the
83.19 Construction Careers Foundation for the
83.20 construction career pathway initiative to
83.21 provide year-round educational and
83.22 experiential learning opportunities for teens
83.23 and young adults under the age of 21 that lead
83.24 to careers in the construction industry. This is
83.25 a onetime appropriation. Grant funds must be
83.26 used to:

83.27 (1) increase construction industry exposure
83.28 activities for middle school and high school
83.29 youth, parents, and counselors to reach a more
83.30 diverse demographic and broader statewide
83.31 audience. This requirement includes, but is
83.32 not limited to, an expansion of programs to
83.33 provide experience in different crafts to youth
83.34 and young adults throughout the state;

84.1 (2) increase the number of high schools in
84.2 Minnesota offering construction classes during
84.3 the academic year that utilize a multicraft
84.4 curriculum;

84.5 (3) increase the number of summer internship
84.6 opportunities;

84.7 (4) enhance activities to support graduating
84.8 seniors in their efforts to obtain employment
84.9 in the construction industry;

84.10 (5) increase the number of young adults
84.11 employed in the construction industry and
84.12 ensure that they reflect Minnesota's diverse
84.13 workforce; and

84.14 (6) enhance an industrywide marketing
84.15 campaign targeted to youth and young adults
84.16 about the depth and breadth of careers within
84.17 the construction industry.

84.18 Programs and services supported by grant
84.19 funds must give priority to individuals and
84.20 groups that are economically disadvantaged
84.21 or historically underrepresented in the
84.22 construction industry, including but not limited
84.23 to women, veterans, and members of minority
84.24 and immigrant groups.

84.25 (e) \$1,539,000 each year from the general fund
84.26 and \$4,604,000 each year from the workforce
84.27 development fund are for the Pathways to
84.28 Prosperity adult workforce development
84.29 competitive grant program. Of this amount,
84.30 up to four percent is for administration and
84.31 monitoring of the program. When awarding
84.32 grants under this paragraph, the commissioner
84.33 of employment and economic development
84.34 may give preference to any previous grantee

85.1 with demonstrated success in job training and
85.2 placement for hard-to-train individuals. In
85.3 fiscal year 2020 and beyond, the general fund
85.4 base amount for this program is \$4,039,000.

85.5 (f) \$750,000 each year is for a competitive
85.6 grant program to provide grants to
85.7 organizations that provide support services for
85.8 individuals, such as job training, employment
85.9 preparation, internships, job assistance to
85.10 fathers, financial literacy, academic and
85.11 behavioral interventions for low-performing
85.12 students, and youth intervention. Grants made
85.13 under this section must focus on low-income
85.14 communities, young adults from families with
85.15 a history of intergenerational poverty, and
85.16 communities of color. Of this amount, up to
85.17 four percent is for administration and
85.18 monitoring of the program. In fiscal year 2020
85.19 and beyond, the base amount is \$1,000,000.

85.20 (g) \$500,000 each year is for the women and
85.21 high-wage, high-demand, nontraditional jobs
85.22 grant program under Minnesota Statutes,
85.23 section 116L.99. Of this amount, up to five
85.24 percent is for administration and monitoring
85.25 of the program. In fiscal year 2020 and
85.26 beyond, the base amount is \$750,000.

85.27 (h) \$500,000 each year is for a competitive
85.28 grant program for grants to organizations
85.29 providing services to relieve economic
85.30 disparities in the Southeast Asian community
85.31 through workforce recruitment, development,
85.32 job creation, assistance of smaller
85.33 organizations to increase capacity, and
85.34 outreach. Of this amount, up to five percent
85.35 is for administration and monitoring of the

86.1 program. In fiscal year 2020 and beyond, the
86.2 base amount is \$1,000,000.

86.3 (i) \$250,000 each year is for a grant to the
86.4 American Indian Opportunities and
86.5 Industrialization Center, in collaboration with
86.6 the Northwest Indian Community
86.7 Development Center, to reduce academic
86.8 disparities for American Indian students and
86.9 adults. This is a onetime appropriation. The
86.10 grant funds may be used to provide:

86.11 (1) student tutoring and testing support
86.12 services;

86.13 (2) training in information technology;

86.14 (3) assistance in obtaining a GED;

86.15 (4) remedial training leading to enrollment in
86.16 a postsecondary higher education institution;

86.17 (5) real-time work experience in information
86.18 technology fields; and

86.19 (6) contextualized adult basic education.

86.20 After notification to the legislature, the
86.21 commissioner may transfer this appropriation
86.22 to the commissioner of education.

86.23 (j) \$100,000 each year is for the getting to
86.24 work grant program. This is a onetime
86.25 appropriation and is available until June 30,
86.26 2021.

86.27 (k) \$525,000 each year is from the workforce
86.28 development fund for a grant to the YWCA
86.29 of Minneapolis to provide economically
86.30 challenged individuals the job skills training,
86.31 career counseling, and job placement
86.32 assistance necessary to secure a child
86.33 development associate credential and to have

87.1 a career path in early childhood education.

87.2 This is a onetime appropriation.

87.3 (l) \$1,350,000 each year is from the workforce

87.4 development fund for a grant to the Minnesota

87.5 High Tech Association to support

87.6 SciTechsperience, a program that supports

87.7 science, technology, engineering, and math

87.8 (STEM) internship opportunities for two- and

87.9 four-year college students and graduate

87.10 students in their field of study. The internship

87.11 opportunities must match students with paid

87.12 internships within STEM disciplines at small,

87.13 for-profit companies located in Minnesota,

87.14 having fewer than 250 employees worldwide.

87.15 At least 300 students must be matched in the

87.16 first year and at least 350 students must be

87.17 matched in the second year. No more than 15

87.18 percent of the hires may be graduate students.

87.19 Selected hiring companies shall receive from

87.20 the grant 50 percent of the wages paid to the

87.21 intern, capped at \$2,500 per intern. The

87.22 program must work toward increasing the

87.23 participation of women or other underserved

87.24 populations. This is a onetime appropriation.

87.25 (m) \$450,000 each year is from the workforce

87.26 development fund for grants to Minnesota

87.27 Diversified Industries, Inc. to provide

87.28 progressive development and employment

87.29 opportunities for people with disabilities. This

87.30 is a onetime appropriation.

87.31 (n) \$500,000 each year is from the workforce

87.32 development fund for a grant to Resource, Inc.

87.33 to provide low-income individuals career

87.34 education and job skills training that are fully

88.1 integrated with chemical and mental health
88.2 services. This is a onetime appropriation.

88.3 (o) \$750,000 each year is from the workforce
88.4 development fund for a grant to the Minnesota
88.5 Alliance of Boys and Girls Clubs to administer
88.6 a statewide project of youth job skills and
88.7 career development. This project, which may
88.8 have career guidance components including
88.9 health and life skills, is designed to encourage,
88.10 train, and assist youth in early access to
88.11 education and job-seeking skills, work-based
88.12 learning experience including career pathways
88.13 in STEM learning, career exploration and
88.14 matching, and first job placement through
88.15 local community partnerships and on-site job
88.16 opportunities. This grant requires a 25 percent
88.17 match from nonstate resources. This is a
88.18 onetime appropriation.

88.19 (p) \$215,000 each year is from the workforce
88.20 development fund for grants to Big Brothers,
88.21 Big Sisters of the Greater Twin Cities for
88.22 workforce readiness, employment exploration,
88.23 and skills development for youth ages 12 to
88.24 21. The grant must serve youth in the Twin
88.25 Cities, Central Minnesota, and Southern
88.26 Minnesota Big Brothers, Big Sisters chapters.
88.27 This is a onetime appropriation.

88.28 (q) \$250,000 each year is from the workforce
88.29 development fund for a grant to YWCA St.
88.30 Paul to provide job training services and
88.31 workforce development programs and
88.32 services, including job skills training and
88.33 counseling. This is a onetime appropriation.

88.34 (r) \$1,000,000 each year is from the workforce
88.35 development fund for a grant to EMERGE

89.1 Community Development, in collaboration
89.2 with community partners, for services
89.3 targeting Minnesota communities with the
89.4 highest concentrations of African and
89.5 African-American joblessness, based on the
89.6 most recent census tract data, to provide
89.7 employment readiness training, credentialed
89.8 training placement, job placement and
89.9 retention services, supportive services for
89.10 hard-to-employ individuals, and a general
89.11 education development fast track and adult
89.12 diploma program. This is a onetime
89.13 appropriation.

89.14 (s) \$1,000,000 each year is from the workforce
89.15 development fund for a grant to the
89.16 Minneapolis Foundation for a strategic
89.17 intervention program designed to target and
89.18 connect program participants to meaningful,
89.19 sustainable living-wage employment. This is
89.20 a onetime appropriation.

89.21 (t) \$750,000 each year is from the workforce
89.22 development fund for a grant to Latino
89.23 Communities United in Service (CLUES) to
89.24 expand culturally tailored programs that
89.25 address employment and education skill gaps
89.26 for working parents and underserved youth by
89.27 providing new job skills training to stimulate
89.28 higher wages for low-income people, family
89.29 support systems designed to reduce
89.30 intergenerational poverty, and youth
89.31 programming to promote educational
89.32 advancement and career pathways. At least
89.33 50 percent of this amount must be used for
89.34 programming targeted at greater Minnesota.
89.35 This is a onetime appropriation.

90.1 (u) \$600,000 each year is from the workforce
90.2 development fund for a grant to Ujamaa Place
90.3 for job training, employment preparation,
90.4 internships, education, training in the
90.5 construction trades, housing, and
90.6 organizational capacity building. This is a
90.7 onetime appropriation.

90.8 (v) \$1,297,000 in the first year and \$800,000
90.9 in the second year are from the workforce
90.10 development fund for performance grants
90.11 under Minnesota Statutes, section 116J.8747,
90.12 to Twin Cities R!SE to provide training to
90.13 hard-to-train individuals. Of the amounts
90.14 appropriated, \$497,000 in fiscal year 2018 is
90.15 for a grant to Twin Cities R!SE, in
90.16 collaboration with Metro Transit and Hennepin
90.17 Technical College for the Metro Transit
90.18 technician training program. This is a onetime
90.19 appropriation and funds are available until
90.20 June 30, 2020.

90.21 (w) \$230,000 in fiscal year 2018 is from the
90.22 workforce development fund for a grant to the
90.23 Bois Forte Tribal Employment Rights Office
90.24 (TERO) for an American Indian workforce
90.25 development training pilot project. This is a
90.26 onetime appropriation and is available until
90.27 June 30, 2019. Funds appropriated the first
90.28 year are available for use in the second year
90.29 of the biennium.

90.30 (x) \$40,000 in fiscal year 2018 is from the
90.31 workforce development fund for a grant to the
90.32 Cook County Higher Education Board to
90.33 provide educational programming and
90.34 academic support services to remote regions
90.35 in northeastern Minnesota. This appropriation

91.1 is in addition to other funds previously
91.2 appropriated to the board.

91.3 (y) \$250,000 each year is from the workforce
91.4 development fund for a grant to Bridges to
91.5 Healthcare to provide career education,
91.6 wraparound support services, and job skills
91.7 training in high-demand health care fields to
91.8 low-income parents, nonnative speakers of
91.9 English, and other hard-to-train individuals,
91.10 helping families build secure pathways out of
91.11 poverty while also addressing worker
91.12 shortages in one of Minnesota's most
91.13 innovative industries. Funds may be used for
91.14 program expenses, including, but not limited
91.15 to, hiring instructors and navigators; space
91.16 rental; and supportive services to help
91.17 participants attend classes, including assistance
91.18 with course fees, child care, transportation,
91.19 and safe and stable housing. In addition, up to
91.20 five percent of grant funds may be used for
91.21 Bridges to Healthcare's administrative costs.
91.22 This is a onetime appropriation and is
91.23 available until June 30, 2020.

91.24 (z) \$500,000 each year is from the workforce
91.25 development fund for a grant to the Nonprofits
91.26 Assistance Fund to provide capacity-building
91.27 grants to small, culturally specific
91.28 organizations that primarily serve historically
91.29 underserved cultural communities. Grants may
91.30 only be awarded to nonprofit organizations
91.31 that have an annual organizational budget of
91.32 less than \$500,000 and are culturally specific
91.33 organizations that primarily serve historically
91.34 underserved cultural communities. Grant funds
91.35 awarded must be used for:

92.1 (1) organizational infrastructure improvement,
92.2 including developing database management
92.3 systems and financial systems, or other
92.4 administrative needs that increase the
92.5 organization's ability to access new funding
92.6 sources;

92.7 (2) organizational workforce development,
92.8 including hiring culturally competent staff,
92.9 training and skills development, and other
92.10 methods of increasing staff capacity; or

92.11 (3) creation or expansion of partnerships with
92.12 existing organizations that have specialized
92.13 expertise in order to increase the capacity of
92.14 the grantee organization to improve services
92.15 for the community. Of this amount, up to five
92.16 percent may be used by the Nonprofits
92.17 Assistance Fund for administration costs and
92.18 providing technical assistance to potential
92.19 grantees. This is a onetime appropriation.

92.20 (aa) \$4,050,000 each year is from the
92.21 workforce development fund for the
92.22 Minnesota youth program under Minnesota
92.23 Statutes, sections 116L.56 and 116L.561.

92.24 (bb) \$1,000,000 each year is from the
92.25 workforce development fund for the
92.26 youthbuild program under Minnesota Statutes,
92.27 sections 116L.361 to 116L.366.

92.28 (cc) \$3,348,000 each year is from the
92.29 workforce development fund for the "Youth
92.30 at Work" youth workforce development
92.31 competitive grant program. Of this amount,
92.32 up to five percent is for administration and
92.33 monitoring of the youth workforce
92.34 development competitive grant program. All

93.1 grant awards shall be for two consecutive
93.2 years. Grants shall be awarded in the first year.

93.3 (dd) \$500,000 each year is from the workforce
93.4 development fund for the Opportunities
93.5 Industrialization Center programs.

93.6 (ee) \$750,000 each year is from the workforce
93.7 development fund for a grant to Summit
93.8 Academy OIC to expand its contextualized
93.9 GED and employment placement program.
93.10 This is a onetime appropriation.

93.11 (ff) \$500,000 each year is from the workforce
93.12 development fund for a grant to
93.13 Goodwill-Easter Seals Minnesota and its
93.14 partners. The grant shall be used to continue
93.15 the FATHER Project in Rochester, Park
93.16 Rapids, St. Cloud, Minneapolis, and the
93.17 surrounding areas to assist fathers in
93.18 overcoming barriers that prevent fathers from
93.19 supporting their children economically and
93.20 emotionally. This is a onetime appropriation.

93.21 (gg) \$150,000 each year is from the workforce
93.22 development fund for displaced homemaker
93.23 programs under Minnesota Statutes, section
93.24 116L.96. The commissioner shall distribute
93.25 the funds to existing nonprofit and state
93.26 displaced homemaker programs. This is a
93.27 onetime appropriation.

93.28 (hh)(1) \$150,000 in fiscal year 2018 is from
93.29 the workforce development fund for a grant
93.30 to Anoka County to develop and implement
93.31 a pilot program to increase competitive
93.32 employment opportunities for transition-age
93.33 youth ages 18 to 21.

94.1 (2) The competitive employment for
94.2 transition-age youth pilot program shall
94.3 include career guidance components, including
94.4 health and life skills, to encourage, train, and
94.5 assist transition-age youth in job-seeking
94.6 skills, workplace orientation, and job site
94.7 knowledge.

94.8 (3) In operating the pilot program, Anoka
94.9 County shall collaborate with schools,
94.10 disability providers, jobs and training
94.11 organizations, vocational rehabilitation
94.12 providers, and employers to build upon
94.13 opportunities and services, to prepare
94.14 transition-age youth for competitive
94.15 employment, and to enhance employer
94.16 connections that lead to employment for the
94.17 individuals served.

94.18 (4) Grant funds may be used to create an
94.19 on-the-job training incentive to encourage
94.20 employers to hire and train qualifying
94.21 individuals. A participating employer may
94.22 receive up to 50 percent of the wages paid to
94.23 the employee as a cost reimbursement for
94.24 on-the-job training provided.

94.25 (ii) \$500,000 each year is from the workforce
94.26 development fund for rural career counseling
94.27 coordinator positions in the workforce service
94.28 areas and for the purposes specified in
94.29 Minnesota Statutes, section 116L.667. The
94.30 commissioner of employment and economic
94.31 development, in consultation with local
94.32 workforce investment boards and local elected
94.33 officials in each of the service areas receiving
94.34 funds, shall develop a method of distributing

95.1 funds to provide equitable services across
95.2 workforce service areas.

95.3 (jj) In calendar year 2017, the public utility
95.4 subject to Minnesota Statutes, section
95.5 116C.779, must withhold \$1,000,000 from the
95.6 funds required to fulfill its financial
95.7 commitments under Minnesota Statutes,
95.8 section 116C.779, subdivision 1, and pay such
95.9 amounts to the commissioner of employment
95.10 and economic development for deposit in the
95.11 Minnesota 21st century fund under Minnesota
95.12 Statutes, section 116J.423.

95.13 (kk) \$350,000 in fiscal year 2018 is for a grant
95.14 to AccessAbility Incorporated to provide job
95.15 skills training to individuals who have been
95.16 released from incarceration for a felony-level
95.17 offense and are no more than 12 months from
95.18 the date of release. AccessAbility Incorporated
95.19 shall annually report to the commissioner on
95.20 how the money was spent and the results
95.21 achieved. The report must include, at a
95.22 minimum, information and data about the
95.23 number of participants; participant
95.24 homelessness, employment, recidivism, and
95.25 child support compliance; and training
95.26 provided to program participants.

95.27 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2017.

95.28 Sec. 15. **PLAN TO ADDRESS BARRIERS TO EMPLOYMENT.**

95.29 The commissioner of employment and economic development must consult with the
95.30 commissioners of health and human services and stakeholders in order to identify the barriers
95.31 that people with mental illness face in obtaining employment and all current programs that
95.32 assist people with mental illness in obtaining employment. Stakeholders shall include people
95.33 with mental illness and their families, mental health advocates, mental health providers,
95.34 and employers. The commissioner of employment and economic development shall submit

96.1 a detailed plan to the legislative committees with jurisdiction over employment and human
96.2 services before February 1, 2020, identifying the barriers to employment and making
96.3 recommendations on how to best improve the employment rate among people with mental
96.4 illness.

96.5 **Sec. 16. SPECIAL EDUCATION EMPLOYMENT PILOT PROJECT.**

96.6 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms in this
96.7 subdivision have the meanings given.

96.8 (b) "Commissioner" means the commissioner of employment and economic development.

96.9 (c) "Eligible provider" means an organization currently eligible to provide services
96.10 through the extended employment program under Minnesota Statutes, section 268A.15.

96.11 (d) "Eligible student" means:

96.12 (1) a student receiving special instruction under Minnesota Statutes, section 125A.03,
96.13 who has completed at least three years of high school; or

96.14 (2) an individual under the age of 25 who has graduated from secondary school after
96.15 receiving special instruction under Minnesota Statutes, section 125A.03, but has not had
96.16 competitive wage employment in an integrated community setting.

96.17 (e) "Pilot" means the special education employment pilot project established under this
96.18 section.

96.19 Subd. 2. **Establishment.** The commissioner shall establish a special education
96.20 employment pilot project designed to transition special education graduates into competitive
96.21 wage employment in integrated community settings.

96.22 Subd. 3. **Services.** Eligible providers wishing to participate in the pilot must notify the
96.23 commissioner, on a form designated by the commissioner, of the intent to provide an eligible
96.24 student with one of the following services:

96.25 (1) comprehensive job preparation training that must provide an eligible student with at
96.26 least 20 hours in a classroom setting, resume preparation, and assistance in establishing a
96.27 bank account;

96.28 (2) job shadowing experiences where eligible students can observe at least 30 hours of
96.29 workplace activity for a job similar to one the eligible student might be hired for. Eligible
96.30 providers shall facilitate transportation to and from the workplace for the eligible student;
96.31 and

97.1 (3) employment placement services to match eligible students with appropriate
97.2 employment paying at least the minimum wage in an integrated community setting. Eligible
97.3 providers shall support such placements with training for the employer and the eligible
97.4 student, both before and after hiring, to foster success.

97.5 Subd. 4. **Payments.** Eligible providers may apply to the commissioner, on a form
97.6 designated by the commissioner, for the following payments:

97.7 (1) \$1,000 for each eligible student certified to have completed the services under
97.8 subdivision 3, clause (1);

97.9 (2) \$1,000 for each eligible student certified to have completed the services under
97.10 subdivision 3, clause (2); and

97.11 (3) \$3,000 for each eligible student certified to have completed 90 days of employment
97.12 after receiving the services under subdivision 3, clause (3).

97.13 Subd. 5. **Forms.** By October 1, 2019, the commissioner must make available the forms
97.14 necessary for eligible providers to participate in the pilot. These must include:

97.15 (1) a form to notify the commissioner of the intent to provide an eligible student with a
97.16 service under subdivision 3; and

97.17 (2) a form to certify to the commissioner that an eligible student from clause (1) was
97.18 provided the service under subdivision 3, and to apply for payment for that service under
97.19 subdivision 4.

97.20 Sec. 17. **MINNESOTA INNOVATION COLLABORATIVE.**

97.21 Subdivision 1. **Establishment.** The Minnesota Innovation Collaborative is established
97.22 within the Business and Community Development Division of the Department of
97.23 Employment and Economic Development to encourage and support the development of
97.24 new private sector technologies and support the science and technology policies under
97.25 Minnesota Statutes, section 3.222. The Minnesota Innovation Collaborative must provide
97.26 entrepreneurs and emerging technology-based companies business development assistance
97.27 and financial assistance to spur growth.

97.28 Subd. 2. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision
97.29 have the meanings given.

97.30 (b) "Advisory board" means the board established under subdivision 11.

97.31 (c) "Commissioner" means the commissioner of employment and economic development.

98.1 (d) "Department" means the Department of Employment and Economic Development.

98.2 (e) "Entrepreneur" means a Minnesota resident who is involved in establishing a business
98.3 entity and secures resources directed to its growth while bearing the risk of loss.

98.4 (f) "Greater Minnesota" means the area of Minnesota located outside of the metropolitan
98.5 area as defined in section 473.121, subdivision 2.

98.6 (g) "High technology" includes aerospace, agricultural processing, renewable energy,
98.7 energy efficiency and conservation, environmental engineering, food technology, cellulosic
98.8 ethanol, information technology, materials science technology, nanotechnology,
98.9 telecommunications, biotechnology, medical device products, pharmaceuticals, diagnostics,
98.10 biologicals, chemistry, veterinary science, and similar fields.

98.11 (h) "Institution of higher education" has the meaning given in Minnesota Statutes, section
98.12 136A.28, subdivision 6.

98.13 (i) "Minority group member" means a United States citizen who is Asian, Pacific Islander,
98.14 Black, Hispanic, or Native American.

98.15 (j) "Minority-owned business" means a business for which one or more minority group
98.16 members:

98.17 (1) own at least 50 percent of the business or, in the case of a publicly owned business,
98.18 own at least 51 percent of the stock; and

98.19 (2) manage the business and control the daily business operations.

98.20 (k) "Research and development" means any activity that is:

98.21 (1) a systematic, intensive study directed toward greater knowledge or understanding
98.22 of the subject studies;

98.23 (2) a systematic study directed specifically toward applying new knowledge to meet a
98.24 recognized need; or

98.25 (3) a systematic application of knowledge toward the production of useful materials,
98.26 devices, systems and methods, including design, development and improvement of prototypes
98.27 and new processes to meet specific requirements.

98.28 (l) "Start-up" means a business entity that has been in operation for less than ten years,
98.29 has operations in Minnesota, and is in the development stage defined as devoting substantially
98.30 all of its efforts to establishing a new business and either of the following conditions exists:

98.31 (1) planned principal operations have not commenced; or

99.1 (2) planned principal operations have commenced, but have generated less than
99.2 \$1,000,000 in revenue.

99.3 (m) "Technology-related assistance" means the application and utilization of
99.4 technological-information and technologies to assist in the development and production of
99.5 new technology-related products or services or to increase the productivity or otherwise
99.6 enhance the production or delivery of existing products or services.

99.7 (n) "Trade association" means a nonprofit membership organization organized to promote
99.8 businesses and business conditions and having an election under Internal Revenue Code
99.9 section 501(c)(3) or 501(c)(6).

99.10 (o) "Women" means persons of the female gender.

99.11 (p) "Women-owned business" means a business for which one or more women:

99.12 (1) own at least 50 percent of the business or, in the case of a publicly owned business,
99.13 own at least 51 percent of the stock; and

99.14 (2) manage the business and control the daily business operations.

99.15 Subd. 3. Duties. The Minnesota Innovation Collaborative shall:

99.16 (1) support innovation and initiatives designed to accelerate the growth of high-technology
99.17 start-ups in Minnesota;

99.18 (2) offer classes and instructional sessions on how to start a high-tech and innovative
99.19 start-up;

99.20 (3) promote activities for entrepreneurs and investors regarding the state's growing
99.21 innovation economy;

99.22 (4) hold events and meetings that gather key stakeholders in the state's innovation sector;

99.23 (5) conduct outreach and education on innovation activities and related financial programs
99.24 available from the department and other organizations, particularly for underserved
99.25 communities;

99.26 (6) interact and collaborate with statewide partners including but not limited to businesses,
99.27 nonprofits, trade associations, and higher education institutions;

99.28 (7) administer an advisory board to assist with direction, grant application review,
99.29 program evaluation, report development, and partnerships;

100.1 (8) commission research in partnership with the University of Minnesota and Minnesota
100.2 State Colleges and Universities to study innovation and its impacts on the state's economy
100.3 with emphasis on the state's labor market;

100.4 (9) accept grant applications under subdivisions 5 and 6 and work with the advisory
100.5 board to evaluate the applications and provide funding recommendations to the commissioner;
100.6 and

100.7 (10) perform other duties at the commissioner's discretion.

100.8 Subd. 4. **Administration.** (a) The department shall employ an executive director in the
100.9 unclassified service. The executive director shall:

100.10 (1) hire no more than two staff;

100.11 (2) assist the commissioner and the advisory board in performing the duties of the
100.12 Minnesota Innovation Collaborative; and

100.13 (3) comply with all state and federal program requirements, and all state and federal
100.14 securities and tax laws and regulations.

100.15 (b) To the extent possible, the space that the Minnesota Innovation Collaborative shall
100.16 occupy and lease must be a private coworking facility that includes office space for staff
100.17 and space for community engagement for training entrepreneurs. The space leased under
100.18 this paragraph is exempt from the requirements in Minnesota Statutes, section 16B.24,
100.19 subdivision 6.

100.20 (c) Except for grants under subdivision 7, the Minnesota Innovation Collaborative must
100.21 accept grant applications under this section and provide funding recommendations to the
100.22 commissioner, who shall distribute grants based in part on the recommendations.

100.23 Subd. 5. **Application process.** (a) The commissioner shall establish the application form
100.24 and procedures for innovation grants.

100.25 (b) Upon receiving recommendations from the Minnesota Innovation Collaborative
100.26 under subdivision 4, paragraph (c), the department is responsible for evaluating all
100.27 applications using evaluation criteria developed by the Minnesota Innovation Collaborative,
100.28 the advisory board, and the commissioner. Priority shall be given if the applicant is:

100.29 (1) a business or entrepreneur located in greater Minnesota; or

100.30 (2) a business owner or entrepreneur who is a woman or minority group member.

101.1 (c) The department staff, and not the Minnesota Innovation Collaborative staff, is
101.2 responsible for awarding funding, disbursing funds, and monitoring grantee performance
101.3 for all grants awarded under this section.

101.4 (d) Grantees must provide matching funds by equal expenditures and grant payments
101.5 must be provided on a reimbursement basis after review of submitted receipts by the
101.6 department.

101.7 (e) Grant applications must be accepted on a regular periodic basis by the Minnesota
101.8 Innovation Collaborative and must be reviewed by the collaborative and the advisory board
101.9 before being submitted to the commissioner with their recommendations.

101.10 Subd. 6. **Innovation grants.** (a) The commissioner shall distribute innovation grants
101.11 under this subdivision.

101.12 (b) The commissioner shall provide a grant of up to \$50,000 to an eligible business or
101.13 entrepreneur for research and development expenses. Research and development expenditures
101.14 may be related but not limited to proof of concept activities, intellectual property protection,
101.15 prototype designs and production, and commercial feasibility. Expenditures funded under
101.16 this subdivision are not eligible for the research and development tax credit under Minnesota
101.17 Statutes, section 290.068. Each business or entrepreneur may receive only one grant under
101.18 this paragraph.

101.19 (c) The commissioner shall provide a grant of up to \$25,000 to an eligible start-up or
101.20 entrepreneur for direct business expenses including but not limited to rent, equipment
101.21 purchases, supplier invoices, and staffing. Taxes imposed by the federal, state, or local
101.22 government entities may be not be reimbursed under this paragraph. Each start-up or
101.23 entrepreneur may receive only one grant under this paragraph.

101.24 (d) The commissioner shall provide a grant of up to \$7,500 to reimburse an entrepreneur
101.25 for health care, housing, or child care expenses for the entrepreneur, spouse, or children 26
101.26 years of age or younger. Each entrepreneur may receive only one grant under this paragraph.

101.27 (e) The commissioner shall provide a grant of up to \$50,000 to an eligible business or
101.28 entrepreneur that, as a registered client of the Small Business Innovation Research (SBIR)
101.29 program, has been awarded a Phase 2 award pursuant to the SBIR or Small Business
101.30 Technology Transfer (STTR) programs after July 1, 2019. Each business or entrepreneur
101.31 may receive only one grant under this paragraph. Grants under this paragraph are not subject
101.32 to the requirements of subdivision 2, paragraph (l), and are awarded without the review or
101.33 recommendation of the Minnesota Innovation Collaborative.

102.1 (f) The commissioner shall provide a grant of up to \$25,000 to provide financing to
102.2 start-ups to purchase technical assistance and services from public higher education
102.3 institutions and nonprofit entities to assist in the development or commercialization of
102.4 innovative new products or services.

102.5 Subd. 7. **Entrepreneur education grants.** (a) The commissioner shall make entrepreneur
102.6 education grants to institutions of higher education and other organizations to provide
102.7 educational programming to entrepreneurs and provide outreach to and collaboration with
102.8 businesses, federal and state agencies, institutions of higher education, trade associations,
102.9 and other organizations working to advance innovative, high technology businesses
102.10 throughout Minnesota.

102.11 (b) Applications for entrepreneur education grants under this subdivision must be
102.12 submitted to the commissioner and evaluated by department staff other than the Minnesota
102.13 Innovation Collaborative. The evaluation criteria must be developed by the Minnesota
102.14 Innovation Collaborative, the advisory board, and the commissioner with priority given to
102.15 an applicant who demonstrates activity assisting businesses or entrepreneurs residing in
102.16 greater Minnesota or who are women or minority group members.

102.17 (c) Department staff other than the Minnesota Innovation Collaborative staff is responsible
102.18 for awarding funding, disbursing funds, and monitoring grantee performance under this
102.19 subdivision.

102.20 (d) Grantees may use the grant funds to deliver the following services:

102.21 (1) development and delivery to high technology businesses of industry specific or
102.22 innovative product or process specific counseling on issues of business formation, market
102.23 structure, market research and strategies, securing first mover advantage or overcoming
102.24 barriers to entry, protecting intellectual property, and securing debt or equity capital. This
102.25 counseling is to be delivered in a classroom setting or using distance media presentations;

102.26 (2) outreach and education to businesses and organizations on the small business
102.27 investment tax credit program under Minnesota Statutes, section 116J.8737, the MNvest
102.28 crowd-funding program under Minnesota Statutes, section 80A.461, and other state programs
102.29 that support high technology business creation especially in underserved communities;

102.30 (3) collaboration with institutions of higher education, local organizations, federal and
102.31 state agencies, the Small Business Development Center, and the Small Business Assistance
102.32 Office to create and offer educational programming and ongoing counseling in greater
102.33 Minnesota that is consistent with those services offered in the metropolitan area; and

103.1 (4) events and meetings with other innovation-related organizations to inform
103.2 entrepreneurs and potential investors about Minnesota's growing information economy.

103.3 Subd. 8. **Report.** The Minnesota Innovation Collaborative shall report by February 1,
103.4 2020, and again on February 1, 2021, to the chairs and ranking minority members of the
103.5 committees of the house of representatives and senate having jurisdiction over economic
103.6 development policy and finance issues on the work completed, including awards made by
103.7 the department under this section.

103.8 Subd. 9. **Advisory board.** (a) The commissioner shall establish an advisory board to
103.9 advise the executive director regarding the activities of the Minnesota Innovation
103.10 Collaborative and to perform the recommendations described in this section.

103.11 (b) The advisory board shall consist of ten members and is governed by Minnesota
103.12 Statutes, section 15.059. A minimum of six members must be from the private sector
103.13 representing business and at least two members but no more than four members from
103.14 government and higher education. Appointees shall represent a range of interests, including
103.15 entrepreneurs, large businesses, industry organizations, investors, and both public and private
103.16 small business service providers.

103.17 (c) The advisory board shall select a chair from its private sector members. The executive
103.18 director shall provide administrative support to the committee.

103.19 Sec. 18. **CHILD CARE ECONOMIC DEVELOPMENT GRANT PROGRAM.**

103.20 Subdivision 1. **Establishment.** A grant program is established under the Department of
103.21 Employment and Economic Development to award grants to eligible local communities to
103.22 increase the availability of child care in order to reduce the child care shortage in the
103.23 community, and support increased workforce participation, business expansion and retention,
103.24 and new business location.

103.25 Subd. 2. **Definitions.** For the purposes of this section, the following terms have the
103.26 meanings given them:

103.27 (1) "commissioner" means the commissioner of employment and economic development;

103.28 (2) "child care" has the meaning given in section 119B.011;

103.29 (3) "political subdivision" means a county, statutory or home rule charter city, or school
103.30 district; and

103.31 (4) "Indian tribe" means one of the federally recognized Minnesota tribes listed in section
103.32 3.922, subdivision 1, clause (1).

104.1 Subd. 3. **Eligible expenditures.** The commissioner may make grants under this section
104.2 to implement solutions to reduce the child care shortage in the state including but not limited
104.3 to funding for child care business start-ups or expansions, training, facility modifications
104.4 or improvements required for licensing, and assistance with licensing and other regulatory
104.5 requirements.

104.6 Subd. 4. **Eligible applicants.** Eligible applicants for grants awarded under this section
104.7 include:

104.8 (1) a political subdivision;

104.9 (2) an Indian tribe;

104.10 (3) a Minnesota nonprofit organization organized under chapter 317 having experience
104.11 in one or more of the following: the operation of, planning for, financing of, advocacy for,
104.12 or advancement of the delivery of child care services in a defined service area spanning the
104.13 boundaries of one or more political subdivisions.

104.14 Subd. 5. **Application process.** (a) An eligible applicant must submit an application to
104.15 the commissioner on a form prescribed by the commissioner. The commissioner shall
104.16 develop procedures governing the application and grant award process. The commissioner
104.17 shall act as fiscal agent for the grant program and shall be responsible for receiving and
104.18 reviewing grant applications and awarding grants under this section.

104.19 (b) At least 30 days prior to the first day applications may be submitted each fiscal year,
104.20 the commissioner must publish on the department's website the specific criteria and any
104.21 quantitative weighting scheme or scoring system the commissioner will use to evaluate or
104.22 rank applications and award grants under subdivision 6.

104.23 Subd. 6. **Application contents.** An applicant for a grant under this section shall provide
104.24 the following information on the application:

104.25 (1) the service area of the project;

104.26 (2) the project budget;

104.27 (3) evidence of the child care shortage in the community in which the project is to be
104.28 located;

104.29 (4) the number of licensed child care slots that will be created as a result of the project;

104.30 (5) the number of families with children under age six that will have access to child care
104.31 as a result of the project;

104.32 (6) community employers and businesses that will benefit from the proposed project;

105.1 (7) evidence of community support for the project;

105.2 (8) the total cost of the project;

105.3 (9) sources of funding or in-kind contributions for the project that will supplement any
105.4 grant award; and

105.5 (10) any additional information requested by the commissioner.

105.6 Subd. 7. **Awarding grants.** (a) In evaluating applications and awarding grants, the
105.7 commissioner may give priority to applications that:

105.8 (1) are in areas that have a documented shortage of affordable quality child care;

105.9 (2) demonstrate programmatic or financial collaborations and partnering among private
105.10 sector employers, public and nonprofit organizations within geographic areas;

105.11 (3) serve areas of the state experiencing worker shortages, low prime age workforce
105.12 participation rates, or prime age worker population loss that is significantly greater than the
105.13 statewide average;

105.14 (4) provide evidence of strong support for the project from citizens, government,
105.15 businesses, and institutions in the community;

105.16 (5) leverage greater amounts of funding for the project from private and nonstate public
105.17 sources.

105.18 (b) The commissioner shall endeavor to award grants under this section to qualified
105.19 applicants in all regions of the state.

105.20 Subd. 8. **Limitation.** (a) No grant awarded under this section may fund more than 50
105.21 percent of the total cost of a project.

105.22 (b) Grants awarded to a single project under this section must not exceed \$100,000.

105.23 Sec. 19. **COMMUNITY PROSPERITY GRANT PROGRAM.**

105.24 Subdivision 1. **Establishment; purpose.** The community prosperity grant program is
105.25 established to provide grants to public or 501(c)(3) nonprofit entities to implement innovative
105.26 economic development projects that will support economic growth in their community.

105.27 Subd. 2. **Definitions.** For the purposes of this section, the following terms have the
105.28 meanings given them:

106.1 (1) "economic development" means activities, services, investments, and infrastructure
106.2 that support the economic success of individuals, businesses, and communities by facilitating
106.3 an economic environment that produces net new jobs;

106.4 (2) "innovative project" means the provision of a public service or good that was absent
106.5 in the community or of insufficient quantity or quality;

106.6 (3) "local governmental unit" means a county, city, town, special district, public higher
106.7 education institution, or other political subdivision or public corporation; and

106.8 (4) "community" means any geographic area defined by one or more census tracts.

106.9 Subd. 3. **Community prosperity grants.** The commissioner of employment and
106.10 economic development shall:

106.11 (1) develop and implement a community prosperity grant program that will provide
106.12 matching grants up to 85 percent of total project cost up to \$100,000 to implement innovative
106.13 economic development projects that will induce economic growth in their community;

106.14 (2) develop a request for proposals;

106.15 (3) review responses to requests for proposals and award grants under this section;

106.16 (4) establish a transparent and objective accountability process focused on outcomes
106.17 that grantees agree to achieve; and

106.18 (5) maintain data on outcomes reported by grantees.

106.19 Subd. 4. **Eligible grantees.** Organizations eligible to receive grant funding under this
106.20 section include:

106.21 (1) local government units; and

106.22 (2) nonprofit 501(c)(3) organizations that have established partnerships with one or more
106.23 local government units to implement economic development projects or activities.

106.24 Subd. 5. **Priority of proposals; grant awards.** The commissioner shall prioritize the
106.25 award of grants to proposals that demonstrate that the project:

106.26 (1) will serve communities with a population of 5,000 or less;

106.27 (2) will support the economic success of individuals, businesses, and communities by
106.28 facilitating an economic environment that produces net new jobs;

106.29 (3) will provide public services or goods that was absent in the community or of
106.30 insufficient quantity or quality;

107.1 (4) serves a defined geographic area; racial, ethnic, or minority community; or American
 107.2 Indian community experiencing any the following: below state average wages, above state
 107.3 average unemployment rate, or below state average labor force participation rate;

107.4 (5) will be sustainable or continue to have impact beyond the one-time funding from
 107.5 this program;

107.6 (6) will be successfully implemented based on the qualifications of the lead organization;
 107.7 and

107.8 (7) will serve two or more local government units.

107.9 Subd. 6. **Geographic distribution of grants.** The commissioner shall ensure that a
 107.10 minimum of 50 percent of grants are awarded to communities outside the seven-county
 107.11 metropolitan area.

107.12 Subd. 7. **Report.** Grantees must report grant program outcomes to the commissioner on
 107.13 the forms and according to the timelines established by the commissioner.

107.14 **ARTICLE 5**

107.15 **WAGE THEFT**

107.16 Section 1. Minnesota Statutes 2018, section 16C.285, subdivision 3, is amended to read:

107.17 Subd. 3. **Minimum criteria.** "Responsible contractor" means a contractor that conforms
 107.18 to the responsibility requirements in the solicitation document for its portion of the work
 107.19 on the project and verifies that it meets the following minimum criteria:

107.20 (1) the contractor:

107.21 (i) is in compliance with workers' compensation and unemployment insurance
 107.22 requirements;

107.23 (ii) is in compliance with Department of Revenue and Department of Employment and
 107.24 Economic Development registration requirements if it has employees;

107.25 (iii) has a valid federal tax identification number or a valid Social Security number if
 107.26 an individual; and

107.27 (iv) has filed a certificate of authority to transact business in Minnesota with the secretary
 107.28 of state if a foreign corporation or cooperative;

107.29 (2) the contractor or related entity is in compliance with and, during the three-year period
 107.30 before submitting the verification, has not violated section 177.24, 177.25, 177.41 to 177.44,
 107.31 181.03, 181.101, 181.13, 181.14, or 181.722, and has not violated United States Code, title

108.1 29, sections 201 to 219, or United States Code, title 40, sections 3141 to 3148. For purposes
108.2 of this clause, a violation occurs when a contractor or related entity:

108.3 (i) repeatedly fails to pay statutorily required wages or penalties on one or more separate
108.4 projects for a total underpayment of \$25,000 or more within the three-year period, provided
108.5 that a failure to pay is "repeated" only if it involves two or more separate and distinct
108.6 occurrences of underpayment during the three-year period;

108.7 (ii) has been issued an order to comply by the commissioner of labor and industry that
108.8 has become final;

108.9 (iii) has been issued at least two determination letters within the three-year period by
108.10 the Department of Transportation finding an underpayment by the contractor or related
108.11 entity to its own employees;

108.12 (iv) has been found by the commissioner of labor and industry to have repeatedly or
108.13 willfully violated any of the sections referenced in this clause pursuant to section 177.27;

108.14 (v) has been issued a ruling or findings of underpayment by the administrator of the
108.15 Wage and Hour Division of the United States Department of Labor that have become final
108.16 or have been upheld by an administrative law judge or the Administrative Review Board;
108.17 ~~or~~

108.18 (vi) has been found liable for underpayment of wages or penalties or misrepresenting a
108.19 construction worker as an independent contractor in an action brought in a court having
108.20 jurisdiction; or

108.21 (vii) has been convicted of a violation of section 609.52, subdivision 2, clause (19).

108.22 Provided that, if the contractor or related entity contests a determination of underpayment
108.23 by the Department of Transportation in a contested case proceeding, a violation does not
108.24 occur until the contested case proceeding has concluded with a determination that the
108.25 contractor or related entity underpaid wages or penalties;

108.26 (3) the contractor or related entity is in compliance with and, during the three-year period
108.27 before submitting the verification, has not violated section 181.723 or chapter 326B. For
108.28 purposes of this clause, a violation occurs when a contractor or related entity has been issued
108.29 a final administrative or licensing order;

108.30 (4) the contractor or related entity has not, more than twice during the three-year period
108.31 before submitting the verification, had a certificate of compliance under section 363A.36
108.32 revoked or suspended based on the provisions of section 363A.36, with the revocation or

109.1 suspension becoming final because it was upheld by the Office of Administrative Hearings
109.2 or was not appealed to the office;

109.3 (5) the contractor or related entity has not received a final determination assessing a
109.4 monetary sanction from the Department of Administration or Transportation for failure to
109.5 meet targeted group business, disadvantaged business enterprise, or veteran-owned business
109.6 goals, due to a lack of good faith effort, more than once during the three-year period before
109.7 submitting the verification;

109.8 (6) the contractor or related entity is not currently suspended or debarred by the federal
109.9 government or the state of Minnesota or any of its departments, commissions, agencies, or
109.10 political subdivisions that have authority to debar a contractor; and

109.11 (7) all subcontractors and motor carriers that the contractor intends to use to perform
109.12 project work have verified to the contractor through a signed statement under oath by an
109.13 owner or officer that they meet the minimum criteria listed in clauses (1) to (6).

109.14 Any violations, suspensions, revocations, or sanctions, as defined in clauses (2) to (5),
109.15 occurring prior to July 1, 2014, shall not be considered in determining whether a contractor
109.16 or related entity meets the minimum criteria.

109.17 Sec. 2. Minnesota Statutes 2018, section 177.27, is amended by adding a subdivision to
109.18 read:

109.19 Subd. 1a. Authority to investigate. To carry out the purposes of this chapter and chapters
109.20 181, 181A, and 184, and utilizing the enforcement authority of section 175.20, the
109.21 commissioner is authorized to enter the places of business and employment of any employer
109.22 in the state to investigate wages, hours, and other conditions and practices of work, collect
109.23 evidence, and conduct interviews. The commissioner is authorized to enter the places of
109.24 business and employment during working hours and without delay. The commissioner may
109.25 use investigation methods that include but are not limited to examination, surveillance,
109.26 transcription, copying, scanning, photographing, audio or video recording, testing, and
109.27 sampling along with taking custody of evidence. Evidence that may be collected includes
109.28 but is not limited to documents, records, books, registers, payrolls, electronically and digitally
109.29 stored information, machinery, equipment, tools, and other tangible items that in any way
109.30 relate to wages, hours, and other conditions and practices of work. The commissioner may
109.31 privately interview any individual, including owners, employers, operators, agents, workers,
109.32 and other individuals who may have knowledge of the conditions and practices of work
109.33 under investigation.

110.1 Sec. 3. Minnesota Statutes 2018, section 177.27, subdivision 2, is amended to read:

110.2 Subd. 2. **Submission of records; penalty.** The commissioner may require the employer
110.3 of employees working in the state to submit to the commissioner photocopies, certified
110.4 copies, or, if necessary, the originals of employment records which the commissioner deems
110.5 necessary or appropriate. The records which may be required include full and correct
110.6 statements in writing, including sworn statements by the employer, containing information
110.7 relating to wages, hours, names, addresses, and any other information pertaining to the
110.8 employer's employees and the conditions of their employment as the commissioner deems
110.9 necessary or appropriate.

110.10 The commissioner may require the records to be submitted in a specific format by
110.11 certified mail delivery or, if necessary, by personal delivery by the employer or a
110.12 representative of the employer, as authorized by the employer in writing.

110.13 The commissioner may fine the employer up to \$1,000 for each failure to submit or
110.14 deliver records as required by this section, and up to \$10,000 for each repeated failure. This
110.15 penalty is in addition to any penalties provided under section 177.32, subdivision 1. In
110.16 determining the amount of a civil penalty under this subdivision, the appropriateness of
110.17 such penalty to the size of the employer's business and the gravity of the violation shall be
110.18 considered.

110.19 Sec. 4. Minnesota Statutes 2018, section 177.27, is amended by adding a subdivision to
110.20 read:

110.21 Subd. 11. **Subpoenas.** In order to carry out the purposes of this chapter and chapter 181,
110.22 181A, or 184, the commissioner may issue subpoenas to compel persons to appear before
110.23 the commissioner to give testimony and produce and permit inspection, copying, testing,
110.24 or sampling of documents, electronically stored information, tangible items, or other items
110.25 in the possession, custody, or control of that person that are deemed necessary or appropriate
110.26 by the commissioner. A subpoena may specify the form or format in which electronically
110.27 stored information is to be produced. Upon the application of the commissioner, a district
110.28 court shall treat the failure of any person to obey a subpoena lawfully issued by the
110.29 commissioner under this subdivision as a contempt of court.

110.30 Sec. 5. Minnesota Statutes 2018, section 177.27, is amended by adding a subdivision to
110.31 read:

110.32 Subd. 12. **Court orders for entrance and inspection.** To carry out the purposes of this
110.33 chapter and chapters 181, 181A, and 184, and utilizing the enforcement authority of section

111.1 175.20, the commissioner is authorized to enter places of business and employment of any
111.2 employer in the state to investigate wages, hours, and other conditions and practices of
111.3 work, collect evidence, and conduct interviews. The commissioner is authorized to enter
111.4 the places of business and employment during working hours and without delay. Upon the
111.5 anticipated refusal based on a refusal to permit entrance on a prior occasion or actual refusal
111.6 of an employer, owner, operator, or agent in charge of an employer's place of business or
111.7 employment, the commissioner may apply for an order in the district court in the county in
111.8 which the place of business or employment is located, to compel an employer, owner,
111.9 operator, or agent in charge of the place of business or employment to permit the
111.10 commissioner entry to investigate wages, hours, and other conditions and practices of work,
111.11 collect evidence, and interview witnesses.

111.12 Sec. 6. Minnesota Statutes 2018, section 177.27, is amended by adding a subdivision to
111.13 read:

111.14 Subd. 13. **State licensing or regulatory power.** In the case of an employer which is
111.15 subject to the licensing or regulatory power of the state or any political subdivision or agency
111.16 thereof, if the commissioner issues an order to comply under subdivision 4, the commissioner
111.17 may provide the licensing or regulatory agency a copy of the order to comply. Unless the
111.18 order to comply is reversed in the course of administrative or judicial review, the order to
111.19 comply is binding on the agency and the agency may take appropriate action, including
111.20 action related to the eligibility, renewal, suspension, or revocation of a license or certificate
111.21 of public convenience and necessity if the agency is otherwise authorized to take such action.

111.22 Sec. 7. Minnesota Statutes 2018, section 177.27, is amended by adding a subdivision to
111.23 read:

111.24 Subd. 14. **Public contracts.** In the case of an employer that is a party to a public contract,
111.25 if the commissioner issues an order to comply under subdivision 4, the commissioner may
111.26 provide a copy of the order to comply to the contract letting agency. Unless the order to
111.27 comply is reversed in the course of administrative or judicial review, an order to comply is
111.28 binding on the contract letting agency and the agency may take appropriate administrative
111.29 action, including the imposition of financial penalties and eligibility for, termination or
111.30 nonrenewal of a contract, in whole or in part, if the agency is otherwise authorized to take
111.31 the action.

112.1 Sec. 8. Minnesota Statutes 2018, section 177.27, is amended by adding a subdivision to
112.2 read:

112.3 Subd. 15. Notice to employees of compliance orders and citations. In a compliance
112.4 order or citation issued under this chapter and chapters 181, 181A, and 184, the commissioner
112.5 may require that the provisions of a compliance order or citation setting out the violations
112.6 found by the commissioner and any subsequent document setting out the resolution of the
112.7 compliance order or citation through settlement agreement or other final disposition, upon
112.8 receipt by the employer, be made available for review by the employees of the employer
112.9 using the means the employer uses to provide other work-related notices to the employer's
112.10 employees. The means used by the employer must be at least as effective as the following
112.11 options for providing notice: (1) posting a copy of the compliance order or citation at each
112.12 location where employees perform work and where the notice must be readily observed and
112.13 easily reviewed by all employees performing work; or (2) providing a paper or electronic
112.14 copy of the compliance order or citation to employees. Each citation and proposed penalty
112.15 shall be posted or made available to employees for a minimum period of 20 days. Upon
112.16 issuance of a compliance order or citation to an employer, the commissioner may also
112.17 provide the provisions of the compliance order or citation setting out the violations found
112.18 by the commissioner and any resolution of a compliance order or citation through settlement
112.19 agreement or other final disposition to the employer's employees who may be affected by
112.20 the order or citation and how the order or citation and resolution may affect their interests.

112.21 Sec. 9. Minnesota Statutes 2018, section 177.30, is amended to read:

112.22 **177.30 KEEPING RECORDS; PENALTY.**

112.23 (a) Every employer subject to sections 177.21 to 177.44 must make and keep a record
112.24 of:

112.25 (1) the name, address, and occupation of each employee;

112.26 (2) the rate of pay, and the amount paid each pay period to each employee, including
112.27 whether each employee is paid by the hour, shift, day, week, salary, piece, commission, or
112.28 other;

112.29 (3) the hours worked each day and each workweek by the employee, including for all
112.30 employees paid at piece rate, the number of pieces completed at each piece rate;

112.31 (4) any personnel policies provided to employees;

112.32 (5) a copy of the notice provided to each employee as required by section 181.032,
112.33 paragraph (d);

113.1 (6) for each employer subject to sections 177.41 to 177.44, and while performing work
 113.2 on public works projects funded in whole or in part with state funds, the employer shall
 113.3 furnish under oath signed by an owner or officer of an employer to the contracting authority
 113.4 and the project owner every two weeks, a certified payroll report with respect to the wages
 113.5 and benefits paid each employee during the preceding weeks specifying for each employee:
 113.6 name; identifying number; prevailing wage master job classification; hours worked each
 113.7 day; total hours; rate of pay; gross amount earned; each deduction for taxes; total deductions;
 113.8 net pay for week; dollars contributed per hour for each benefit, including name and address
 113.9 of administrator; benefit account number; and telephone number for health and welfare,
 113.10 vacation or holiday, apprenticeship training, pension, and other benefit programs; and

113.11 ~~(5)~~ (7) other information the commissioner finds necessary and appropriate to enforce
 113.12 sections 177.21 to 177.435. The records must be kept for three years in ~~or near~~ the premises
 113.13 where an employee works except each employer subject to sections 177.41 to 177.44, and
 113.14 while performing work on public works projects funded in whole or in part with state funds,
 113.15 the records must be kept for three years after the contracting authority has made final payment
 113.16 on the public works project.

113.17 (b) All records required to be kept under paragraph (a) must be readily available for
 113.18 inspection by the commissioner upon demand. The records must be either kept at the place
 113.19 where employees are working or kept in a manner that allows the employer to comply with
 113.20 this paragraph within 24 hours.

113.21 (c) The commissioner may fine an employer up to \$1,000 for each failure to maintain
 113.22 records as required by this section, and up to \$10,000 for each repeated failure. This penalty
 113.23 is in addition to any penalties provided under section 177.32, subdivision 1. In determining
 113.24 the amount of a civil penalty under this subdivision, the appropriateness of such penalty to
 113.25 the size of the employer's business and the gravity of the violation shall be considered.

113.26 (d) If the records maintained by the employer do not provide sufficient information to
 113.27 determine the exact amount of back wages due an employee, the commissioner may make
 113.28 a determination of wages due based on available evidence.

113.29 Sec. 10. Minnesota Statutes 2018, section 177.32, subdivision 1, is amended to read:

113.30 Subdivision 1. **Misdemeanors.** (a) An employer who does any of the following is guilty
 113.31 of a misdemeanor:

113.32 (1) hinders or delays the commissioner in the performance of duties required under
 113.33 sections 177.21 to 177.435, or chapter 181;

114.1 (2) refuses to admit the commissioner to the place of business or employment of the
114.2 employer, as required by section 177.27, subdivision 1;

114.3 (3) repeatedly fails to make, keep, and preserve records as required by section 177.30;

114.4 (4) falsifies any record;

114.5 (5) refuses to make any record available, or to furnish a sworn statement of the record
114.6 or any other information as required by section 177.27;

114.7 (6) repeatedly fails to post a summary of sections 177.21 to 177.44 or a copy or summary
114.8 of the applicable rules as required by section 177.31;

114.9 (7) pays or agrees to pay wages at a rate less than the rate required under sections 177.21
114.10 to 177.44, or described and provided by an employer to its employees under section 181.032;

114.11 (8) refuses to allow adequate time from work as required by section 177.253; or

114.12 (9) otherwise violates any provision of sections 177.21 to 177.44, or commits wage theft
114.13 as described in section 181.03, subdivision 1.

114.14 Intent is not an element of a misdemeanor under this paragraph.

114.15 (b) An employer is guilty of a gross misdemeanor if the employer is found to have
114.16 intentionally retaliated against an employee for asserting rights or remedies under sections
114.17 177.21 to 177.44 or section 181.03.

114.18 Sec. 11. [177.45] ENFORCEMENT; REMEDIES.

114.19 Subdivision 1. Public enforcement. In addition to the enforcement of this chapter by
114.20 the department, the attorney general may enforce this chapter under section 8.31.

114.21 Subd. 2. Remedies cumulative. The remedies provided in this chapter are cumulative
114.22 and do not restrict any remedy that is otherwise available, including remedies provided
114.23 under section 8.31. The remedies available under this section are not exclusive and are in
114.24 addition to any other requirements, rights, remedies, and penalties provided by law.

114.25 Sec. 12. Minnesota Statutes 2018, section 181.03, subdivision 1, is amended to read:

114.26 Subdivision 1. **Prohibited practices.** ~~An employer may not, directly or indirectly and~~
114.27 ~~with intent to defraud:~~ (a) No employer shall commit wage theft.

114.28 (b) For purposes of this section, wage theft is committed if:

114.29 (1) ~~cause~~ an employer has failed to pay an employee all wages, salary, gratuities, earnings,
114.30 or commissions at the employee's rate or rates of pay or at the rate or rates required by law,

115.1 including any applicable statute, regulation, rule, ordinance, government resolution or policy,
 115.2 contract, or other legal authority, whichever rate of pay is greater;

115.3 (2) an employer directly or indirectly causes any employee to give a receipt for wages
 115.4 for a greater amount than that actually paid to the employee for services rendered;

115.5 ~~(2)~~ (3) an employer directly or indirectly demand demands or receive receives from any
 115.6 employee any rebate or refund from the wages owed the employee under contract of
 115.7 employment with the employer; or

115.8 ~~(3)~~ (4) an employer in any manner make makes or attempt attempts to make it appear
 115.9 that the wages paid to any employee were greater than the amount actually paid to the
 115.10 employee.

115.11 Sec. 13. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to
 115.12 read:

115.13 Subd. 4. **Enforcement.** The use of an enforcement provision in this section shall not
 115.14 preclude the use of any other enforcement provision provided by law.

115.15 Sec. 14. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to
 115.16 read:

115.17 Subd. 5. **Citations.** (a) In addition to other remedies and penalties provided by this
 115.18 chapter and chapter 177, the commissioner may issue a citation for a civil penalty of up to
 115.19 \$1,000 for any wage theft of up to \$1,000 by serving the citation on the employer. The
 115.20 citation may direct the employer to pay employees in a manner prescribed by the
 115.21 commissioner any wages, salary, gratuities, earnings, or commissions owed to the employee
 115.22 within 15 days of service of the citation on the employer. The commissioner shall serve the
 115.23 citation upon the employer or the employer's authorized representative in person or by
 115.24 certified mail at the employer's place of business or registered office address with the
 115.25 secretary of state. The citation shall require the employer to correct the violation and cease
 115.26 and desist from committing the violation.

115.27 (b) In determining the amount of the civil penalty, the commissioner shall consider the
 115.28 size of the employer's business and the gravity of the violation as provided in section 14.045,
 115.29 subdivision 3, paragraph (a). If the citation includes a penalty assessment, the penalty is
 115.30 due and payable on the date the citation becomes final. The commissioner may vacate the
 115.31 citation if the employer pays the amount of wages, salaries, commissions, earnings, and
 115.32 gratuities due in the citation within five days after the citation is served on the employer.

116.1 Sec. 15. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to
116.2 read:

116.3 Subd. 6. **Administrative review.** Within 15 days after the commissioner of labor and
116.4 industry issues a citation under subdivision 5, the employer to whom the citation is issued
116.5 may request an expedited hearing to review the citation. The request for hearing must be
116.6 in writing and must be served on the commissioner at the address specified in the citation.
116.7 If the employer does not request a hearing or if the employer's written request for hearing
116.8 is not served on the commissioner by the 15th day after the commissioner issues the citation,
116.9 the citation becomes a final order of the commissioner and is not subject to review by any
116.10 court or agency. The hearing request must state the reasons for seeking review of the citation.
116.11 The employer to whom the citation is issued and the commissioner are the parties to the
116.12 expedited hearing. The commissioner must notify the employer to whom the citation is
116.13 issued of the time and place of the hearing at least 15 days before the hearing. The hearing
116.14 shall be conducted under Minnesota Rules, parts 1400.8510 to 1400.8612, as modified by
116.15 this section. If a hearing has been held, the commissioner shall not issue a final order until
116.16 at least five days after the date of the administrative law judge's report. Any person aggrieved
116.17 by the administrative law judge's report may, within those five days, serve written comments
116.18 to the commissioner on the report and the commissioner shall consider and enter the
116.19 comments in the record. The commissioner's final order shall comply with sections 14.61,
116.20 subdivision 2, and 14.62, subdivisions 1 and 2a, and may be appealed in the manner provided
116.21 in sections 14.63 to 14.69.

116.22 Sec. 16. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to
116.23 read:

116.24 Subd. 7. **Effect on other laws.** Nothing in this section shall be construed to limit the
116.25 application of other state or federal laws.

116.26 Sec. 17. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to
116.27 read:

116.28 Subd. 8. **Retaliation.** An employer must not retaliate against an employee for asserting
116.29 rights or remedies under this section, including but not limited to filing a complaint with
116.30 the Department of Labor and Industry or telling the employer of intention to file a complaint.
116.31 A rebuttable presumption of unlawful retaliation under this section exists whenever an
116.32 employer takes adverse action against an employee within 90 days of the employee asserting
116.33 rights or remedies under this section.

117.1 Sec. 18. Minnesota Statutes 2018, section 181.032, is amended to read:

117.2 **181.032 REQUIRED STATEMENT OF EARNINGS BY EMPLOYER; NOTICE**
 117.3 **TO EMPLOYEE.**

117.4 (a) At the end of each pay period, the employer shall provide each employee an earnings
 117.5 statement, either in writing or by electronic means, covering that pay period. An employer
 117.6 who chooses to provide an earnings statement by electronic means must provide employee
 117.7 access to an employer-owned computer during an employee's regular working hours to
 117.8 review and print earnings statements.

117.9 (b) The earnings statement may be in any form determined by the employer but must
 117.10 include:

117.11 (1) the name of the employee;

117.12 (2) the hourly rate or rates of pay (if applicable) and basis thereof, including whether
 117.13 the employee is paid by hour, shift, day, week, salary, piece, commission, or other method;

117.14 (3) allowances, if any, claimed pursuant to permitted meals and lodging;

117.15 (4) the total number of hours worked by the employee unless exempt from chapter 177;

117.16 ~~(4)~~ (5) the total amount of gross pay earned by the employee during that period;

117.17 ~~(5)~~ (6) a list of deductions made from the employee's pay;

117.18 ~~(6)~~ (7) the net amount of pay after all deductions are made;

117.19 ~~(7)~~ (8) the date on which the pay period ends; and

117.20 ~~(8)~~ (9) the legal name of the employer and the operating name of the employer if different
 117.21 from the legal name;

117.22 (10) the physical address of the employer's main office or principal place of business,
 117.23 and a mailing address if different; and

117.24 (11) the telephone number of the employer.

117.25 (c) An employer must provide earnings statements to an employee in writing, rather
 117.26 than by electronic means, if the employer has received at least 24 hours notice from an
 117.27 employee that the employee would like to receive earnings statements in written form. Once
 117.28 an employer has received notice from an employee that the employee would like to receive
 117.29 earnings statements in written form, the employer must comply with that request on an
 117.30 ongoing basis.

118.1 (d) At the start of employment, an employer shall provide each employee a written notice
118.2 containing the following information:

118.3 (1) the rate or rates of pay and basis thereof, including whether the employee is paid by
118.4 the hour, shift, day, week, salary, piece, commission, or other method, and the specific
118.5 application of any additional rates;

118.6 (2) allowances, if any, claimed pursuant to permitted meals and lodging;

118.7 (3) paid vacation, sick time, or other paid time off accruals and terms of use;

118.8 (4) the employee's employment status and whether the employee is exempt from minimum
118.9 wage, overtime, and other provisions of chapter 177, and on what basis;

118.10 (5) a list of deductions that may be made from the employee's pay;

118.11 (6) the dates on which the pay periods start and end and the regularly scheduled payday;

118.12 (7) the legal name of the employer and the operating name of the employer if different
118.13 from the legal name;

118.14 (8) the physical address of the employer's main office or principal place of business, and
118.15 a mailing address if different; and

118.16 (9) the telephone number of the employer.

118.17 (e) The employer must keep a copy of the notice under paragraph (d) signed by each
118.18 employee acknowledging receipt of the notice. The notice must be provided to each employee
118.19 in English and in the employee's native language.

118.20 (f) An employer must provide the employee any written changes to the information
118.21 contained in the notice under paragraph (d) at least seven calendar days prior to the time
118.22 the changes take effect. The changes must be signed by the employee before the changes
118.23 go into effect. The employer must keep a signed copy of all notice of changes as well as
118.24 the initial notices under paragraph (d).

118.25 Sec. 19. Minnesota Statutes 2018, section 181.101, is amended to read:

118.26 **181.101 WAGES; HOW OFTEN PAID.**

118.27 (a) Except as provided in paragraph (b), every employer must pay all wages earned by
118.28 an employee at least once every ~~31~~ 16 days on a regular payday designated in advance by
118.29 the employer regardless of whether the employee requests payment at longer intervals.

118.30 ~~Unless paid earlier, the wages earned during the first half of the first 31-day pay period~~
118.31 ~~become due on the first regular payday following the first day of work.~~ An employer's pay

119.1 period must be no longer than 16 days. All wages earned in a pay period must be paid to
 119.2 an employee within 16 days of the end of that pay period. If wages earned are not paid, the
 119.3 commissioner of labor and industry or the commissioner's representative may serve a demand
 119.4 for payment on behalf of an employee. If payment is not made within ~~ten~~ five days of service
 119.5 of the demand, the commissioner may charge and collect the wages earned and a ~~penalty~~
 119.6 liquidated damages in the amount of the employee's average daily earnings at the employee's
 119.7 rate ~~agreed upon in the contract of employment~~ or rates of pay or at the rate or rates required
 119.8 by law, including any applicable statute, regulation, rule, ordinance, government resolution
 119.9 or policy, contract, or other legal authority, whichever rate of pay is greater, ~~not exceeding~~
 119.10 15 days in all, for each day beyond the ~~ten-day~~ five-day limit following the demand. Money
 119.11 collected by the commissioner must be paid to the employee concerned. This section does
 119.12 not prevent an employee from prosecuting a claim for wages. This section does not prevent
 119.13 a school district, other public school entity, or other school, as defined under section 120A.22,
 119.14 from paying any wages earned by its employees during a school year on regular paydays
 119.15 in the manner provided by an applicable contract or collective bargaining agreement, or a
 119.16 personnel policy adopted by the governing board. For purposes of this section, "employee"
 119.17 includes a person who performs agricultural labor as defined in section 181.85, subdivision
 119.18 2. For purposes of this section, wages are earned on the day an employee works.

119.19 (b) An employer of a volunteer firefighter, as defined in section 424A.001, subdivision
 119.20 10, a member of an organized first responder squad that is formally recognized by a political
 119.21 subdivision in the state, or a volunteer ambulance driver or attendant must pay all wages
 119.22 earned by the volunteer firefighter, first responder, or volunteer ambulance driver or attendant
 119.23 at least once every 31 days, unless the employer and the employee mutually agree upon
 119.24 payment at longer intervals.

119.25 **Sec. 20. [181.1721] ENFORCEMENT; REMEDIES.**

119.26 Subdivision 1. **Public enforcement.** In addition to the enforcement of this chapter by
 119.27 the department, the attorney general may enforce this chapter under section 8.31.

119.28 Subd. 2. **Remedies cumulative.** The remedies provided in this chapter are cumulative
 119.29 and do not restrict any remedy that is otherwise available, including remedies provided
 119.30 under section 8.31. The remedies available under this section are not exclusive and are in
 119.31 addition to any other requirements, rights, remedies, and penalties provided by law.

119.32 **Sec. 21. Minnesota Statutes 2018, section 609.52, subdivision 1, is amended to read:**

119.33 **Subdivision 1. **Definitions.** In this section:**

120.1 (1) "Property" means all forms of tangible property, whether real or personal, without
120.2 limitation including documents of value, electricity, gas, water, corpses, domestic animals,
120.3 dogs, pets, fowl, and heat supplied by pipe or conduit by municipalities or public utility
120.4 companies and articles, as defined in clause (4), representing trade secrets, which articles
120.5 shall be deemed for the purposes of Extra Session Laws 1967, chapter 15 to include any
120.6 trade secret represented by the article.

120.7 (2) "Movable property" is property whose physical location can be changed, including
120.8 without limitation things growing on, affixed to, or found in land.

120.9 (3) "Value" means the retail market value at the time of the theft, or if the retail market
120.10 value cannot be ascertained, the cost of replacement of the property within a reasonable
120.11 time after the theft, or in the case of a theft or the making of a copy of an article representing
120.12 a trade secret, where the retail market value or replacement cost cannot be ascertained, any
120.13 reasonable value representing the damage to the owner which the owner has suffered by
120.14 reason of losing an advantage over those who do not know of or use the trade secret. For a
120.15 check, draft, or other order for the payment of money, "value" means the amount of money
120.16 promised or ordered to be paid under the terms of the check, draft, or other order. For a
120.17 theft committed within the meaning of subdivision 2, clause (5), items (i) and (ii), if the
120.18 property has been restored to the owner, "value" means the value of the use of the property
120.19 or the damage which it sustained, whichever is greater, while the owner was deprived of
120.20 its possession, but not exceeding the value otherwise provided herein. For a theft committed
120.21 within the meaning of subdivision 2, clause (9), if the property has been restored to the
120.22 owner, "value" means the rental value of the property, determined at the rental rate contracted
120.23 by the defendant or, if no rental rate was contracted, the rental rate customarily charged by
120.24 the owner for use of the property, plus any damage that occurred to the property while the
120.25 owner was deprived of its possession, but not exceeding the total retail value of the property
120.26 at the time of rental. For a theft committed within the meaning of subdivision 2, clause (19),
120.27 "value" means the difference between wages legally required to be reported or paid to an
120.28 employee and the amount actually reported or paid to the employee.

120.29 (4) "Article" means any object, material, device or substance, including any writing,
120.30 record, recording, drawing, sample specimen, prototype, model, photograph, microorganism,
120.31 blueprint or map, or any copy of any of the foregoing.

120.32 (5) "Representing" means describing, depicting, containing, constituting, reflecting or
120.33 recording.

121.1 (6) "Trade secret" means information, including a formula, pattern, compilation, program,
121.2 device, method, technique, or process, that:

121.3 (i) derives independent economic value, actual or potential, from not being generally
121.4 known to, and not being readily ascertainable by proper means by, other persons who can
121.5 obtain economic value from its disclosure or use, and

121.6 (ii) is the subject of efforts that are reasonable under the circumstances to maintain its
121.7 secrecy.

121.8 (7) "Copy" means any facsimile, replica, photograph or other reproduction of an article,
121.9 and any note, drawing, or sketch made of or from an article while in the presence of the
121.10 article.

121.11 (8) "Property of another" includes property in which the actor is co-owner or has a lien,
121.12 pledge, bailment, or lease or other subordinate interest, property transferred by the actor in
121.13 circumstances which are known to the actor and which make the transfer fraudulent as
121.14 defined in section 513.44, property possessed pursuant to a short-term rental contract, and
121.15 property of a partnership of which the actor is a member, unless the actor and the victim
121.16 are husband and wife. It does not include property in which the actor asserts in good faith
121.17 a claim as a collection fee or commission out of property or funds recovered, or by virtue
121.18 of a lien, setoff, or counterclaim.

121.19 (9) "Services" include but are not limited to labor, professional services, transportation
121.20 services, electronic computer services, the supplying of hotel accommodations, restaurant
121.21 services, entertainment services, advertising services, telecommunication services, and the
121.22 supplying of equipment for use including rental of personal property or equipment.

121.23 (10) "Motor vehicle" means a self-propelled device for moving persons or property or
121.24 pulling implements from one place to another, whether the device is operated on land, rails,
121.25 water, or in the air.

121.26 (11) "Motor fuel" has the meaning given in section 604.15, subdivision 1.

121.27 (12) "Retailer" has the meaning given in section 604.15, subdivision 1.

121.28 Sec. 22. Minnesota Statutes 2018, section 609.52, subdivision 2, is amended to read:

121.29 Subd. 2. **Acts constituting theft.** (a) Whoever does any of the following commits theft
121.30 and may be sentenced as provided in subdivision 3:

122.1 (1) intentionally and without claim of right takes, uses, transfers, conceals or retains
122.2 possession of movable property of another without the other's consent and with intent to
122.3 deprive the owner permanently of possession of the property; or

122.4 (2) with or without having a legal interest in movable property, intentionally and without
122.5 consent, takes the property out of the possession of a pledgee or other person having a
122.6 superior right of possession, with intent thereby to deprive the pledgee or other person
122.7 permanently of the possession of the property; or

122.8 (3) obtains for the actor or another the possession, custody, or title to property of or
122.9 performance of services by a third person by intentionally deceiving the third person with
122.10 a false representation which is known to be false, made with intent to defraud, and which
122.11 does defraud the person to whom it is made. "False representation" includes without
122.12 limitation:

122.13 (i) the issuance of a check, draft, or order for the payment of money, except a forged
122.14 check as defined in section 609.631, or the delivery of property knowing that the actor is
122.15 not entitled to draw upon the drawee therefor or to order the payment or delivery thereof;
122.16 or

122.17 (ii) a promise made with intent not to perform. Failure to perform is not evidence of
122.18 intent not to perform unless corroborated by other substantial evidence; or

122.19 (iii) the preparation or filing of a claim for reimbursement, a rate application, or a cost
122.20 report used to establish a rate or claim for payment for medical care provided to a recipient
122.21 of medical assistance under chapter 256B, which intentionally and falsely states the costs
122.22 of or actual services provided by a vendor of medical care; or

122.23 (iv) the preparation or filing of a claim for reimbursement for providing treatment or
122.24 supplies required to be furnished to an employee under section 176.135 which intentionally
122.25 and falsely states the costs of or actual treatment or supplies provided; or

122.26 (v) the preparation or filing of a claim for reimbursement for providing treatment or
122.27 supplies required to be furnished to an employee under section 176.135 for treatment or
122.28 supplies that the provider knew were medically unnecessary, inappropriate, or excessive;
122.29 or

122.30 (4) by swindling, whether by artifice, trick, device, or any other means, obtains property
122.31 or services from another person; or

122.32 (5) intentionally commits any of the acts listed in this subdivision but with intent to
122.33 exercise temporary control only and:

- 123.1 (i) the control exercised manifests an indifference to the rights of the owner or the
123.2 restoration of the property to the owner; or
- 123.3 (ii) the actor pledges or otherwise attempts to subject the property to an adverse claim;
123.4 or
- 123.5 (iii) the actor intends to restore the property only on condition that the owner pay a
123.6 reward or buy back or make other compensation; or
- 123.7 (6) finds lost property and, knowing or having reasonable means of ascertaining the true
123.8 owner, appropriates it to the finder's own use or to that of another not entitled thereto without
123.9 first having made reasonable effort to find the owner and offer and surrender the property
123.10 to the owner; or
- 123.11 (7) intentionally obtains property or services, offered upon the deposit of a sum of money
123.12 or tokens in a coin or token operated machine or other receptacle, without making the
123.13 required deposit or otherwise obtaining the consent of the owner; or
- 123.14 (8) intentionally and without claim of right converts any article representing a trade
123.15 secret, knowing it to be such, to the actor's own use or that of another person or makes a
123.16 copy of an article representing a trade secret, knowing it to be such, and intentionally and
123.17 without claim of right converts the same to the actor's own use or that of another person. It
123.18 shall be a complete defense to any prosecution under this clause for the defendant to show
123.19 that information comprising the trade secret was rightfully known or available to the
123.20 defendant from a source other than the owner of the trade secret; or
- 123.21 (9) leases or rents personal property under a written instrument and who:
- 123.22 (i) with intent to place the property beyond the control of the lessor conceals or aids or
123.23 abets the concealment of the property or any part thereof; or
- 123.24 (ii) sells, conveys, or encumbers the property or any part thereof without the written
123.25 consent of the lessor, without informing the person to whom the lessee sells, conveys, or
123.26 encumbers that the same is subject to such lease or rental contract with intent to deprive the
123.27 lessor of possession thereof; or
- 123.28 (iii) does not return the property to the lessor at the end of the lease or rental term, plus
123.29 agreed-upon extensions, with intent to wrongfully deprive the lessor of possession of the
123.30 property; or
- 123.31 (iv) returns the property to the lessor at the end of the lease or rental term, plus
123.32 agreed-upon extensions, but does not pay the lease or rental charges agreed upon in the
123.33 written instrument, with intent to wrongfully deprive the lessor of the agreed-upon charges.

124.1 For the purposes of items (iii) and (iv), the value of the property must be at least \$100.

124.2 Evidence that a lessee used a false, fictitious, or not current name, address, or place of

124.3 employment in obtaining the property or fails or refuses to return the property or pay the

124.4 rental contract charges to lessor within five days after written demand for the return has

124.5 been served personally in the manner provided for service of process of a civil action or

124.6 sent by certified mail to the last known address of the lessee, whichever shall occur later,

124.7 shall be evidence of intent to violate this clause. Service by certified mail shall be deemed

124.8 to be complete upon deposit in the United States mail of such demand, postpaid and addressed

124.9 to the person at the address for the person set forth in the lease or rental agreement, or, in

124.10 the absence of the address, to the person's last known place of residence; or

124.11 (10) alters, removes, or obliterates numbers or symbols placed on movable property for

124.12 purpose of identification by the owner or person who has legal custody or right to possession

124.13 thereof with the intent to prevent identification, if the person who alters, removes, or

124.14 obliterates the numbers or symbols is not the owner and does not have the permission of

124.15 the owner to make the alteration, removal, or obliteration; or

124.16 (11) with the intent to prevent the identification of property involved, so as to deprive

124.17 the rightful owner of possession thereof, alters or removes any permanent serial number,

124.18 permanent distinguishing number or manufacturer's identification number on personal

124.19 property or possesses, sells or buys any personal property knowing or having reason to

124.20 know that the permanent serial number, permanent distinguishing number or manufacturer's

124.21 identification number has been removed or altered; or

124.22 (12) intentionally deprives another of a lawful charge for cable television service by:

124.23 (i) making or using or attempting to make or use an unauthorized external connection

124.24 outside the individual dwelling unit whether physical, electrical, acoustical, inductive, or

124.25 other connection; or by

124.26 (ii) attaching any unauthorized device to any cable, wire, microwave, or other component

124.27 of a licensed cable communications system as defined in chapter 238. Nothing herein shall

124.28 be construed to prohibit the electronic video rerecording of program material transmitted

124.29 on the cable communications system by a subscriber for fair use as defined by Public Law

124.30 94-553, section 107; or

124.31 (13) except as provided in clauses (12) and (14), obtains the services of another with

124.32 the intention of receiving those services without making the agreed or reasonably expected

124.33 payment of money or other consideration; or

125.1 (14) intentionally deprives another of a lawful charge for telecommunications service
125.2 by:

125.3 (i) making, using, or attempting to make or use an unauthorized connection whether
125.4 physical, electrical, by wire, microwave, radio, or other means to a component of a local
125.5 telecommunication system as provided in chapter 237; or

125.6 (ii) attaching an unauthorized device to a cable, wire, microwave, radio, or other
125.7 component of a local telecommunication system as provided in chapter 237.

125.8 The existence of an unauthorized connection is prima facie evidence that the occupier
125.9 of the premises:

125.10 (A) made or was aware of the connection; and

125.11 (B) was aware that the connection was unauthorized;

125.12 (15) with intent to defraud, diverts corporate property other than in accordance with
125.13 general business purposes or for purposes other than those specified in the corporation's
125.14 articles of incorporation; or

125.15 (16) with intent to defraud, authorizes or causes a corporation to make a distribution in
125.16 violation of section 302A.551, or any other state law in conformity with it; or

125.17 (17) takes or drives a motor vehicle without the consent of the owner or an authorized
125.18 agent of the owner, knowing or having reason to know that the owner or an authorized agent
125.19 of the owner did not give consent; or

125.20 (18) intentionally, and without claim of right, takes motor fuel from a retailer without
125.21 the retailer's consent and with intent to deprive the retailer permanently of possession of
125.22 the fuel by driving a motor vehicle from the premises of the retailer without having paid
125.23 for the fuel dispensed into the vehicle; or

125.24 (19) intentionally engages in or authorizes a prohibited practice of wage theft as described
125.25 in section 181.03, subdivision 1.

125.26 (b) Proof that the driver of a motor vehicle into which motor fuel was dispensed drove
125.27 the vehicle from the premises of the retailer without having paid for the fuel permits the
125.28 factfinder to infer that the driver acted intentionally and without claim of right, and that the
125.29 driver intended to deprive the retailer permanently of possession of the fuel. This paragraph
125.30 does not apply if: (1) payment has been made to the retailer within 30 days of the receipt
125.31 of notice of nonpayment under section 604.15; or (2) a written notice as described in section
125.32 604.15, subdivision 4, disputing the retailer's claim, has been sent. This paragraph does not

126.1 apply to the owner of a motor vehicle if the vehicle or the vehicle's license plate has been
126.2 reported stolen before the theft of the fuel.

126.3 Sec. 23. Minnesota Statutes 2018, section 609.52, subdivision 3, is amended to read:

126.4 Subd. 3. **Sentence.** Whoever commits theft may be sentenced as follows:

126.5 (1) to imprisonment for not more than 20 years or to payment of a fine of not more than
126.6 \$100,000, or both, if the property is a firearm, or the value of the property or services stolen
126.7 is more than \$35,000 and the conviction is for a violation of subdivision 2, clause (3), (4),
126.8 (15), ~~or (16)~~, or (19), or section 609.2335, subdivision 1, clause (1) or (2), item (i); or

126.9 (2) to imprisonment for not more than ten years or to payment of a fine of not more than
126.10 \$20,000, or both, if the value of the property or services stolen exceeds \$5,000, or if the
126.11 property stolen was an article representing a trade secret, an explosive or incendiary device,
126.12 or a controlled substance listed in Schedule I or II pursuant to section 152.02 with the
126.13 exception of marijuana; or

126.14 (3) to imprisonment for not more than five years or to payment of a fine of not more
126.15 than \$10,000, or both, if any of the following circumstances exist:

126.16 (a) the value of the property or services stolen is more than \$1,000 but not more than
126.17 \$5,000; or

126.18 (b) the property stolen was a controlled substance listed in Schedule III, IV, or V pursuant
126.19 to section 152.02; or

126.20 (c) the value of the property or services stolen is more than \$500 but not more than
126.21 \$1,000 and the person has been convicted within the preceding five years for an offense
126.22 under this section, section 256.98; 268.182; 609.24; 609.245; 609.53; 609.582, subdivision
126.23 1, 2, or 3; 609.625; 609.63; 609.631; or 609.821, or a statute from another state, the United
126.24 States, or a foreign jurisdiction, in conformity with any of those sections, and the person
126.25 received a felony or gross misdemeanor sentence for the offense, or a sentence that was
126.26 stayed under section 609.135 if the offense to which a plea was entered would allow
126.27 imposition of a felony or gross misdemeanor sentence; or

126.28 (d) the value of the property or services stolen is not more than \$1,000, and any of the
126.29 following circumstances exist:

126.30 (i) the property is taken from the person of another or from a corpse, or grave or coffin
126.31 containing a corpse; or

127.1 (ii) the property is a record of a court or officer, or a writing, instrument or record kept,
127.2 filed or deposited according to law with or in the keeping of any public officer or office; or

127.3 (iii) the property is taken from a burning, abandoned, or vacant building or upon its
127.4 removal therefrom, or from an area of destruction caused by civil disaster, riot, bombing,
127.5 or the proximity of battle; or

127.6 (iv) the property consists of public funds belonging to the state or to any political
127.7 subdivision or agency thereof; or

127.8 (v) the property stolen is a motor vehicle; or

127.9 (4) to imprisonment for not more than one year or to payment of a fine of not more than
127.10 \$3,000, or both, if the value of the property or services stolen is more than \$500 but not
127.11 more than \$1,000; or

127.12 (5) in all other cases where the value of the property or services stolen is \$500 or less,
127.13 to imprisonment for not more than 90 days or to payment of a fine of not more than \$1,000,
127.14 or both, provided, however, in any prosecution under subdivision 2, clauses (1), (2), (3),
127.15 (4), and (13), the value of the money or property or services received by the defendant in
127.16 violation of any one or more of the above provisions within any six-month period may be
127.17 aggregated and the defendant charged accordingly in applying the provisions of this
127.18 subdivision; provided that when two or more offenses are committed by the same person
127.19 in two or more counties, the accused may be prosecuted in any county in which one of the
127.20 offenses was committed for all of the offenses aggregated under this paragraph.

127.21

ARTICLE 6

127.22

EARNED SICK AND SAFE TIME

127.23 Section 1. Minnesota Statutes 2018, section 181.942, subdivision 1, is amended to read:

127.24 Subdivision 1. **Comparable position.** (a) An employee returning from a leave of absence
127.25 under section 181.941 is entitled to return to employment in the employee's former position
127.26 or in a position of comparable duties, number of hours, and pay. An employee returning
127.27 from a leave of absence longer than one month must notify a supervisor at least two weeks
127.28 prior to return from leave. An employee returning from a leave under section 181.9412 or
127.29 ~~181.9413~~ 181.9445 is entitled to return to employment in the employee's former position.

127.30 (b) If, during a leave under sections 181.940 to 181.944, the employer experiences a
127.31 layoff and the employee would have lost a position had the employee not been on leave,
127.32 pursuant to the good faith operation of a bona fide layoff and recall system, including a

128.1 system under a collective bargaining agreement, the employee is not entitled to reinstatement
128.2 in the former or comparable position. In such circumstances, the employee retains all rights
128.3 under the layoff and recall system, including a system under a collective bargaining
128.4 agreement, as if the employee had not taken the leave.

128.5 Sec. 2. [181.9445] EARNED SICK AND SAFE TIME.

128.6 Subdivision 1. Definitions. (a) For the purposes of this section and section 177.50, the
128.7 terms defined in this subdivision have the meanings given them.

128.8 (b) "Commissioner" means the commissioner of labor and industry or authorized designee
128.9 or representative.

128.10 (c) "Domestic abuse" has the meaning given in section 518B.01.

128.11 (d) "Earned sick and safe time" means leave, including paid time off and other paid leave
128.12 systems, that is paid at the same hourly rate as an employee earns from employment that
128.13 may be used for the same purposes and under the same conditions as provided under
128.14 subdivision 3.

128.15 (e) "Employee" means any person who is employed by an employer, including temporary
128.16 and part-time employees, who performs work for at least 80 hours in a year for that employer
128.17 in Minnesota. Employee does not include an independent contractor.

128.18 (f) "Employer" means a person who has one or more employees. Employer includes an
128.19 individual, a corporation, a partnership, an association, a business trust, a nonprofit
128.20 organization, a group of persons, a state, county, town, city, school district, or other
128.21 governmental subdivision. In the event that a temporary employee is supplied by a staffing
128.22 agency, absent a contractual agreement stating otherwise, that individual shall be an employee
128.23 of the staffing agency for all purposes of this section and section 177.50.

128.24 (g) "Family member" means:

128.25 (1) an employee's:

128.26 (i) child, foster child, adult child, legal ward, or child for whom the employee is legal
128.27 guardian;

128.28 (ii) spouse or registered domestic partner;

128.29 (iii) sibling, stepsibling, or foster sibling;

128.30 (iv) parent or stepparent;

128.31 (v) grandchild, foster grandchild, or stepgrandchild; or

129.1 (vi) grandparent or stepgrandparent;

129.2 (2) any of the family members listed in clause (1) of a spouse or registered domestic
129.3 partner;

129.4 (3) any individual related by blood or affinity whose close association with the employee
129.5 is the equivalent of a family relationship; and

129.6 (4) up to one individual annually designated by the employee.

129.7 (h) "Health care professional" means any person licensed under federal or state law to
129.8 provide medical or emergency services, including doctors, physician assistants, nurses, and
129.9 emergency room personnel.

129.10 (i) "Prevailing wage rate" has the meaning given in section 177.42 and as calculated by
129.11 the Department of Labor and Industry.

129.12 (j) "Retaliatory personnel action" means:

129.13 (1) any form of intimidation, threat, reprisal, harassment, discrimination, or adverse
129.14 employment action, including discipline, discharge, suspension, transfer, or reassignment
129.15 to a lesser position in terms of job classification, job security, or other condition of
129.16 employment; reduction in pay or hours or denial of additional hours; the accumulation of
129.17 points under an attendance point system; informing another employer that the person has
129.18 engaged in activities protected by this chapter; or reporting or threatening to report the actual
129.19 or suspected citizenship or immigration status of an employee, former employee, or family
129.20 member of an employee to a federal, state, or local agency; and

129.21 (2) interference with or punishment for participating in any manner in an investigation,
129.22 proceeding, or hearing under this chapter.

129.23 (k) "Sexual assault" means an act that constitutes a violation under sections 609.342 to
129.24 609.3453 or 609.352.

129.25 (l) "Stalking" has the meaning given in section 609.749.

129.26 (m) "Year" means a regular and consecutive 12-month period, as determined by an
129.27 employer and clearly communicated to each employee of that employer.

129.28 **Subd. 2. Accrual of earned sick and safe time.** (a) An employee accrues a minimum
129.29 of one hour of earned sick and safe time for every 30 hours worked up to a maximum of 48
129.30 hours of earned sick and safe time in a year. Employees may not accrue more than 48 hours
129.31 of earned sick and safe time in a year unless the employer agrees to a higher amount.

130.1 (b) Employers must permit an employee to carry over accrued but unused sick and safe
130.2 time into the following year. The total amount of accrued but unused earned sick and safe
130.3 time for an employee may not exceed 80 hours at any time, unless an employer agrees to a
130.4 higher amount.

130.5 (c) Employees who are exempt from overtime requirements under United States Code,
130.6 title 29, section 213(a)(1), as amended through the effective date of this section, are deemed
130.7 to work 40 hours in each workweek for purposes of accruing earned sick and safe time,
130.8 except that an employee whose normal workweek is less than 40 hours will accrue earned
130.9 sick and safe time based on the normal workweek.

130.10 (d) Earned sick and safe time under this section begins to accrue at the commencement
130.11 of employment of the employee.

130.12 (e) Employees may use accrued earned sick and safe time beginning 90 calendar days
130.13 after the day their employment commenced. After 90 days from the day employment
130.14 commenced, employees may use earned sick and safe time as it is accrued. The
130.15 90-calendar-day period under this paragraph includes both days worked and days not worked.

130.16 Subd. 3. Use of earned sick and safe time. (a) An employee may use accrued earned
130.17 sick and safe time for:

130.18 (1) an employee's:

130.19 (i) mental or physical illness, injury, or other health condition;

130.20 (ii) need for medical diagnosis, care, or treatment of a mental or physical illness, injury,
130.21 or health condition; or

130.22 (iii) need for preventive medical or health care;

130.23 (2) care of a family member:

130.24 (i) with a mental or physical illness, injury, or other health condition;

130.25 (ii) who needs medical diagnosis, care, or treatment of a mental or physical illness,
130.26 injury, or other health condition; or

130.27 (iii) who needs preventive medical or health care;

130.28 (3) absence due to domestic abuse, sexual assault, or stalking of the employee or
130.29 employee's family member, provided the absence is to:

130.30 (i) seek medical attention related to physical or psychological injury or disability caused
130.31 by domestic abuse, sexual assault, or stalking;

- 131.1 (ii) obtain services from a victim services organization;
- 131.2 (iii) obtain psychological or other counseling;
- 131.3 (iv) seek relocation due to domestic abuse, sexual assault, or stalking; or
- 131.4 (v) seek legal advice or take legal action, including preparing for or participating in any
- 131.5 civil or criminal legal proceeding related to or resulting from domestic abuse, sexual assault,
- 131.6 or stalking;
- 131.7 (4) closure of the employee's place of business due to weather or other public emergency
- 131.8 or an employee's need to care for a family member whose school or place of care has been
- 131.9 closed due to weather or other public emergency; and
- 131.10 (5) when it has been determined by the health authorities having jurisdiction or by a
- 131.11 health care professional that the presence of the employee or family member of the employee
- 131.12 in the community would jeopardize the health of others because of the exposure of the
- 131.13 employee or family member of the employee to a communicable disease, whether or not
- 131.14 the employee or family member has actually contracted the communicable disease.
- 131.15 (b) An employer may require notice of the need for use of earned sick and safe time as
- 131.16 provided in this paragraph. If the need for use is foreseeable, an employer may require
- 131.17 advance notice of the intention to use earned sick and safe time but must not require more
- 131.18 than seven days' advance notice. If the need is unforeseeable, an employer may require an
- 131.19 employee to give notice of the need for earned sick and safe time as soon as practicable.
- 131.20 (c) When an employee uses earned sick and safe time for more than three consecutive
- 131.21 days, an employer may require reasonable documentation that the earned sick and safe time
- 131.22 is covered by paragraph (a). For earned sick and safe time under paragraph (a), clauses (1)
- 131.23 and (2), reasonable documentation may include a signed statement by a health care
- 131.24 professional indicating the need for use of earned sick and safe time. For earned sick and
- 131.25 safe time under paragraph (a), clause (3), an employer must accept a court record or
- 131.26 documentation signed by a volunteer or employee of a victims services organization, an
- 131.27 attorney, a police officer, or an antiviolence counselor as reasonable documentation. An
- 131.28 employer must not require disclosure of details relating to domestic abuse, sexual assault,
- 131.29 or stalking or the details of an employee's or an employee's family member's medical
- 131.30 condition as related to an employee's request to use earned sick and safe time under this
- 131.31 section.

132.1 (d) An employer may not require, as a condition of an employee using earned sick and
132.2 safe time, that the employee seek or find a replacement worker to cover the hours the
132.3 employee uses as earned sick and safe time.

132.4 (e) Earned sick and safe time may be used in the smallest increment of time tracked by
132.5 the employer's payroll system, provided such increment is not more than four hours.

132.6 Subd. 4. **Retaliation prohibited.** An employer shall not take retaliatory personnel action
132.7 against an employee because the employee has requested earned sick and safe time, used
132.8 earned sick and safe time, requested a statement of accrued sick and safe time, or made a
132.9 complaint or filed an action to enforce a right to earned sick and safe time under this section.

132.10 Subd. 5. **Reinstatement to comparable position after leave.** An employee returning
132.11 from a leave under this section is entitled to return to employment in a comparable position.
132.12 If, during a leave under this section, the employer experiences a layoff and the employee
132.13 would have lost a position had the employee not been on leave, pursuant to the good faith
132.14 operation of a bona fide layoff and recall system, including a system under a collective
132.15 bargaining agreement, the employee is not entitled to reinstatement in the former or
132.16 comparable position. In such circumstances, the employee retains all rights under the layoff
132.17 and recall system, including a system under a collective bargaining agreement, as if the
132.18 employee had not taken the leave.

132.19 Subd. 6. **Pay and benefits after leave.** An employee returning from a leave under this
132.20 section is entitled to return to employment at the same rate of pay the employee had been
132.21 receiving when the leave commenced, plus any automatic adjustments in the employee's
132.22 pay scale that occurred during leave period. The employee returning from a leave is entitled
132.23 to retain all accrued preleave benefits of employment and seniority as if there had been no
132.24 interruption in service, provided that nothing under this section prevents the accrual of
132.25 benefits or seniority during the leave pursuant to a collective bargaining or other agreement
132.26 between the employer and employees.

132.27 Subd. 7. **Part-time return from leave.** An employee, by agreement with the employer,
132.28 may return to work part time during the leave period without forfeiting the right to return
132.29 to employment at the end of the leave, as provided under this section.

132.30 Subd. 8. **Notice and posting by employer.** (a) Employers must give notice to all
132.31 employees that they are entitled to earned sick and safe time, including the amount of earned
132.32 sick and safe time, the accrual year for the employee, and the terms of its use under this
132.33 section; that retaliation against employees who request or use earned sick and safe time is
132.34 prohibited; and that each employee has the right to file a complaint or bring a civil action

133.1 if earned sick and safe time is denied by the employer or the employee is retaliated against
133.2 for requesting or using earned sick and safe time.

133.3 (b) Employers must supply employees with a notice in English and other appropriate
133.4 languages that contains the information required in paragraph (a) at commencement of
133.5 employment or the effective date of this section, whichever is later.

133.6 (c) The means used by the employer must be at least as effective as the following options
133.7 for providing notice:

133.8 (1) posting a copy of the notice at each location where employees perform work and
133.9 where the notice must be readily observed and easily reviewed by all employees performing
133.10 work; or

133.11 (2) providing a paper or electronic copy of the notice to employees.

133.12 The notice must contain all information required under paragraph (a). The commissioner
133.13 shall create and make available to employers a poster and a model notice that contains the
133.14 information required under paragraph (a) for their use in complying with this section.

133.15 (d) An employer that provides an employee handbook to its employees must include in
133.16 the handbook notice of employee rights and remedies under this section.

133.17 Subd. 9. **Required statement to employee.** (a) Upon request of the employee, the
133.18 employer must provide, in writing or electronically, current information stating the
133.19 employee's amount of:

133.20 (1) earned sick and safe time available to the employee; and

133.21 (2) used earned sick and safe time.

133.22 (b) Employers may choose a reasonable system for providing the information in paragraph
133.23 (a), including but not limited to listing information on each pay stub or developing an online
133.24 system where employees can access their own information.

133.25 Subd. 10. **Employer records.** (a) Employers shall retain accurate records documenting
133.26 hours worked by employees and earned sick and safe time taken and comply with all
133.27 requirements under section 177.30.

133.28 (b) An employer must allow an employee to inspect records required by this section and
133.29 relating to that employee at a reasonable time and place.

133.30 Subd. 11. **Confidentiality and nondisclosure.** (a) If, in conjunction with this section,
133.31 an employer possesses (1) health or medical information regarding an employee or an
133.32 employee's family member; (2) information pertaining to domestic abuse, sexual assault,

134.1 or stalking; (3) information that the employee has requested or obtained leave under this
134.2 section; or (4) any written or oral statement, documentation, record, or corroborating evidence
134.3 provided by the employee or an employee's family member, the employer must treat such
134.4 information as confidential. Information given by an employee may only be disclosed by
134.5 an employer if the disclosure is requested or consented to by the employee, when ordered
134.6 by a court or administrative agency, or when otherwise required by federal or state law.

134.7 (b) Records and documents relating to medical certifications, recertifications, or medical
134.8 histories of employees or family members of employees created for purposes of this section
134.9 or section 177.50 must be maintained as confidential medical records separate from the
134.10 usual personnel files. At the request of the employee, the employer must destroy or return
134.11 the records required by this section that are older than three years prior to the current calendar
134.12 year.

134.13 (c) Employers may not discriminate against any employee based on records created for
134.14 the purposes of this section or section 177.50.

134.15 Subd. 12. **No effect on more generous sick and safe time policies.** (a) Nothing in this
134.16 section shall be construed to discourage employers from adopting or retaining earned sick
134.17 and safe time policies that meet or exceed, and do not otherwise conflict with, the minimum
134.18 standards and requirements provided in this section.

134.19 (b) Nothing in this section shall be construed to limit the right of parties to a collective
134.20 bargaining agreement to bargain and agree with respect to earned sick and safe time policies
134.21 or to diminish the obligation of an employer to comply with any contract, collective
134.22 bargaining agreement, or any employment benefit program or plan that meets or exceeds,
134.23 and does not otherwise conflict with, the minimum standards and requirements provided in
134.24 this section.

134.25 (c) Employers who provide earned sick and safe time to their employees under a paid
134.26 time off policy or other paid leave policy that meets or exceeds, and does not otherwise
134.27 conflict with, the minimum standards and requirements provided in this section are not
134.28 required to provide additional earned sick and safe time.

134.29 (d) An employer may opt to satisfy the requirements of this section for construction
134.30 industry employees by:

134.31 (1) paying at least the prevailing wage rate as defined by section 177.42 and as calculated
134.32 by the Department of Labor and Industry; or

135.1 (2) paying at least the required rate established in a registered apprenticeship agreement
135.2 for apprentices registered with the Department of Labor and Industry.

135.3 An employer electing this option is deemed to be in compliance with this section for
135.4 construction industry employees who receive either at least the prevailing wage rate or the
135.5 rate required in the applicable apprenticeship agreement regardless of whether the employees
135.6 are working on private or public projects.

135.7 (e) This section does not prohibit an employer from establishing a policy whereby
135.8 employees may donate unused accrued sick and safe time to another employee.

135.9 (f) This section does not prohibit an employer from advancing sick and safe time to an
135.10 employee before accrual by the employee.

135.11 Subd. 13. **Termination; separation; transfer.** This section does not require financial
135.12 or other reimbursement to an employee from an employer upon the employee's termination,
135.13 resignation, retirement, or other separation from employment for accrued earned sick and
135.14 safe time that has not been used. If an employee is transferred to a separate division, entity,
135.15 or location, but remains employed by the same employer, the employee is entitled to all
135.16 earned sick and safe time accrued at the prior division, entity, or location and is entitled to
135.17 use all earned sick and safe time as provided in this section. When there is a separation from
135.18 employment and the employee is rehired within 180 days of separation by the same employer,
135.19 previously accrued earned sick and safe time that had not been used must be reinstated. An
135.20 employee is entitled to use accrued earned sick and safe time and accrue additional earned
135.21 sick and safe time at the commencement of reemployment.

135.22 Subd. 14. **Employer succession.** (a) When a different employer succeeds or takes the
135.23 place of an existing employer, all employees of the original employer who remain employed
135.24 by the successor employer are entitled to all earned sick and safe time accrued but not used
135.25 when employed by the original employer, and are entitled to use all earned sick and safe
135.26 time previously accrued but not used.

135.27 (b) If, at the time of transfer of the business, employees are terminated by the original
135.28 employer and hired within 30 days by the successor employer following the transfer, those
135.29 employees are entitled to all earned sick and safe time accrued but not used when employed
135.30 by the original employer, and are entitled to use all earned sick and safe time previously
135.31 accrued but not used.

135.32 Sec. 3. **REPEALER.**

135.33 Minnesota Statutes 2018, section 181.9413, is repealed.

136.1 Sec. 4. **EFFECTIVE DATE.**

136.2 Sections 1 to 3 are effective 180 days following final enactment.

136.3 **ARTICLE 7**

136.4 **EARNED SICK AND SAFE TIME ENFORCEMENT**

136.5 Section 1. Minnesota Statutes 2018, section 177.27, subdivision 2, is amended to read:

136.6 Subd. 2. **Submission of records; penalty.** The commissioner may require the employer
136.7 of employees working in the state to submit to the commissioner photocopies, certified
136.8 copies, or, if necessary, the originals of employment records which the commissioner deems
136.9 necessary or appropriate. The records which may be required include full and correct
136.10 statements in writing, including sworn statements by the employer, containing information
136.11 relating to wages, hours, names, addresses, and any other information pertaining to the
136.12 employer's employees and the conditions of their employment as the commissioner deems
136.13 necessary or appropriate.

136.14 The commissioner may require the records to be submitted by certified mail delivery
136.15 or, if necessary, by personal delivery by the employer or a representative of the employer,
136.16 as authorized by the employer in writing.

136.17 The commissioner may fine the employer up to ~~\$1,000~~ \$10,000 for each failure to submit
136.18 or deliver records as required by this section. This penalty is in addition to any penalties
136.19 provided under section 177.32, subdivision 1. In determining the amount of a civil penalty
136.20 under this subdivision, the appropriateness of such penalty to the size of the employer's
136.21 business and the gravity of the violation shall be considered.

136.22 Sec. 2. Minnesota Statutes 2018, section 177.27, subdivision 4, is amended to read:

136.23 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an
136.24 employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032,
136.25 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275,
136.26 subdivision 2a, 181.722, 181.79, ~~and~~ 181.939 to 181.943, and 181.9445, or with any rule
136.27 promulgated under section 177.28. The commissioner shall issue an order requiring an
136.28 employer to comply with sections 177.41 to 177.435 if the violation is repeated. For purposes
136.29 of this subdivision only, a violation is repeated if at any time during the two years that
136.30 preceded the date of violation, the commissioner issued an order to the employer for violation
136.31 of sections 177.41 to 177.435 and the order is final or the commissioner and the employer
136.32 have entered into a settlement agreement that required the employer to pay back wages that

137.1 were required by sections 177.41 to 177.435. The department shall serve the order upon the
137.2 employer or the employer's authorized representative in person or by certified mail at the
137.3 employer's place of business. An employer who wishes to contest the order must file written
137.4 notice of objection to the order with the commissioner within 15 calendar days after being
137.5 served with the order. A contested case proceeding must then be held in accordance with
137.6 sections 14.57 to 14.69. If, within 15 calendar days after being served with the order, the
137.7 employer fails to file a written notice of objection with the commissioner, the order becomes
137.8 a final order of the commissioner.

137.9 Sec. 3. Minnesota Statutes 2018, section 177.27, subdivision 7, is amended to read:

137.10 Subd. 7. **Employer liability.** If an employer is found by the commissioner to have
137.11 violated a section identified in subdivision 4, or any rule adopted under section 177.28, and
137.12 the commissioner issues an order to comply, the commissioner shall order the employer to
137.13 cease and desist from engaging in the violative practice and to take such affirmative steps
137.14 that in the judgment of the commissioner will effectuate the purposes of the section or rule
137.15 violated. The commissioner shall order the employer to pay to the aggrieved parties back
137.16 pay, gratuities, and compensatory damages, less any amount actually paid to the employee
137.17 by the employer, and for an additional equal amount as liquidated damages. Any employer
137.18 who is found by the commissioner to have repeatedly or willfully violated a section or
137.19 sections identified in subdivision 4 shall be subject to a civil penalty of up to ~~\$1,000~~ \$10,000
137.20 for each violation for each employee. In determining the amount of a civil penalty under
137.21 this subdivision, the appropriateness of such penalty to the size of the employer's business
137.22 and the gravity of the violation shall be considered. In addition, the commissioner may order
137.23 the employer to reimburse the department and the attorney general for all appropriate
137.24 litigation and hearing costs expended in preparation for and in conducting the contested
137.25 case proceeding, unless payment of costs would impose extreme financial hardship on the
137.26 employer. If the employer is able to establish extreme financial hardship, then the
137.27 commissioner may order the employer to pay a percentage of the total costs that will not
137.28 cause extreme financial hardship. Costs include but are not limited to the costs of services
137.29 rendered by the attorney general, private attorneys if engaged by the department,
137.30 administrative law judges, court reporters, and expert witnesses as well as the cost of
137.31 transcripts. Interest shall accrue on, and be added to, the unpaid balance of a commissioner's
137.32 order from the date the order is signed by the commissioner until it is paid, at an annual rate
137.33 provided in section 549.09, subdivision 1, paragraph (c). The commissioner may establish
137.34 escrow accounts for purposes of distributing damages.

138.1 Sec. 4. [177.50] EARNED SICK AND SAFE TIME ENFORCEMENT.

138.2 Subdivision 1. Definitions. The definitions in section 181.9445, subdivision 1, apply to
138.3 this section.

138.4 Subd. 2. Rulemaking authority. The commissioner may adopt rules to carry out the
138.5 purposes of this section and section 181.9445.

138.6 Subd. 3. Individual remedies. In addition to any other remedies provided by law, a
138.7 person injured by a violation of section 181.9445 may bring a civil action to recover general
138.8 and special damages, along with costs, fees, and reasonable attorney fees, and may receive
138.9 injunctive and other equitable relief as determined by a court. An action to recover damages
138.10 under this subdivision must be commenced within three years of the violation of section
138.11 181.9445 that caused the injury to the employee.

138.12 Subd. 4. Grants to community organizations. The commissioner may make grants to
138.13 community organizations for the purpose of outreach to and education for employees
138.14 regarding their rights under section 181.9445. The community-based organizations must
138.15 be selected based on their experience, capacity, and relationships in high-violation industries.
138.16 The work under such a grant may include the creation and administration of a statewide
138.17 worker hotline.

138.18 Subd. 5. Report to legislature. (a) The commissioner must submit an annual report to
138.19 the legislature, including to the chairs and ranking minority members of any relevant
138.20 legislative committee. The report must include, but is not limited to:

138.21 (1) a list of all violations of section 181.9445, including the employer involved, and the
138.22 nature of any violations; and

138.23 (2) an analysis of noncompliance with section 181.9445, including any patterns by
138.24 employer, industry, or county.

138.25 (b) A report under this section must not include an employee's name or other identifying
138.26 information, any health or medical information regarding an employee or an employee's
138.27 family member, or any information pertaining to domestic abuse, sexual assault, or stalking
138.28 of an employee or an employee's family member.

138.29 Subd. 6. Contract for labor or services. It is the responsibility of all employers to not
138.30 enter into any contract or agreement for labor or services where the employer has any actual
138.31 knowledge or knowledge arising from familiarity with the normal facts and circumstances
138.32 of the business activity engaged in, or has any additional facts or information that, taken
138.33 together, would make a reasonably prudent person undertake to inquire whether, taken

139.1 together, the contractor is not complying or has failed to comply with this section. For
139.2 purposes of this subdivision, "actual knowledge" means information obtained by the employer
139.3 that the contractor has violated this section within the past two years and has failed to present
139.4 the employer with credible evidence that such noncompliance has been cured going forward.

139.5 **EFFECTIVE DATE.** This section is effective 180 days after final enactment.

139.6 **ARTICLE 8**

139.7 **LABOR AND INDUSTRY POLICY**

139.8 Section 1. Minnesota Statutes 2018, section 15.72, subdivision 2, is amended to read:

139.9 Subd. 2. **Retainage.** (a) A public contracting agency may reserve as retainage from any
139.10 progress payment on a public contract for a public improvement an amount not to exceed
139.11 five percent of the payment. ~~A~~ The public contracting agency may reduce the amount of
139.12 the retainage and may eliminate retainage on any monthly contract payment if, in the agency's
139.13 opinion, the work is progressing satisfactorily.

139.14 (b) For all construction contracts greater than \$5,000,000, the public contracting agency
139.15 must reduce retainage to no more than 2.5 percent if the public contracting agency determines
139.16 the work is 75 percent or more complete, that work is progressing satisfactorily, and all
139.17 contract requirements are being met.

139.18 (c) The public contracting agency must release any remaining retainage no later than 60
139.19 days after substantial completion.

139.20 (d) A contractor on a public contract for a public improvement must pay out any
139.21 remaining retainage to its subcontractors no later than ten days after receiving payment of
139.22 retainage from the public contracting agency, unless there is a dispute about the work under
139.23 a subcontract. If there is a dispute about the work under a subcontract, the contractor must
139.24 pay out retainage to any subcontractor whose work is not involved in the dispute, and must
139.25 provide a written statement detailing the amount and reason for the withholding to the
139.26 affected subcontractor and the public agency.

139.27 (e) A contractor may not reserve as retainage from a subcontractor an amount that exceeds
139.28 the amount reserved by the public contracting agency under this subdivision. Upon written
139.29 request of a subcontractor who has not been paid for work in accordance with section
139.30 16A.1245 or 471.425, subdivision 4a, the public contracting agency shall notify the
139.31 subcontractor of a progress payment, retainage payment, or final payment made to the
139.32 contractor. A contractor must include in any contract with a subcontractor the name, address,

140.1 and telephone number of a responsible official at the public contracting agency that may
140.2 be contacted for purposes of making a request under this paragraph.

140.3 (f) After substantial completion, a public contracting agency may withhold no more
140.4 than:

140.5 (1) 250 percent of the value of incomplete or defective work; and

140.6 (2) one percent of the value of the contract or \$500, whichever is greater, pending
140.7 completion and submission of all final paperwork by the contractor, provided that an amount
140.8 withheld under this clause may not exceed \$10,000.

140.9 If the public contracting agency withholds payment under this paragraph, the public
140.10 contracting agency must promptly provide a written statement detailing the amount and
140.11 basis of withholding to the contractor. The public contracting agency must provide a copy
140.12 of this statement to any subcontractor that requests it. Any amounts withheld for incomplete
140.13 or defective work shall be paid within 45 days after the completion of the work. Any amounts
140.14 withheld under clause (1) must be paid within 45 days after completion of the work. Any
140.15 amounts withheld under clause (2) must be paid within 45 days after submission of all final
140.16 paperwork.

140.17 (g) As used in this subdivision, "substantial completion" shall be determined as provided
140.18 in section 541.051, subdivision 1, paragraph (a). For construction, reconstruction, or
140.19 improvement of streets and highways, including bridges, substantial completion means the
140.20 date when construction-related traffic devices and ongoing inspections are no longer required.

140.21 (h) The maximum retainage percentage allowed for a building and construction contract
140.22 is the retainage percentage withheld by the public contracting agency from the contractor.

140.23 (i) Withholding retainage for warranties or warranty work is prohibited.

140.24 **EFFECTIVE DATE.** This section applies to agreements entered into on or after August
140.25 1, 2019.

140.26 Sec. 2. Minnesota Statutes 2018, section 175.46, subdivision 3, is amended to read:

140.27 Subd. 3. **Duties.** (a) The commissioner shall:

140.28 (1) approve youth skills training programs that train student learners for careers in
140.29 high-growth, high-demand occupations that provide:

140.30 (i) that the work of the student learner in the occupations declared particularly hazardous
140.31 shall be incidental to the training;

141.1 (ii) that the work shall be intermittent and for short periods of time, and under the direct
141.2 and close supervision of a qualified and experienced person;

141.3 (iii) that safety instruction shall be provided to the student learner and may be given by
141.4 the school and correlated by the employer with on-the-job training;

141.5 (iv) a schedule of organized and progressive work processes to be performed on the job;

141.6 (v) a schedule of wage rates in compliance with section 177.24; and

141.7 (vi) whether the student learner will obtain secondary school academic credit,
141.8 postsecondary credit, or both, for the training program;

141.9 (2) approve occupations and maintain a list of approved occupations for programs under
141.10 this section;

141.11 (3) issue requests for proposals for grants;

141.12 (4) work with individuals representing industry and labor to develop new youth skills
141.13 training programs;

141.14 (5) develop model program guides;

141.15 (6) monitor youth skills training programs;

141.16 (7) provide technical assistance to local partnership grantees;

141.17 (8) work with providers to identify paths for receiving postsecondary credit for
141.18 participation in the youth skills training program; and

141.19 (9) approve other activities as necessary to implement the program.

141.20 (b) The commissioner shall collaborate with stakeholders, including, but not limited to,
141.21 representatives of secondary school institutions, career and technical education instructors,
141.22 postsecondary institutions, businesses, and labor, in developing youth skills training
141.23 programs, and identifying and approving occupations and competencies for youth skills
141.24 training programs.

141.25 Sec. 3. Minnesota Statutes 2018, section 175.46, subdivision 13, is amended to read:

141.26 Subd. 13. **Grant awards.** (a) The commissioner shall award grants to local partnerships
141.27 for youth skills training programs that train student learners for careers in high-growth,
141.28 high-demand occupations. Grant awards may not exceed \$100,000 per local partnership
141.29 grant.

142.1 (b) A local partnership awarded a grant under this section must use the grant award for
142.2 any of the following implementation and coordination activities:

142.3 (1) recruiting additional employers to provide on-the-job training and supervision for
142.4 student learners and providing technical assistance to those employers;

142.5 (2) recruiting students to participate in the local youth skills training program, monitoring
142.6 the progress of student learners participating in the program, and monitoring program
142.7 outcomes;

142.8 (3) coordinating youth skills training activities within participating school districts and
142.9 among participating school districts, postsecondary institutions, and employers;

142.10 (4) coordinating academic, vocational and occupational learning, school-based and
142.11 work-based learning, and secondary and postsecondary education for participants in the
142.12 local youth skills training program;

142.13 (5) coordinating transportation for student learners participating in the local youth skills
142.14 training program; and

142.15 (6) any other implementation or coordination activity that the commissioner may direct
142.16 or permit the local partnership to perform.

142.17 ~~(b)~~ (c) Grant awards may not be used to directly or indirectly pay the wages of a student
142.18 learner.

142.19 Sec. 4. Minnesota Statutes 2018, section 176.1812, subdivision 2, is amended to read:

142.20 Subd. 2. **Filing and review.** (a) A copy of the agreement and the approximate number
142.21 of employees who will be covered under it must be filed with the commissioner. Within 21
142.22 days of receipt of an agreement, the commissioner shall review the agreement for compliance
142.23 with this section and the benefit provisions of this chapter and notify the parties of any
142.24 additional information required or any recommended modification that would bring the
142.25 agreement into compliance. Upon receipt of any requested information or modification, the
142.26 commissioner must notify the parties within 21 days whether the agreement is in compliance
142.27 with this section and the benefit provisions of this chapter.

142.28 (b) After an agreement is approved by the commissioner under paragraph (a), a qualified
142.29 employer may join or withdraw from a qualified group of employers without commissioner
142.30 review or approval. The commissioner must be notified within 30 days when a qualified
142.31 employer joins or withdraws from a qualified group of employers.

143.1 (c) In order for any agreement to remain in effect, it must provide for a timely and
 143.2 accurate method of reporting to the commissioner ~~necessary information regarding service~~
 143.3 ~~cost and utilization~~ the individual claims covered by the agreement and claim-specific
 143.4 dispute resolution data, in the form and manner prescribed by the commissioner. Dispute
 143.5 resolution data includes information about facilitation, mediation, and arbitration and shall
 143.6 be provided annually to the commissioner to enable the commissioner to annually report
 143.7 aggregate dispute data to the legislature. The information provided to the commissioner
 143.8 ~~must include aggregate data on the:~~

143.9 ~~(i) person hours and payroll covered by agreements filed;~~

143.10 ~~(ii) number of claims filed;~~

143.11 ~~(iii) average cost per claim;~~

143.12 ~~(iv) number of litigated claims, including the number of claims submitted to arbitration,~~
 143.13 ~~the Workers' Compensation Court of Appeals, the Office of Administrative Hearings, the~~
 143.14 ~~district court, the Minnesota Court of Appeals or the supreme court;~~

143.15 ~~(v) number of contested claims resolved prior to arbitration;~~

143.16 ~~(vi) projected incurred costs and actual costs of claims;~~

143.17 ~~(vii) employer's safety history;~~

143.18 ~~(viii) number of workers participating in vocational rehabilitation; and~~

143.19 ~~(ix) number of workers participating in light-duty programs.~~

143.20 **EFFECTIVE DATE.** Paragraphs (a) and (b) are effective June 1, 2019. Paragraph (c)
 143.21 is effective August 1, 2020.

143.22 Sec. 5. Minnesota Statutes 2018, section 176.231, subdivision 1, is amended to read:

143.23 Subdivision 1. **Time limitation.** (a) Where death or serious injury occurs to an employee
 143.24 during the course of employment, the employer shall report the injury or death to the
 143.25 commissioner and insurer within 48 hours after its occurrence. Where any other injury
 143.26 occurs which wholly or partly incapacitates the employee from performing labor or service
 143.27 for more than three calendar days, the employer shall report the injury to the insurer on a
 143.28 form prescribed by the commissioner within ten days from its occurrence. An insurer and
 143.29 self-insured employer shall report the injury to the commissioner no later than 14 days from
 143.30 its occurrence. Where an injury has once been reported but subsequently death ensues, the
 143.31 employer shall report the death to the commissioner and insurer within 48 hours after the
 143.32 employer receives notice of this fact. An employer who provides notice to the Occupational

144.1 Safety and Health Division of the Department of Labor and Industry of a fatality within the
144.2 eight-hour time frame required by law, or of an inpatient hospitalization within the 24-hour
144.3 time frame required by law, has satisfied the employer's obligation under this section.

144.4 (b) At the time an injury is required to be reported to the commissioner, the insurer or
144.5 self-insured employer must also specify whether the injury is covered by a collective
144.6 bargaining agreement approved by the commissioner under section 176.1812. Notice must
144.7 be provided in the format and manner prescribed by the commissioner.

144.8 **EFFECTIVE DATE.** This section is effective August 1, 2020.

144.9 Sec. 6. Minnesota Statutes 2018, section 179.86, subdivision 1, is amended to read:

144.10 Subdivision 1. **Definition.** For the purpose of this section, "employer" means:

144.11 (1) an employer ~~in the meatpacking industry~~ whose employees routinely pack, can, or
144.12 otherwise process poultry or meat for human consumption; or

144.13 (2) an employer whose employees routinely clean or sterilize meat processing or poultry
144.14 processing equipment used by an employer as defined in clause (1).

144.15 Sec. 7. Minnesota Statutes 2018, section 179.86, subdivision 3, is amended to read:

144.16 Subd. 3. **Information provided to employee by employer.** (a) An employer must
144.17 provide an explanation ~~in an employee's native language~~ of the employee's rights and duties
144.18 as an employee either person to person or through written materials that, at a minimum,
144.19 include:

144.20 (1) a complete description of the salary and benefits plans as they relate to the employee;

144.21 (2) a job description for the employee's position;

144.22 (3) a description of leave policies;

144.23 (4) a description of the work hours and work hours policy; and

144.24 (5) a description of the occupational hazards known to exist for the position.

144.25 (b) The explanation must also include information on the following employee rights as
144.26 protected by state or federal law and a description of where additional information about
144.27 those rights may be obtained:

144.28 (1) the right to organize and bargain collectively and refrain from organizing and
144.29 bargaining collectively;

144.30 (2) the right to a safe workplace; and

145.1 (3) the right to be free from discrimination.

145.2 (c) The explanation must be provided in a language the employee speaks fluently.

145.3 Sec. 8. Minnesota Statutes 2018, section 181.635, subdivision 2, is amended to read:

145.4 Subd. 2. **Recruiting; required disclosure.** An employer shall provide written disclosure
145.5 of the terms and conditions of employment to a person at the time it recruits the person to
145.6 relocate to work in the food processing industry. The disclosure requirement does not apply
145.7 to an exempt employee as defined in United States Code, title 29, section 213(a)(1). The
145.8 disclosure must be written in ~~English and Spanish~~, a language the employee speaks fluently
145.9 in addition to any other languages preferred by the employer. The disclosure must be dated
145.10 and signed by the employer and the person recruited, and maintained by the employer for
145.11 two years. If the employer has any reason to doubt the employee's ability to read, the
145.12 employer must read the disclosure out loud to the employee in a language the employee
145.13 speaks fluently before the disclosure is signed. A copy of the signed and completed disclosure
145.14 must be delivered immediately to the recruited person. The disclosure may not be construed
145.15 as an employment contract.

145.16 Sec. 9. Minnesota Statutes 2018, section 326B.082, subdivision 6, is amended to read:

145.17 Subd. 6. **Notices of violation.** (a) The commissioner may issue a notice of violation to
145.18 any person who the commissioner determines has committed a violation of the applicable
145.19 law. The notice of violation must state a summary of the facts that constitute the violation
145.20 and the applicable law violated. The notice of violation may require the person to correct
145.21 the violation. If correction is required, the notice of violation must state the deadline by
145.22 which the violation must be corrected.

145.23 (b) The commissioner shall issue the notice of violation by:

145.24 (1) serving the notice of violation on the property owner or on the person who committed
145.25 the violation; or

145.26 (2) posting the notice of violation at the location where the violation occurred.

145.27 (c) If the person to whom the commissioner has issued the notice of violation believes
145.28 the notice was issued in error, then the person may request reconsideration of the parts of
145.29 the notice that the person believes are in error. The request for reconsideration must be in
145.30 writing and must be served on ~~or~~, faxed, or e-mailed to the commissioner at the address ~~or~~,
145.31 fax number, or e-mail address specified in the notice of violation by the tenth day after the
145.32 commissioner issued the notice of violation. The date on which a request for reconsideration

146.1 is served by mail shall be the postmark date on the envelope in which the request for
146.2 reconsideration is mailed. If the person does not serve ~~or~~₂ fax, or e-mail a written request
146.3 for reconsideration or if the person's written request for reconsideration is not served on or
146.4 faxed to the commissioner by the tenth day after the commissioner issued the notice of
146.5 violation, the notice of violation shall become a final order of the commissioner and will
146.6 not be subject to review by any court or agency. The request for reconsideration must:

146.7 (1) specify which parts of the notice of violation the person believes are in error;

146.8 (2) explain why the person believes the parts are in error; and

146.9 (3) provide documentation to support the request for reconsideration.

146.10 The commissioner shall respond in writing to requests for reconsideration made under
146.11 this paragraph within 15 days after receiving the request. A request for reconsideration does
146.12 not stay a requirement to correct a violation as set forth in the notice of violation. After
146.13 reviewing the request for reconsideration, the commissioner may affirm, modify, or rescind
146.14 the notice of violation. The commissioner's response to a request for reconsideration is final
146.15 and shall not be reviewed by any court or agency.

146.16 Sec. 10. Minnesota Statutes 2018, section 326B.082, subdivision 8, is amended to read:

146.17 Subd. 8. **Hearings related to administrative orders.** (a) Within 30 days after the
146.18 commissioner issues an administrative order or within 20 days after the commissioner issues
146.19 the notice under section 326B.083, subdivision 3, paragraph (b), clause (3), the person to
146.20 whom the administrative order or notice is issued may request an expedited hearing to
146.21 review the commissioner's order or notice. The request for hearing must be in writing and
146.22 must be served on ~~or~~₂ faxed, or e-mailed to the commissioner at the address ~~or~~₂ fax number,
146.23 or e-mail address specified in the order or notice. If the person does not request a hearing
146.24 or if the person's written request for hearing is not served on ~~or~~₂ faxed, or e-mailed to the
146.25 commissioner by the 30th day after the commissioner issues the administrative order or the
146.26 20th day after the commissioner issues the notice under section 326B.083, subdivision 3,
146.27 paragraph (b), clause (3), the order will become a final order of the commissioner and will
146.28 not be subject to review by any court or agency. The date on which a request for hearing is
146.29 served by mail shall be the postmark date on the envelope in which the request for hearing
146.30 is mailed. The hearing request must specifically state the reasons for seeking review of the
146.31 order or notice. The person to whom the order or notice is issued and the commissioner are
146.32 the parties to the expedited hearing. The commissioner must notify the person to whom the
146.33 order or notice is issued of the time and place of the hearing at least 15 days before the

147.1 hearing. The expedited hearing must be held within 45 days after a request for hearing has
147.2 been received by the commissioner unless the parties agree to a later date.

147.3 (b) Parties may submit written arguments if permitted by the administrative law judge.
147.4 All written arguments must be submitted within ten days following the completion of the
147.5 hearing or the receipt of any late-filed exhibits that the parties and the administrative law
147.6 judge have agreed should be received into the record, whichever is later. The hearing shall
147.7 be conducted under Minnesota Rules, parts 1400.8510 to 1400.8612, as modified by this
147.8 subdivision. The Office of Administrative Hearings may, in consultation with the agency,
147.9 adopt rules specifically applicable to cases under this section.

147.10 (c) The administrative law judge shall issue a report making findings of fact, conclusions
147.11 of law, and a recommended order to the commissioner within 30 days following the
147.12 completion of the hearing, the receipt of late-filed exhibits, or the submission of written
147.13 arguments, whichever is later.

147.14 (d) If the administrative law judge makes a finding that the hearing was requested solely
147.15 for purposes of delay or that the hearing request was frivolous, the commissioner may add
147.16 to the amount of the penalty the costs charged to the department by the Office of
147.17 Administrative Hearings for the hearing.

147.18 (e) If a hearing has been held, the commissioner shall not issue a final order until at least
147.19 five days after the date of the administrative law judge's report. Any person aggrieved by
147.20 the administrative law judge's report may, within those five days, serve written comments
147.21 to the commissioner on the report and the commissioner shall consider and enter the
147.22 comments in the record. The commissioner's final order shall comply with sections 14.61,
147.23 subdivision 2, and 14.62, subdivisions 1 and 2a, and may be appealed in the manner provided
147.24 in sections 14.63 to 14.69.

147.25 Sec. 11. Minnesota Statutes 2018, section 326B.082, subdivision 12, is amended to read:

147.26 Subd. 12. **Issuance of licensing orders; hearings related to licensing orders.** (a) If
147.27 the commissioner determines that a permit, license, registration, or certificate should be
147.28 conditioned, limited, suspended, revoked, or denied under subdivision 11, or that the permit
147.29 holder, licensee, registrant, or certificate holder should be censured under subdivision 11,
147.30 then the commissioner shall issue to the person an order denying, conditioning, limiting,
147.31 suspending, or revoking the person's permit, license, registration, or certificate, or censuring
147.32 the permit holder, licensee, registrant, or certificate holder.

148.1 (b) Any order issued under paragraph (a) may include an assessment of monetary penalties
 148.2 and may require the person to cease and desist from committing the violation or committing
 148.3 the act, conduct, or practice set out in subdivision 11, paragraph (b). The monetary penalty
 148.4 may be up to \$10,000 for each violation or act, conduct, or practice committed by the person.
 148.5 The procedures in section 326B.083 must be followed when issuing orders under paragraph
 148.6 (a).

148.7 (c) The permit holder, licensee, registrant, certificate holder, or applicant to whom the
 148.8 commissioner issues an order under paragraph (a) shall have 30 days after issuance of the
 148.9 order to request a hearing. The request for hearing must be in writing and must be served
 148.10 on ~~or~~, faxed, or e-mailed to the commissioner at the address ~~or~~, fax number, or e-mail address
 148.11 specified in the order by the 30th day after issuance of the order. If the person does not
 148.12 request a hearing or if the person's written request for hearing is not served on ~~or~~, faxed, or
 148.13 e-mailed to the commissioner by the 30th day after issuance of the order, the order shall
 148.14 become a final order of the commissioner and will not be subject to review by any court or
 148.15 agency. The date on which a request for hearing is served by mail shall be the postmark
 148.16 date on the envelope in which the request for hearing is mailed. If the person submits to the
 148.17 commissioner a timely request for hearing, the order is stayed unless the commissioner
 148.18 summarily suspends the license, registration, certificate, or permit under subdivision 13,
 148.19 and a contested case hearing shall be held in accordance with chapter 14.

148.20 Sec. 12. Minnesota Statutes 2018, section 326B.103, subdivision 11, is amended to read:

148.21 Subd. 11. **Public building.** "Public building" means a building and its grounds the cost
 148.22 of which is paid for by the state or a state agency regardless of its cost, and a ~~school district~~
 148.23 building project for a school district or charter school ~~building project~~ the cost of which is
 148.24 \$100,000 or more.

148.25 Sec. 13. Minnesota Statutes 2018, section 326B.106, subdivision 9, is amended to read:

148.26 Subd. 9. **Accessibility.** (a) **Public buildings.** The code must ~~provide for making~~ require
 148.27 new public buildings constructed or remodeled after July 1, 1963, and remodeled portions
 148.28 of existing public buildings to be accessible to and usable by persons with disabilities;
 148.29 ~~although this does not require the remodeling of public buildings solely to provide~~
 148.30 ~~accessibility and usability to persons with disabilities when remodeling would not otherwise~~
 148.31 ~~be undertaken.~~

148.32 (b) **Leased space.** No agency of the state may lease space for agency operations in a
 148.33 non-state-owned building unless the building satisfies the requirements of the State Building

149.1 Code for accessibility by persons with disabilities, or is eligible to display the state symbol
149.2 of accessibility. This limitation applies to leases of 30 days or more for space of at least
149.3 1,000 square feet.

149.4 (c) **Meetings or conferences.** Meetings or conferences for the public or for state
149.5 employees which are sponsored in whole or in part by a state agency must be held in
149.6 buildings that meet the State Building Code requirements relating to accessibility for persons
149.7 with disabilities. This subdivision does not apply to any classes, seminars, or training
149.8 programs offered by the Minnesota State Colleges and Universities or the University of
149.9 Minnesota. Meetings or conferences intended for specific individuals none of whom need
149.10 the accessibility features for persons with disabilities specified in the State Building Code
149.11 need not comply with this subdivision unless a person with a disability gives reasonable
149.12 advance notice of an intent to attend the meeting or conference. When sign language
149.13 interpreters will be provided, meetings or conference sites must be chosen which allow
149.14 participants who are deaf or hard-of-hearing to see the sign language interpreters clearly.

149.15 (d) **Exemptions.** The commissioner may grant an exemption from the requirements of
149.16 paragraphs (b) and (c) in advance if an agency has demonstrated that reasonable efforts
149.17 were made to secure facilities which complied with those requirements and if the selected
149.18 facilities are the best available for access for persons with disabilities. Exemptions shall be
149.19 granted using criteria developed by the commissioner in consultation with the Council on
149.20 Disability.

149.21 (e) **Symbol indicating access.** The wheelchair symbol adopted by Rehabilitation
149.22 International's Eleventh World Congress is the state symbol indicating buildings, facilities,
149.23 and grounds which are accessible to and usable by persons with disabilities. In the interests
149.24 of uniformity, this symbol is the sole symbol for display in or on all public or private
149.25 buildings, facilities, and grounds which qualify for its use. The secretary of state shall obtain
149.26 the symbol and keep it on file. No building, facility, or grounds may display the symbol
149.27 unless it is in compliance with the rules adopted by the commissioner under subdivision 1.
149.28 Before any rules are proposed for adoption under this paragraph, the commissioner shall
149.29 consult with the Council on Disability. Rules adopted under this paragraph must be enforced
149.30 in the same way as other accessibility rules of the State Building Code.

149.31 Sec. 14. Minnesota Statutes 2018, section 326B.46, is amended by adding a subdivision
149.32 to read:

149.33 Subd. 7. License number to be displayed. Any vehicle used by a plumbing contractor
149.34 or restricted plumbing contractor while performing plumbing work for which a contractor's

150.1 license is required shall have the contractor's name and license number as it appears on the
150.2 contractor's license in contrasting color with characters at least three inches high and one-half
150.3 inch in width affixed to each side of the vehicle.

150.4 Sec. 15. Minnesota Statutes 2018, section 326B.475, subdivision 4, is amended to read:

150.5 Subd. 4. **Renewal; use period for license.** (a) A restricted master plumber and restricted
150.6 journeyworker plumber license must be renewed for as long as that licensee engages in the
150.7 plumbing trade. Notwithstanding section 326B.094, failure to renew a restricted master
150.8 plumber and restricted journeyworker plumber license within 12 months after the expiration
150.9 date will result in permanent forfeiture of the restricted master plumber and restricted
150.10 journeyworker plumber license.

150.11 ~~(b) The commissioner shall in a manner determined by the commissioner, without the~~
150.12 ~~need for any rulemaking under chapter 14, phase in the renewal of restricted master plumber~~
150.13 ~~and restricted journeyworker plumber licenses from one year to two years. By June 30,~~
150.14 ~~2011, all restricted master plumber and restricted journeyworker plumber licenses shall be~~
150.15 ~~two-year licenses.~~

150.16 Sec. 16. Minnesota Statutes 2018, section 326B.815, subdivision 1, is amended to read:

150.17 Subdivision 1. **Fees.** (a) For the purposes of calculating fees under section 326B.092,
150.18 an initial or renewed residential contractor, residential remodeler, or residential roofer license
150.19 is a business license. Notwithstanding section 326B.092, the licensing fee for manufactured
150.20 home installers under section 327B.041 is ~~\$300~~ \$180 for a three-year period.

150.21 (b) All initial and renewal licenses, except for manufactured home installer licenses,
150.22 shall be effective for two years and shall expire on March 31 of the year after the year in
150.23 which the application is made.

150.24 (c) The commissioner shall in a manner determined by the commissioner, without the
150.25 need for any rulemaking under chapter 14, phase in the renewal of residential contractor,
150.26 residential remodeler, and residential roofer licenses from one year to two years. By June
150.27 30, 2011, all renewed residential contractor, residential remodeler, and residential roofer
150.28 licenses shall be two-year licenses.

150.29 Sec. 17. Minnesota Statutes 2018, section 326B.821, subdivision 21, is amended to read:

150.30 Subd. 21. **Residential building contractor, remodeler, and roofer education.** (a) Each
150.31 licensee must, during each continuing education reporting period, complete and report one
150.32 hour of continuing education relating to energy codes or energy conservation measures

151.1 applicable to residential buildings and one hour of business management strategies applicable
151.2 to residential construction businesses.

151.3 (b) Immediately following the adoption date of a new residential code, the commissioner
151.4 may prescribe that up to seven of the required 14 hours of continuing education credit per
151.5 licensure period include education hours specifically designated to instruct licensees on
151.6 new or existing State Building Code provisions.

151.7 Sec. 18. Minnesota Statutes 2018, section 326B.84, is amended to read:

151.8 **326B.84 GROUNDS FOR SANCTIONS.**

151.9 The commissioner may use any enforcement provision in section 326B.082 against an
151.10 applicant for, qualifying person of, or holder of a license or certificate of exemption, or any
151.11 individual or entity who is required by law to hold a license or certificate of exemption, if
151.12 the individual, entity, applicant, licensee, certificate of exemption holder, qualifying person,
151.13 or owner, officer, member, managing employee, or affiliate of the applicant, licensee, or
151.14 certificate of exemption holder:

151.15 (1) has filed an application for licensure or a certificate of exemption which is incomplete
151.16 in any material respect or contains any statement which, in light of the circumstances under
151.17 which it is made, is false or misleading with respect to any material fact;

151.18 (2) has engaged in a fraudulent, deceptive, or dishonest practice;

151.19 (3) is permanently or temporarily enjoined by any court of competent jurisdiction from
151.20 engaging in or continuing any conduct or practice involving any aspect of the business;

151.21 (4) has failed to reasonably supervise employees, agents, subcontractors, or salespersons,
151.22 or has performed negligently or in breach of contract, so as to cause injury or harm to the
151.23 public;

151.24 (5) has violated or failed to comply with any provision of sections 326B.802 to 326B.885,
151.25 any rule or order under sections 326B.802 to 326B.885, or any other law, rule, or order
151.26 related to the duties and responsibilities entrusted to the commissioner;

151.27 (6) has been convicted of a violation of the State Building Code or has refused to comply
151.28 with a correction order issued by a certified building official, or in local jurisdictions that
151.29 have not adopted the State Building Code has refused to correct a violation of the State
151.30 Building Code when the violation has been documented by a certified building official;

151.31 (7) has failed to use the proceeds of any payment made to the licensee for the construction
151.32 of, or any improvement to, residential real estate, as defined in section 326B.802, subdivision

152.1 13, for the payment of labor, skill, material, and machinery contributed to the construction
152.2 or improvement, knowing that the cost of any labor performed, or skill, material, or
152.3 machinery furnished for the improvement remains unpaid;

152.4 (8) has not furnished to the person making payment either a valid lien waiver as to any
152.5 unpaid labor performed, or skill, material, or machinery furnished for an improvement, or
152.6 a payment bond in the basic amount of the contract price for the improvement conditioned
152.7 for the prompt payment to any person or persons entitled to payment;

152.8 (9) has engaged in an act or practice that results in compensation to an aggrieved owner
152.9 or lessee from the contractor recovery fund pursuant to section 326B.89, unless:

152.10 (i) the applicant or licensee has repaid the fund twice the amount paid from the fund,
152.11 plus interest at the rate of 12 percent per year; and

152.12 (ii) the applicant or licensee has obtained a surety bond in the amount of at least \$40,000,
152.13 issued by an insurer authorized to transact business in this state;

152.14 (10) has engaged in bad faith, unreasonable delays, or frivolous claims in defense of a
152.15 civil lawsuit or arbitration arising out of their activities as a licensee or certificate of
152.16 exemption holder under this chapter;

152.17 (11) has had a judgment entered against them for failure to make payments to employees,
152.18 subcontractors, or suppliers, that the licensee has failed to satisfy and all appeals of the
152.19 judgment have been exhausted or the period for appeal has expired;

152.20 (12) if unlicensed, has obtained a building permit by the fraudulent use of a fictitious
152.21 license number or the license number of another, or, if licensed, has knowingly allowed an
152.22 unlicensed person to use the licensee's license number for the purpose of fraudulently
152.23 obtaining a building permit; or has applied for or obtained a building permit for an unlicensed
152.24 person;

152.25 (13) has made use of a forged mechanic's lien waiver under chapter 514;

152.26 (14) has provided false, misleading, or incomplete information to the commissioner or
152.27 has refused to allow a reasonable inspection of records or premises;

152.28 (15) has engaged in an act or practice whether or not the act or practice directly involves
152.29 the business for which the person is licensed, that demonstrates that the applicant or licensee
152.30 is untrustworthy, financially irresponsible, or otherwise incompetent or unqualified to act
152.31 under the license granted by the commissioner; or

153.1 (16) has failed to comply with requests for information, documents, or other requests
153.2 from the department within the time specified in the request or, if no time is specified, within
153.3 30 days of the mailing of the request by the department.

153.4 Sec. 19. Minnesota Statutes 2018, section 327.31, is amended by adding a subdivision to
153.5 read:

153.6 Subd. 23. **Modular home.** "Modular home" means a building or structural unit of closed
153.7 construction that has been substantially manufactured or constructed, in whole or in part,
153.8 at an off-site location, with the final assembly occurring on site alone or with other units
153.9 and attached to a foundation designed to the State Building Code and occupied as a
153.10 single-family dwelling. Modular home construction must comply with applicable standards
153.11 adopted in Minnesota Rules, chapter 1360 or 1361.

153.12 Sec. 20. **[327.335] PLACEMENT OF MODULAR HOMES.**

153.13 A modular home may be placed in a manufactured home park as defined in section
153.14 327.14, subdivision 3. A modular home placed in a manufactured home park is a
153.15 manufactured home for purposes of chapters 327C and 504B and all rights, obligations, and
153.16 duties under those chapters apply. A modular home may not be placed in a manufactured
153.17 home park without prior written approval of the park owner. Nothing in this section shall
153.18 be construed to inhibit the application of zoning, subdivision, architectural, or esthetic
153.19 requirements pursuant to chapters 394 and 462 that otherwise apply to manufactured homes
153.20 and manufactured home parks. A modular home placed in a manufactured home park under
153.21 this section shall be assessed and taxed as a manufactured home.

153.22 Sec. 21. Minnesota Statutes 2018, section 327B.041, is amended to read:

153.23 **327B.041 MANUFACTURED HOME INSTALLERS.**

153.24 (a) Manufactured home installers are subject to all of the fees in section 326B.092 and
153.25 the requirements of sections 326B.802 to 326B.885, except for the following:

153.26 (1) manufactured home installers are not subject to the continuing education requirements
153.27 of sections 326B.0981, 326B.099, and 326B.821, but are subject to the continuing education
153.28 requirements established in rules adopted under section 327B.10;

153.29 (2) the examination requirement of section 326B.83, subdivision 3, for manufactured
153.30 home installers shall be satisfied by successful completion of a written examination
153.31 administered and developed specifically for the examination of manufactured home installers.
153.32 The examination must be administered and developed by the commissioner. The

154.1 commissioner and the state building official shall seek advice on the grading, monitoring,
154.2 and updating of examinations from the Minnesota Manufactured Housing Association;

154.3 (3) a local government unit may not place a surcharge on a license fee, and may not
154.4 charge a separate fee to installers;

154.5 (4) a dealer or distributor who does not install or repair manufactured homes is exempt
154.6 from licensure under sections 326B.802 to 326B.885;

154.7 (5) the exemption under section 326B.805, subdivision 6, clause (5), does not apply;
154.8 and

154.9 (6) manufactured home installers are not subject to the contractor recovery fund in
154.10 section 326B.89.

154.11 (b) The commissioner may waive all or part of the requirements for licensure as a
154.12 manufactured home installer for any individual who holds an unexpired license or certificate
154.13 issued by any other state or other United States jurisdiction if the licensing requirements of
154.14 that jurisdiction meet or exceed the corresponding licensing requirements of the department
154.15 and the individual complies with section 326B.092, subdivisions 1 and 3 to 7. ~~For the~~
154.16 ~~purposes of calculating fees under section 326B.092, licensure as a manufactured home~~
154.17 ~~installer is a business license.~~

154.18 Sec. 22. Minnesota Statutes 2018, section 327C.095, subdivision 6, is amended to read:

154.19 Subd. 6. **Intent to convert use of park at time of purchase.** Before the execution of
154.20 an agreement to purchase a manufactured home park, the purchaser must notify the park
154.21 owner, in writing, if the purchaser intends to close the manufactured home park or convert
154.22 it to another use within one year of the execution of the agreement. The park owner shall
154.23 provide a resident of each manufactured home with a 45-day written notice of the purchaser's
154.24 intent to close the park or convert it to another use. The notice must state that the park owner
154.25 will provide information on the cash price and the terms and conditions of the purchaser's
154.26 offer to residents requesting the information. The notice must be sent by first class mail to
154.27 a resident of each manufactured home in the park. The notice period begins on the postmark
154.28 date affixed to the notice and ends 45 days after it begins. During the notice period required
154.29 in this subdivision, the owners of at least 51 percent of the manufactured homes in the park
154.30 or a nonprofit organization which has the written permission of the owners of at least 51
154.31 percent of the manufactured homes in the park to represent them in the acquisition of the
154.32 park shall have the right to meet the cash price and execute an agreement to purchase the
154.33 park for the purposes of keeping the park as a manufactured housing community, provided

155.1 that the owners or nonprofit organization will covenant and warrant to the park owner in
155.2 the agreement that they will continue to operate the park for not less than six years from
155.3 the date of closing. The park owner must accept the offer if it meets the cash price and the
155.4 same terms and conditions set forth in the purchaser's offer except that the seller is not
155.5 obligated to provide owner financing. For purposes of this section, cash price means the
155.6 cash price offer or equivalent cash offer as defined in section 500.245, subdivision 1,
155.7 paragraph (d).

155.8 Sec. 23. Minnesota Statutes 2018, section 327C.095, is amended by adding a subdivision
155.9 to read:

155.10 Subd. 16. **Reporting of licensed manufactured home parks.** The Department of Health
155.11 or, if applicable, local units of government that have entered into a delegation of authority
155.12 agreement with the Department of Health as provided in section 145A.07 shall provide, by
155.13 March 31 of each year, a list of names and addresses of the manufactured home parks
155.14 licensed in the previous year, and for each manufactured home park, the current licensed
155.15 owner, the owner's address, the number of licensed manufactured home lots, and other data
155.16 as they may request for the Department of Management and Budget to invoice each licensed
155.17 manufactured home park in Minnesota.

155.18 Sec. 24. Minnesota Statutes 2018, section 337.10, subdivision 4, is amended to read:

155.19 Subd. 4. **Progress payments and retainages.** (a) Unless the building and construction
155.20 contract provides otherwise, the owner or other persons making payments under the contract
155.21 must make progress payments monthly as the work progresses. Payments shall be based
155.22 upon estimates of work completed as approved by the owner or the owner's agent. A progress
155.23 payment shall not be considered acceptance or approval of any work or waiver of any defects
155.24 therein.

155.25 (b) Retainage on a building and construction contract may not exceed five percent. An
155.26 owner or owner's agent may reduce the amount of retainage and may eliminate retainage
155.27 on any monthly contract payment if, in the owner's opinion, the work is progressing
155.28 satisfactorily. Nothing in this subdivision is intended to require that retainage be withheld
155.29 in any building or construction contract. For all construction contracts greater than
155.30 \$5,000,000, the owner or the owner's agent must reduce retainage to no more than 2.5
155.31 percent if the owner or the owner's agent determines the work is 75 percent or more complete,
155.32 that work is progressing satisfactorily, and all contract requirements are being met.

156.1 (c) The owner or the owner's agent must release any remaining retainage no later than
156.2 60 days after substantial completion. For purposes of this subdivision, "substantial
156.3 completion" shall be determined as provided in section 541.051, subdivision 1, paragraph
156.4 (a).

156.5 ~~(e)~~ (d) Any contractor holding retainage must reduce that retainage at the same rate
156.6 reduced by the owner or the owner's agent. A contractor must pay out any remaining retainage
156.7 no later than ten days after receiving payment of retainage, unless there is a dispute about
156.8 the work under a subcontract, in which case the contractor must pay out retainage to any
156.9 party whose work is not involved in the dispute. Nothing in this subdivision is intended to
156.10 require that retainage be withheld in any building or construction contract.

156.11 (e) After substantial completion, an owner or owner's agent may withhold no more than:

156.12 (1) 250 percent of the value of incomplete or defective work; and

156.13 (2) one percent of the value of the contract or \$500, whichever is greater, pending
156.14 completion and submission of all final paperwork by the contractor, provided that an amount
156.15 withheld under this clause may not exceed \$10,000.

156.16 If the owner or the owner's agent withholds payment under this paragraph, the owner or the
156.17 owner's agent must promptly provide a written statement detailing the amount and basis of
156.18 withholding to the contractor. The owner or the owner's agent and the contractor must
156.19 provide a copy of this statement to any subcontractor that requests it. Any amounts withheld
156.20 for incomplete or defective work shall be paid within 45 days after the completion of the
156.21 work. Any amounts withheld under clause (1) must be paid within 45 days after completion
156.22 of the work. Any amounts withheld under clause (2) must be paid within 45 days after
156.23 submission of all final paperwork.

156.24 (f) The maximum retainage percentage allowed for a building and construction contract
156.25 is the retainage percentage withheld by the owner from the contractor.

156.26 (g) Withholding retainage for warranties or warranty work is prohibited.

156.27 (h) Retainage must not be used as collateral for the owner, owner's agent, or contractor.

156.28 (i) This subdivision does not apply to a public agency as defined in section 15.71,
156.29 subdivision 3.

156.30 (j) This subdivision does not apply to contracts for professional services as defined in
156.31 sections 326.02 to 326.15.

157.1 **EFFECTIVE DATE.** This section applies to agreements entered into on or after August
157.2 1, 2019.

157.3 Sec. 25. **ADVANCES TO THE MINNESOTA MANUFACTURED HOME**
157.4 **RELOCATION TRUST FUND.**

157.5 (a) The Housing Finance Agency or Department of Management and Budget as
157.6 determined by the commissioner of management and budget, is authorized to advance up
157.7 to \$400,000 from state appropriations or other resources to the Minnesota manufactured
157.8 home relocation trust fund established under Minnesota Statutes, section 462A.35, if the
157.9 account balance in the Minnesota manufactured home relocation trust fund is insufficient
157.10 to pay the amounts claimed under Minnesota Statutes, section 327C.095, subdivision 13.

157.11 (b) The Housing Finance Agency or Department of Management and Budget shall be
157.12 reimbursed from the Minnesota manufactured home relocation trust fund for any money
157.13 advanced by the agency under paragraph (a) to the fund. Approved claims for payment to
157.14 manufactured home owners shall be paid prior to the money being advanced by the agency
157.15 or the department to the fund.

157.16 Sec. 26. **REPEALER.**

157.17 Minnesota Statutes 2018, section 325F.75, is repealed.

157.18 **ARTICLE 9**
157.19 **COMMERCE POLICY**

157.20 Section 1. **[16C.57] CONTRACTS FOR INTERNET SERVICE; ADHERENCE TO**
157.21 **NET NEUTRALITY.**

157.22 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
157.23 the meanings given in this subdivision.

157.24 (b) "Broadband Internet access service" means:

157.25 (1) a mass-market retail service by wire or radio that provides the capability, including
157.26 any capability that is incidental to and enables the operation of the communications service,
157.27 to transmit data to and receive data from all or substantially all Internet endpoints;

157.28 (2) any service that provides a functional equivalent of the service described in clause
157.29 (1); or

157.30 (3) any service that is used to evade the protections set forth in this section.

158.1 "Broadband Internet access service" includes service that serves end users at fixed endpoints
158.2 using stationary equipment or end users using mobile stations but does not include dial-up
158.3 Internet access service.

158.4 (c) "Edge provider" means any person or entity that provides (1) any content, application,
158.5 or service over the Internet, or (2) a device used to access any content, application, or service
158.6 over the Internet. Edge provider does not include a person or entity providing obscene
158.7 material, as defined by section 617.241.

158.8 (d) "Internet service provider" means a business that provides broadband Internet access
158.9 service to a customer in Minnesota.

158.10 (e) "Paid prioritization" means the management of an Internet service provider's network
158.11 to directly or indirectly favor some traffic over other traffic (1) in exchange for monetary
158.12 or other consideration from a third party, or (2) to benefit an affiliated entity.

158.13 Subd. 2. **Purchasing or funding broadband Internet access services; prohibitions.** A
158.14 state agency or political subdivision is prohibited from entering into a contract or providing
158.15 funding to purchase broadband Internet access service after August 1, 2019, that does not
158.16 contain:

158.17 (1) a binding agreement in which the Internet service provider certifies to the
158.18 commissioner of commerce that the Internet service provider does not engage in any of the
158.19 following activities with respect to any of its Minnesota customers:

158.20 (i) block lawful content, applications, services, or nonharmful devices, subject to
158.21 reasonable network management;

158.22 (ii) impair, impede, or degrade lawful Internet traffic on the basis of Internet content,
158.23 application, or service, or use of a nonharmful device, subject to reasonable network
158.24 management;

158.25 (iii) engage in paid prioritization;

158.26 (iv) unreasonably interfere with or unreasonably disadvantage:

158.27 (A) a customer's ability to select, access, and use broadband Internet service or lawful
158.28 Internet content, applications, services, or devices of the customer's choice; or

158.29 (B) an edge provider's ability to provide lawful Internet content, applications, services,
158.30 or devices to a customer, except that an Internet service provider may block content if the
158.31 edge provider charges or intends to charge a fee to the Internet service provider for the
158.32 content; or

159.1 (v) engage in deceptive or misleading marketing practices that misrepresent the treatment
159.2 of Internet traffic or content; and

159.3 (2) provisions requiring the state agency or political subdivision, upon determining the
159.4 Internet service provider has violated the binding agreement under clause (1), to unilaterally
159.5 terminate the contract for broadband Internet access service and require the Internet service
159.6 provider to remunerate the state agency or political subdivision for all revenues earned
159.7 under the contract during the period when the violation occurred.

159.8 Subd. 3. **Other laws.** Nothing in this section (1) supersedes any obligation or
159.9 authorization an Internet service provider may have consistent with or as permitted by
159.10 applicable law to address the needs of emergency communications or law enforcement,
159.11 public safety, or national security authorities, or (2) limits the provider's ability to meet the
159.12 needs under clause (1).

159.13 Subd. 4. **Exception.** This section does not apply to a state agency or political subdivision
159.14 that purchases or funds fixed broadband Internet access services in a geographic location
159.15 where broadband Internet access services are only available from a single Internet service
159.16 provider.

159.17 Subd. 5. **Enforcement.** A violation of the certification provided under subdivision 2
159.18 must be enforced by the commissioner of commerce. An Internet service provider who
159.19 materially or repeatedly violates this section is subject to a fine of not more than \$1,000 for
159.20 each violation. A fine authorized by this section may be imposed by the commissioner,
159.21 through a civil action brought by the commissioner under section 45.027, or by the attorney
159.22 general under section 8.31 on behalf of the state of Minnesota. Fines collected under this
159.23 subdivision must be deposited into the state treasury.

159.24 Sec. 2. Minnesota Statutes 2018, section 46.131, subdivision 11, is amended to read:

159.25 Subd. 11. **Financial institutions account; appropriation.** (a) The financial institutions
159.26 account is created as a separate account in the special revenue fund. ~~The account consists~~
159.27 ~~of funds received from assessments under subdivision 7, examination fees under subdivision~~
159.28 ~~8, and license and renewal fees under section 216C.437, subdivision 12.~~ Earnings, including
159.29 interest, dividends, and any other earnings arising from account assets, must be credited to
159.30 the account.

159.31 (b) The account consists of funds received from assessments under subdivision 7,
159.32 examination fees under subdivision 8, and funds received pursuant to subdivision 10 and
159.33 the following provisions: sections 46.041, subdivision 1; 46.048, subdivision 1; 47.101,

160.1 subdivision 3; 47.54, subdivision 1; 47.60, subdivision 3; 47.62, subdivision 4; 47.65,
160.2 subdivision 2; 48.36, subdivision 2; 48.61, subdivision 7; 48A.01, subdivision 1; 48A.14,
160.3 subdivision 1; 48A.17; 48A.18; 48A.19; 49.36, subdivision 1; 50.001; 52.01; 52.203; 53.03,
160.4 subdivisions 1, 5, and 6; 53A.03, paragraph (b); 53A.05, subdivision 1; 53A.07, subdivision
160.5 2; 53B.09; 53B.11, subdivision 1; 53C.02, paragraph (c); 55.04, subdivision 2; 55.041;
160.6 56.02; 56.04; 56.08; 58.10, subdivision 1; 58A.045, subdivision 2; 59A.03, subdivision 2;
160.7 216C.437, subdivision 12; 332.30, paragraph (a); 332.54, subdivision 7; 332A.04, subdivision
160.8 3; 332A.06; and 332B.04, subdivisions 3 and 6.

160.9 ~~(b)~~ (c) Funds in the account are annually appropriated to the commissioner of commerce
160.10 for activities under this section.

160.11 **EFFECTIVE DATE.** This section is effective July 1, 2019.

160.12 Sec. 3. Minnesota Statutes 2018, section 47.59, subdivision 2, is amended to read:

160.13 Subd. 2. **Application.** Extensions of credit or purchases of extensions of credit by
160.14 financial institutions under sections 47.20, 47.21, 47.201, 47.204, 47.58, ~~47.60~~, 48.153,
160.15 48.185, 48.195, 59A.01 to 59A.15, 334.01, 334.011, 334.012, 334.022, 334.06, and 334.061
160.16 to 334.19 may, but need not, be made according to those sections in lieu of the authority
160.17 set forth in this section to the extent those sections authorize the financial institution to make
160.18 extensions of credit or purchase extensions of credit under those sections. If a financial
160.19 institution elects to make an extension of credit or to purchase an extension of credit under
160.20 those other sections, the extension of credit or the purchase of an extension of credit is
160.21 subject to those sections and not this section, except this subdivision, and except as expressly
160.22 provided in those sections. A financial institution may also charge an organization a rate of
160.23 interest and any charges agreed to by the organization and may calculate and collect finance
160.24 and other charges in any manner agreed to by that organization. Except for extensions of
160.25 credit a financial institution elects to make under section 334.01, 334.011, 334.012, 334.022,
160.26 334.06, or 334.061 to 334.19, chapter 334 does not apply to extensions of credit made
160.27 according to this section or the sections listed in this subdivision. This subdivision does not
160.28 authorize a financial institution to extend credit or purchase an extension of credit under
160.29 any of the sections listed in this subdivision if the financial institution is not authorized to
160.30 do so under those sections. A financial institution extending credit under any of the sections
160.31 listed in this subdivision shall specify in the promissory note, contract, or other loan document
160.32 the section under which the extension of credit is made.

161.1 Sec. 4. Minnesota Statutes 2018, section 47.60, subdivision 2, is amended to read:

161.2 Subd. 2. **Authorization, terms, conditions, and prohibitions.** (a) ~~In lieu of the interest,~~
161.3 ~~finance charges, or fees in any other law,~~ A consumer small loan lender may charge the
161.4 ~~following:~~ interest, finance charges, and fees which, when combined, cannot exceed an
161.5 annual percentage rate, as defined in section 47.59, subdivision 1, paragraph (b), of 36
161.6 percent.

161.7 ~~(1) on any amount up to and including \$50, a charge of \$5.50 may be added;~~

161.8 ~~(2) on amounts in excess of \$50, but not more than \$100, a charge may be added equal~~
161.9 ~~to ten percent of the loan proceeds plus a \$5 administrative fee;~~

161.10 ~~(3) on amounts in excess of \$100, but not more than \$250, a charge may be added equal~~
161.11 ~~to seven percent of the loan proceeds with a minimum of \$10 plus a \$5 administrative fee;~~

161.12 ~~(4) for amounts in excess of \$250 and not greater than the maximum in subdivision 1,~~
161.13 ~~paragraph (a), a charge may be added equal to six percent of the loan proceeds with a~~
161.14 ~~minimum of \$17.50 plus a \$5 administrative fee.~~

161.15 (b) The term of a loan made under this section shall be for no more than 30 calendar
161.16 days.

161.17 (c) After maturity, the contract rate must not exceed 2.75 percent per month of the
161.18 remaining loan proceeds after the maturity date calculated at a rate of 1/30 of the monthly
161.19 rate in the contract for each calendar day the balance is outstanding.

161.20 (d) No insurance charges or other charges must be permitted to be charged, collected,
161.21 or imposed on a consumer small loan except as authorized in this section.

161.22 (e) On a loan transaction in which cash is advanced in exchange for a personal check,
161.23 a return check charge may be charged as authorized by section 604.113, subdivision 2,
161.24 paragraph (a). The civil penalty provisions of section 604.113, subdivision 2, paragraph
161.25 (b), may not be demanded or assessed against the borrower.

161.26 (f) A loan made under this section must not be repaid by the proceeds of another loan
161.27 made under this section by the same lender or related interest. The proceeds from a loan
161.28 made under this section must not be applied to another loan from the same lender or related
161.29 interest. No loan to a single borrower made pursuant to this section shall be split or divided
161.30 and no single borrower shall have outstanding more than one loan with the result of collecting
161.31 a higher charge than permitted by this section or in an aggregate amount of principal exceed
161.32 at any one time the maximum of \$350.

162.1 Sec. 5. Minnesota Statutes 2018, section 47.601, subdivision 2, is amended to read:

162.2 Subd. 2. **Consumer short-term loan contract.** (a) No contract or agreement between
162.3 a consumer short-term loan lender and a borrower residing in Minnesota may contain the
162.4 following:

162.5 (1) a provision selecting a law other than Minnesota law under which the contract is
162.6 construed or enforced;

162.7 (2) a provision choosing a forum for dispute resolution other than the state of Minnesota;
162.8 or

162.9 (3) a provision limiting class actions against a consumer short-term lender for violations
162.10 of subdivision 3 or for making consumer short-term loans:

162.11 (i) without a required license issued by the commissioner; or

162.12 (ii) in which interest rates, fees, charges, or loan amounts exceed those allowable under
162.13 section ~~47.59, subdivision 6, or 47.60, subdivision 2, other than by de minimis amounts if~~
162.14 ~~no pattern or practice exists.~~

162.15 (b) Any provision prohibited by paragraph (a) is void and unenforceable.

162.16 (c) A consumer short-term loan lender must furnish a copy of the written loan contract
162.17 to each borrower. The contract and disclosures must be written in the language in which
162.18 the loan was negotiated with the borrower and must contain:

162.19 (1) the name; address, which may not be a post office box; and telephone number of the
162.20 lender making the consumer short-term loan;

162.21 (2) the name and title of the individual employee or representative who signs the contract
162.22 on behalf of the lender;

162.23 (3) an itemization of the fees and interest charges to be paid by the borrower;

162.24 (4) in bold, 24-point type, the annual percentage rate as computed under United States
162.25 Code, chapter 15, section 1606; and

162.26 (5) a description of the borrower's payment obligations under the loan.

162.27 (d) The holder or assignee of a check or other instrument evidencing an obligation of a
162.28 borrower in connection with a consumer short-term loan takes the instrument subject to all
162.29 claims by and defenses of the borrower against the consumer short-term lender.

163.1 Sec. 6. Minnesota Statutes 2018, section 47.601, subdivision 6, is amended to read:

163.2 Subd. 6. **Penalties for violation; private right of action.** (a) Except for a "bona fide
163.3 error" as set forth under United States Code, chapter 15, section 1640, subsection (c), an
163.4 individual or entity who violates subdivision 2 or 3 is liable to the borrower for:

163.5 (1) all money collected or received in connection with the loan;

163.6 (2) actual, incidental, and consequential damages;

163.7 (3) statutory damages of up to \$1,000 per violation;

163.8 (4) costs, disbursements, and reasonable attorney fees; and

163.9 (5) injunctive relief.

163.10 (b) In addition to the remedies provided in paragraph (a), a loan is void, and the borrower
163.11 is not obligated to pay any amounts owing if the loan is made:

163.12 (1) by a consumer short-term lender who has not obtained an applicable license from
163.13 the commissioner;

163.14 (2) in violation of any provision of subdivision 2 or 3; or

163.15 (3) in which interest, fees, charges, or loan amounts exceed the interest, fees, charges,
163.16 or loan amounts allowable under ~~sections 47.59, subdivision 6, and section 47.60~~, subdivision
163.17 2.

163.18 Sec. 7. Minnesota Statutes 2018, section 53.04, subdivision 3a, is amended to read:

163.19 Subd. 3a. **Loans.** (a) The right to make loans, secured or unsecured, at the rates and on
163.20 the terms and other conditions permitted under chapters 47 and 334. Loans made under this
163.21 authority must be in amounts in compliance with section 53.05, clause (7). A licensee making
163.22 a loan under this chapter secured by a lien on real estate shall comply with the requirements
163.23 of section 47.20, subdivision 8. A licensee making a loan that is a consumer small loan, as
163.24 defined in section 47.60, subdivision 1, paragraph (a), must comply with section 47.60. A
163.25 licensee making a loan that is a consumer short-term loan, as defined in section 47.601,
163.26 subdivision 1, paragraph (d), must comply with section 47.601.

163.27 (b) Loans made under this subdivision may be secured by real or personal property, or
163.28 both. If the proceeds of a loan secured by a first lien on the borrower's primary residence
163.29 are used to finance the purchase of the borrower's primary residence, the loan must comply
163.30 with the provisions of section 47.20.

164.1 (c) An agency or instrumentality of the United States government or a corporation
164.2 otherwise created by an act of the United States Congress or a lender approved or certified
164.3 by the secretary of housing and urban development, or approved or certified by the
164.4 administrator of veterans affairs, or approved or certified by the administrator of the Farmers
164.5 Home Administration, or approved or certified by the Federal Home Loan Mortgage
164.6 Corporation, or approved or certified by the Federal National Mortgage Association, that
164.7 engages in the business of purchasing or taking assignments of mortgage loans and undertakes
164.8 direct collection of payments from or enforcement of rights against borrowers arising from
164.9 mortgage loans, is not required to obtain a certificate of authorization under this chapter in
164.10 order to purchase or take assignments of mortgage loans from persons holding a certificate
164.11 of authorization under this chapter.

164.12 (d) This subdivision does not authorize an industrial loan and thrift company to make
164.13 loans under an overdraft checking plan.

164.14 Sec. 8. Minnesota Statutes 2018, section 56.131, subdivision 1, is amended to read:

164.15 Subdivision 1. **Interest rates and charges.** (a) On any loan in a principal amount not
164.16 exceeding \$100,000 or 15 percent of a Minnesota corporate licensee's capital stock and
164.17 surplus as defined in section 53.015, if greater, a licensee may contract for and receive
164.18 interest, finance charges, and other charges as provided in section 47.59.

164.19 (b) Notwithstanding paragraph (a), a licensee making a loan that is a consumer small
164.20 loan, as defined in section 47.60, subdivision 1, paragraph (a), must comply with section
164.21 47.60. A licensee making a loan that is a consumer short-term loan, as defined in section
164.22 47.601, subdivision 1, paragraph (d), must comply with section 47.601.

164.23 ~~(b)~~ (c) With respect to a loan secured by an interest in real estate, and having a maturity
164.24 of more than 60 months, the original schedule of installment payments must fully amortize
164.25 the principal and interest on the loan. The original schedule of installment payments for any
164.26 other loan secured by an interest in real estate must provide for payment amounts that are
164.27 sufficient to pay all interest scheduled to be due on the loan.

164.28 ~~(e)~~ (d) A licensee may contract for and collect a delinquency charge as provided for in
164.29 section 47.59, subdivision 6, paragraph (a), clause (4).

164.30 ~~(d)~~ (e) A licensee may grant extensions, deferments, or conversions to interest-bearing
164.31 as provided in section 47.59, subdivision 5.

165.1 Sec. 9. **[58B.01] DEFINITIONS.**

165.2 Subdivision 1. **Scope.** For the purposes of this chapter, the following terms have the
165.3 meanings given them.

165.4 Subd. 2. **Borrower.** "Borrower" means a resident of this state who has received or agreed
165.5 to pay a student loan, or a person who shares responsibility with a resident for repaying a
165.6 student loan.

165.7 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of commerce.

165.8 Subd. 4. **Financial institution.** "Financial institution" means any of the following
165.9 organized under the laws of this state, any other state, or the United States: a bank, bank
165.10 and trust, trust company with banking powers, savings bank, savings association, or credit
165.11 union.

165.12 Subd. 5. **Person in control.** "Person in control" means any member of senior
165.13 management, including owners or officers, and other persons who directly or indirectly
165.14 possess the power to direct or cause the direction of the management policies of an applicant
165.15 or student loan servicer under this chapter, regardless of whether the person has any
165.16 ownership interest in the applicant or student loan servicer. Control is presumed to exist if
165.17 a person directly or indirectly owns, controls, or holds with power to vote ten percent or
165.18 more of the voting stock of an applicant or student loan servicer or of a person who owns,
165.19 controls, or holds with power to vote ten percent or more of the voting stock of an applicant
165.20 or student loan servicer.

165.21 Subd. 6. **Servicing.** "Servicing" means:

165.22 (1) receiving any scheduled periodic payments from a borrower or notification of
165.23 payments, and applying payments to the borrower's account pursuant to the terms of the
165.24 student loan or of the contract governing servicing of a student loan;

165.25 (2) during a period when no payment is required on a student loan, maintaining account
165.26 records for the loan and communicating with the borrower regarding the loan on behalf of
165.27 the loan's holder; and

165.28 (3) interacting with a borrower, including activities to help prevent default on obligations
165.29 arising from student loans, to facilitate the requirements in clauses (1) and (2).

165.30 Subd. 7. **Student loan.** "Student loan" means a government, commercial, or foundation
165.31 loan for actual costs paid for tuition and reasonable education and living expenses.

166.1 Subd. 8. **Student loan servicer.** "Student loan servicer" means any person, wherever
166.2 located, responsible for servicing any student loan to any borrower. Student loan servicer
166.3 includes a nonbank covered person, as defined in Code of Federal Regulations, title 12,
166.4 section 1090.101, who is responsible for servicing any student loan to any borrower.

166.5 Sec. 10. [58B.02] **STUDENT LOAN ADVOCATE.**

166.6 Subdivision 1. **Designation of a student loan advocate.** The commissioner must
166.7 designate a student loan advocate within the Department of Commerce to provide timely
166.8 assistance to any borrower.

166.9 Subd. 2. **Duties.** The student loan advocate must:

166.10 (1) receive, review, and attempt to resolve complaints from borrowers, including but
166.11 not limited to attempts to resolve such complaints in collaboration with institutions of higher
166.12 education, student loan servicers, and any other participants in student loan lending;

166.13 (2) compile and analyze data on borrower complaints received under clause (1);

166.14 (3) help borrowers understand the rights and responsibilities under the terms of student
166.15 loans;

166.16 (4) provide information to the public, state agencies, legislators, and relevant stakeholders
166.17 regarding the problems and concerns of borrowers;

166.18 (5) make recommendations for resolving the problems of borrowers;

166.19 (6) analyze and monitor the development and implementation of federal, state, and local
166.20 laws, regulations, and policies relating to borrowers and recommend any changes deemed
166.21 necessary;

166.22 (7) review the complete student loan history for any borrower who has provided written
166.23 consent for a review;

166.24 (8) increase public awareness that the advocate is available to help resolve the student
166.25 loan servicing concerns of potential and actual borrowers, institutions of higher education,
166.26 student loan servicers, and any other participant in student lending; and

166.27 (9) take other actions, as necessary, to fulfill the duties of the advocate set forth in this
166.28 section.

166.29 Subd. 3. **Student loan education course.** The advocate must establish and maintain a
166.30 borrower education course. The course must include educational presentations and materials
166.31 regarding important topics in student loans, including but not limited to:

- 167.1 (1) the meaning of important terminology used in student lending;
167.2 (2) documentation requirements;
167.3 (3) monthly payment obligations;
167.4 (4) income-based repayment options;
167.5 (5) the availability of state and federal loan forgiveness programs; and
167.6 (6) disclosure requirements.

167.7 Subd. 4. **Reporting.** By January 15 of each odd-numbered year, the advocate must report
167.8 to the legislative committees with jurisdiction over commerce and higher education. The
167.9 report must describe the advocate's implementation of this section, the outcomes achieved
167.10 by the advocate in the previous two years, and recommendations to improve the regulation
167.11 of student loan servicers.

167.12 Sec. 11. **[58B.03] LICENSING OF STUDENT LOAN SERVICERS.**

167.13 Subdivision 1. **License required.** A person is prohibited from directly or indirectly
167.14 acting as a student loan servicer without first obtaining a license from the commissioner.

167.15 Subd. 2. **Exempt persons.** The following persons are exempt from the requirements of
167.16 this chapter:

- 167.17 (1) a financial institution;
167.18 (2) a person servicing student loans made with the person's own funds, if no more than
167.19 three student loans are made in any 12-month period;
167.20 (3) an agency, instrumentality, or political subdivision of this state that makes, services,
167.21 or guarantees student loans;
167.22 (4) a person acting in a fiduciary capacity, including a trustee or receiver, as a result of
167.23 a specific order issued by a court of competent jurisdiction; or
167.24 (5) a person exempted by order of the commissioner.

167.25 Subd. 3. **Application for licensure.** (a) Any person seeking to act as a student loan
167.26 servicer in Minnesota must apply for a license in a form and manner specified by the
167.27 commissioner. At a minimum, the application must include:

- 167.28 (1) a financial statement prepared by a certified public accountant or a public accountant;
167.29 (2) the history of criminal convictions, excluding traffic violations, for persons in control
167.30 of the applicant;

168.1 (3) any information requested by the commissioner related to the history of criminal
168.2 convictions disclosed under clause (2);

168.3 (4) a nonrefundable license fee established by the commissioner; and

168.4 (5) a nonrefundable investigation fee established by the commissioner.

168.5 (b) The commissioner may conduct a state and national criminal history records check
168.6 of the applicant and of each person in control of or employed by the applicant.

168.7 Subd. 4. **Issuance of a license.** Upon receipt of a complete application for an initial
168.8 license and the payment of fees for a license and investigation, the commissioner must
168.9 investigate the financial condition and responsibility, character, financial and business
168.10 experience, and general fitness of the applicant. The commissioner may issue a license if
168.11 the commissioner finds:

168.12 (1) the applicant's financial condition is sound;

168.13 (2) the applicant's business is conducted honestly, fairly, equitably, carefully, and
168.14 efficiently within the purposes and intent of this section;

168.15 (3) each person in control of the applicant is in all respects properly qualified and of
168.16 good character;

168.17 (4) no person has, on behalf of the applicant, knowingly made any incorrect statement
168.18 of a material fact in the application, or in any report or statement made pursuant to this
168.19 section;

168.20 (5) no person has, on behalf of the applicant, knowingly omitted from an application,
168.21 report, or statement made pursuant to this section any information required by the
168.22 commissioner;

168.23 (6) the applicant has paid the fees required under this section; and

168.24 (7) the application has met other similar requirements, as determined by the commissioner.

168.25 Subd. 5. **Notification of a change in status.** An applicant or student loan servicer must
168.26 notify the commissioner in writing of any change in the information provided in the initial
168.27 license application or the most recent renewal application for a license. The notification
168.28 must be received no later than ten business days after the date an event that results in the
168.29 information becoming inaccurate occurs.

168.30 Subd. 6. **Term of license.** Licenses issued under this chapter expire on December 31
168.31 and are renewable on January 1.

169.1 Subd. 7. **Exemption from application.** (a) A person is exempt from the application
169.2 procedures under subdivision 3 if the commissioner determines the person is servicing
169.3 student loans in Minnesota pursuant to a contract awarded by the United States Secretary
169.4 of Education under United States Code, title 20, section 1087f. Documentation of eligibility
169.5 for this exemption must be in a form and manner determined by the commissioner.

169.6 (b) Upon payment of the fees under subdivision 3, a person determined eligible for the
169.7 exemption under paragraph (a) must be issued a license and deemed to meet all the
169.8 requirements of subdivision 4.

169.9 Subd. 8. **Notice.** (a) A person issued a license under subdivision 7 must provide the
169.10 commissioner with written notice no less than seven days after the date the person's contract
169.11 under United States Code, title 20, section 1087f, expires, is revoked, or is terminated.

169.12 (b) A person issued a license under subdivision 7 has 30 days from the date the
169.13 notification under paragraph (a) is provided to complete the requirements of subdivision 3.
169.14 If a person does not meet the requirements of subdivision 3 within this time period, the
169.15 commissioner must immediately suspend the person's license under this chapter.

169.16 **Sec. 12. [58B.04] LICENSING MULTIPLE PLACES OF BUSINESS.**

169.17 (a) A person licensed to act as a student loan servicer in Minnesota is prohibited from
169.18 doing so under any other name or at any other place of business than that named in the
169.19 license. Any time a student loan servicer changes the location of the servicer's place of
169.20 business, the servicer must provide prior written notice to the commissioner. A student loan
169.21 servicer must not maintain more than one place of business under the same license. The
169.22 commissioner may issue more than one license to the same student loan servicer, provided
169.23 that the servicer complies with the application procedures in section 58B.03 for each license.

169.24 (b) A license issued under this chapter is not transferable or assignable.

169.25 **Sec. 13. [58B.05] LICENSE RENEWAL.**

169.26 Subdivision 1. **Term.** Licenses are renewable on January 1 of each year.

169.27 Subd. 2. **Timely renewal.** (a) A person whose application is properly and timely filed
169.28 who has not received notice of denial of renewal is considered approved for renewal. The
169.29 person may continue to act as a student loan servicer whether or not the renewed license
169.30 has been received on or before January 1 of the renewal year. An application to renew a
169.31 license is considered timely filed if received by the commissioner, or mailed with proper
169.32 postage and postmarked, by the December 15 before the renewal year. An application to

170.1 renew a license is considered properly filed if made upon forms duly executed, accompanied
170.2 by fees prescribed by this chapter, and containing any information that the commissioner
170.3 requires.

170.4 (b) A person who fails to make a timely application to renew a license and who has not
170.5 received the renewal license as of January 1 of the renewal year is unlicensed until the
170.6 renewal license has been issued by the commissioner and is received by the person.

170.7 Subd. 3. **Contents of renewal application.** An application to renew an existing license
170.8 must contain the information specified in section 58B.03, subdivision 3, except that only
170.9 the requested information having changed from the most recent prior application need be
170.10 submitted.

170.11 Subd. 4. **Cancellation.** A student loan servicer that ceases an activity or activities
170.12 regulated by this chapter and desires to no longer be licensed must inform the commissioner
170.13 in writing and, at the same time, surrender the license and all other symbols or indicia of
170.14 licensure. The licensee must include a plan to withdraw from student loan servicing, including
170.15 a timetable for the disposition of the student loans being serviced.

170.16 Subd. 5. **Renewal fees.** The following fees must be paid to the commissioner for a
170.17 renewal license:

170.18 (1) a nonrefundable renewal license fee established by the commissioner; and

170.19 (2) a nonrefundable renewal investigation fee established by the commissioner.

170.20 **Sec. 14. [58B.06] DUTIES OF STUDENT LOAN SERVICERS.**

170.21 Subdivision 1. **Response requirements.** Upon receiving a written communication from
170.22 a borrower, a student loan servicer must:

170.23 (1) acknowledge receipt of the communication in less than ten days from the date the
170.24 written communication was received; and

170.25 (2) provide information relating to the communication and, if applicable, the action the
170.26 student loan servicer will take to either (i) correct the borrower's issue, or (ii) explain why
170.27 the issue cannot be corrected. This information must be provided less than 30 days from
170.28 the date the written communication was received by the student loan servicer.

170.29 Subd. 2. **Overpayments.** A student loan servicer must ask a borrower in what manner
170.30 the borrower would like any overpayment on a student loan that exceeds the monthly amount
170.31 due to be applied to a student loan. A borrower's instruction regarding the application of

171.1 overpayments is effective for the term of the loan or until the borrower provides a different
171.2 instruction.

171.3 Subd. 3. **Partial payments.** A student loan servicer must apply a partial payment that
171.4 is less than the amount due on a student loan in a manner that minimizes late fees and the
171.5 negative impact on the borrower's credit history. If a borrower has multiple student loans
171.6 with the same student loan servicer, upon receipt of a partial payment the servicer must
171.7 apply the payments to satisfy as many individual loan payments as possible.

171.8 Subd. 4. **Transfer of student loan.** (a) If a borrower's student loan servicer changes
171.9 pursuant to the sale, assignment, or transfer of the servicing, the original student loan servicer
171.10 must:

171.11 (1) require the new student loan servicer to honor all benefits that were made available,
171.12 or which may have become available, to a borrower from the original student loan servicer;
171.13 and

171.14 (2) transfer to the new student loan servicer all information regarding the borrower, the
171.15 account of the borrower, and the borrower's student loan, including but not limited to the
171.16 repayment status of the student loan and the benefits described in clause (1).

171.17 (b) The student loan servicer must complete the transfer under clause (2) less than 45
171.18 days from the date the of the sale, assignment, or transfer of the servicing.

171.19 (c) A sale, assignment, or transfer of the servicing must be completed no less than seven
171.20 days from the date the next payment is due on the student loan.

171.21 (d) A new student loan servicer must adopt policies and procedures to verify that the
171.22 original student loan servicer has met the requirements of paragraph (a).

171.23 Subd. 5. **Income-driven repayment.** A student loan servicer must evaluate a borrower's
171.24 eligibility for an income-driven repayment program before placing a borrower in forbearance
171.25 or default.

171.26 Subd. 6. **Records.** A student loan servicer must maintain adequate records of each student
171.27 loan for at least two years following the final payment on the student loan, or the sale,
171.28 assignment, or transfer of the servicing.

171.29 **EFFECTIVE DATE.** This section is effective July 1, 2019, and applies to student loan
171.30 contracts executed on or after that date.

172.1 Sec. 15. **[58B.07] PROHIBITED CONDUCT.**

172.2 **Subdivision 1. Misleading borrowers.** A student loan servicer must not directly or
172.3 indirectly attempt to mislead a borrower.

172.4 **Subd. 2. Misrepresentation.** A student loan servicer must not (1) engage in any unfair
172.5 or deceptive practice, or (2) misrepresent or omit any material information in connection
172.6 with the servicing of a student loan, including but not limited to misrepresenting the amount,
172.7 nature, or terms of any fee or payment due or claimed to be due on a student loan, the terms
172.8 and conditions of the loan agreement, or the borrower's obligations under the loan.

172.9 **Subd. 3. Misapplication of payments.** A student loan servicer must not knowingly or
172.10 negligently misapply student loan payments.

172.11 **Subd. 4. Inaccurate information.** A student loan servicer must not knowingly or
172.12 negligently provide inaccurate information to any consumer reporting agency.

172.13 **Subd. 5. Reporting of payment history.** A student loan servicer must report both the
172.14 favorable and unfavorable payment history of the borrower to a consumer reporting agency
172.15 at least annually, if the student loan servicer regularly reports the information.

172.16 **Subd. 6. Refusal to communicate with a borrower's representative.** A student loan
172.17 servicer must not refuse to communicate with a representative of the borrower who provides
172.18 a written authorization signed by the borrower. The student loan servicer may adopt
172.19 procedures reasonably related to verifying that the representative is in fact authorized to act
172.20 on behalf of the borrower.

172.21 **Subd. 7. False statements and omissions.** A student loan servicer must not knowingly
172.22 or negligently make any false statement or omission of material fact in connection with any
172.23 application, information, or reports filed with the commissioner or any other federal, state,
172.24 or local government agency.

172.25 **Subd. 8. Noncompliance with applicable laws.** A student loan servicer must not violate
172.26 any other federal, state, or local laws, including those related to fraudulent, coercive, or
172.27 dishonest practices.

172.28 **Subd. 9. Failure to respond to advocate.** (a) A student loan servicer must respond in
172.29 less than 15 days from the date the student loan servicer receives a communication from
172.30 the student loan advocate. This response period may be reasonably shortened by the advocate
172.31 in their communication.

172.32 **(b)** A student loan servicer must provide a response in less than 15 days from the date
172.33 the student loan servicer receives a consumer complaint submitted to the servicer by the

173.1 student loan advocate. A student loan servicer may request from the advocate an extension
173.2 of up to 45 days from receipt of the consumer complaint, if the request is accompanied by
173.3 an explanation of why additional time is reasonable and necessary.

173.4 Sec. 16. **[58B.08] EXAMINATIONS.**

173.5 For the purposes of this chapter, the commissioner has the same powers with respect to
173.6 examinations of student loan servicers that the commissioner has under section 46.04.

173.7 Sec. 17. **[58B.09] DENIAL, SUSPENSION, REVOCATION OF LICENSES.**

173.8 Subdivision 1. Powers of commissioner. (a) The commissioner may by order take any
173.9 or all of the following actions:

173.10 (1) bar a person from engaging in student loan servicing;

173.11 (2) deny, suspend, or revoke a student loan servicer license;

173.12 (3) censure a student loan servicer;

173.13 (4) impose a civil penalty as provided in section 45.027, subdivision 6; or

173.14 (5) revoke an exemption.

173.15 (b) In order to take the action in paragraph (a), the commissioner must find:

173.16 (1) the order is in the public interest; and

173.17 (2) the student loan servicer, applicant, person in control, employee, or agent has:

173.18 (i) violated any provision of this chapter, or any rule or order under this chapter;

173.19 (ii) violated a standard of conduct or engaged in a fraudulent, coercive, deceptive, or
173.20 dishonest act or practice, including but not limited to negligently making a false statement
173.21 or knowingly omitting a material fact, whether or not the act or practice involves student
173.22 loan servicing;

173.23 (iii) engaged in an act or practice that demonstrates untrustworthiness, financial
173.24 irresponsibility, or incompetence, whether or not the act or practice involves student loan
173.25 servicing;

173.26 (iv) pled guilty or nolo contendere to or been convicted of a felony, gross misdemeanor,
173.27 or misdemeanor;

173.28 (v) paid a civil penalty or been the subject of disciplinary action by the commissioner,
173.29 an order of suspension or revocation, cease and desist order, injunction order, or order

174.1 barring involvement in an industry or profession issued by the commissioner or any other
174.2 federal, state, or local government agency;

174.3 (vi) been found by a court of competent jurisdiction to have engaged in conduct
174.4 evidencing gross negligence, fraud, misrepresentation, or deceit;

174.5 (vii) refused to cooperate with an investigation or examination by the commissioner;

174.6 (viii) failed to pay any fee or assessment imposed by the commissioner; or

174.7 (ix) failed to comply with state and federal tax obligations.

174.8 Subd. 2. **Orders of the commissioner.** To begin a proceeding under this section, the
174.9 commissioner must issue an order requiring the subject of the proceeding to show cause
174.10 why action should not be taken against the person under this section. The order must be
174.11 calculated to give reasonable notice of the time and place for the hearing and must state the
174.12 reasons for entry of the order. The commissioner may by order summarily suspend a license
174.13 or exemption, or summarily bar a person from engaging in student loan servicing, pending
174.14 a final determination of an order to show cause. If a license or exemption is summarily
174.15 suspended or if the person is summarily barred from any involvement in the servicing of
174.16 student loans, pending final determination of an order to show cause, a hearing on the merits
174.17 must be held within 30 days of the issuance of the order of summary suspension or bar. All
174.18 hearings must be conducted under chapter 14. After the hearing, the commissioner must
174.19 enter an order disposing of the matter as the facts require. If the subject of the order fails to
174.20 appear at a hearing after having been duly notified, the person is considered in default and
174.21 the proceeding may be determined against the subject of the order upon consideration of
174.22 the order to show cause, the allegations of which may be considered to be true.

174.23 Subd. 3. **Actions against lapsed license.** If a license or certificate of exemption lapses,
174.24 or is surrendered, withdrawn, terminated, or otherwise becomes ineffective, the commissioner
174.25 may institute a proceeding under this subdivision within two years after the license or
174.26 certificate of exemption was last effective and enter a revocation or suspension order as of
174.27 the last date the license or certificate of exemption was in effect, and may impose a civil
174.28 penalty as provided under this section or section 45.027, subdivision 6.

174.29 Sec. 18. **[325F.6945] INTERNET SERVICE PROVIDERS; PROHIBITED ACTIONS.**

174.30 Subdivision 1. **Definitions.** The definitions in section 16C.57 apply to this section.

174.31 Subd. 2. **Prohibited actions.** An Internet service provider is prohibited from engaging
174.32 in any of the following activities with respect to any of its Minnesota customers:

- 175.1 (1) block lawful content, applications, services, or nonharmful devices, subject to
175.2 reasonable network management;
- 175.3 (2) impair, impede, or degrade lawful Internet traffic on the basis of Internet content,
175.4 application, or service, or use of a nonharmful device, subject to reasonable network
175.5 management;
- 175.6 (3) engage in paid prioritization;
- 175.7 (4) unreasonably interfere with or unreasonably disadvantage:
- 175.8 (i) a customer's ability to select, access, and use broadband Internet service or lawful
175.9 Internet content, applications, services, or devices of the customer's choice; or
- 175.10 (ii) an edge provider's ability to provide lawful Internet content, applications, services,
175.11 or devices to a customer; or
- 175.12 (5) engage in deceptive or misleading marketing practices that misrepresent the treatment
175.13 of Internet traffic or content.
- 175.14 Subd. 3. **Certification required.** Prior to offering service to a customer in Minnesota,
175.15 or prior to August 1, 2019, for Internet service providers already offering services to
175.16 customers in Minnesota, an Internet service provider must file a document with the
175.17 commissioner of commerce certifying that it does not engage in any of the activities
175.18 prohibited under subdivision 2. The filing required by this subdivision must be provided
175.19 prior to offering services for the first time in Minnesota, at any time after a company or
175.20 entity has changed ownership or merged with another entity, or prior to offering services
175.21 in Minnesota after the company has suspended service for more than 30 days. An Internet
175.22 service provider is not otherwise required to make filings on an annual basis.
- 175.23 Subd. 4. **Other laws.** Nothing in this section (1) supersedes any obligation or
175.24 authorization an Internet service provider may have consistent with or as permitted by
175.25 applicable law to address the needs of emergency communications or law enforcement,
175.26 public safety, or national security authorities, or (2) limits the provider's ability to meet the
175.27 needs under clause (1).
- 175.28 Subd. 5. **Enforcement.** (a) A violation of subdivision 2 may be enforced by the
175.29 commissioner of commerce under section 45.027 and by the attorney general under section
175.30 8.31. The venue for enforcement proceedings is Ramsey County.
- 175.31 (b) A violation of the certification provided under subdivision 3 must be enforced under
175.32 section 609.48. The venue for enforcement proceedings is Ramsey County.

176.1 **ARTICLE 10**

176.2 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; POLICY**

176.3 Section 1. Minnesota Statutes 2018, section 268.035, subdivision 12, is amended to read:

176.4 Subd. 12. **Covered employment.** (a) "Covered employment" means ~~the following unless~~
176.5 ~~excluded as "nonecovered employment" under subdivision 20:~~

176.6 ~~(1) an employee's entire employment during the calendar quarter if:~~

176.7 ~~(i) (1) 50 percent or more of the employment during the quarter is performed primarily~~
176.8 ~~in Minnesota;~~

176.9 ~~(ii) (2) 50 percent or more of the employment during the quarter is not performed~~
176.10 ~~primarily in Minnesota or any other state, or Canada, but some of the employment is~~
176.11 ~~performed in Minnesota and the base of operations or the place from which the employment~~
176.12 ~~is directed or controlled is in Minnesota; or~~

176.13 ~~(iii) the employment during the quarter is not performed primarily in Minnesota or any~~
176.14 ~~other state and the base of operations or place from which the employment is directed or~~
176.15 ~~controlled is not in any state where part of the employment is performed, but the employee's~~
176.16 ~~residence is in Minnesota during 50 percent or more of the calendar quarter;~~

176.17 ~~(2) an employee's entire employment during the calendar quarter performed within the~~
176.18 ~~United States or Canada, if:~~

176.19 ~~(i) the employment is not covered employment under the unemployment insurance~~
176.20 ~~program of any other state, federal law, or the law of Canada; and~~

176.21 ~~(ii) the place from which the employment is directed or controlled is in Minnesota;~~

176.22 (3) the employment during the ~~calendar quarter,~~ is performed entirely outside the United
176.23 States and Canada, by an employee who is a United States citizen in the employ of an
176.24 American employer, if the employer's principal place of business in the United States is
176.25 located in Minnesota. For the purposes of this clause, an "American employer," ~~for the~~
176.26 ~~purposes of this clause, means a corporation organized under the laws of any state, an~~
176.27 ~~individual who is a resident of the United States, or a partnership if two-thirds or more of~~
176.28 ~~the partners are residents of the United States, or a trust, if all of the trustees are residents~~
176.29 ~~of the United States is defined under the Federal Unemployment Tax Act, United States~~
176.30 ~~Code title 26, chapter 23, section 3306, subsection (j)(3); and or~~

176.31 (4) all the employment during the calendar quarter is performed by an officer or member
176.32 of the crew of an American vessel on or in connection with the vessel, if the operating on

177.1 navigable waters within, or within and without, the United States, and the office from which
 177.2 the operations of the vessel operating on navigable waters within, or within and without,
 177.3 the United States are ordinarily and regularly supervised, managed, directed, and controlled
 177.4 is in Minnesota.

177.5 (b) "Covered employment" includes covered agricultural employment under subdivision
 177.6 11.

177.7 (c) For the purposes of section 268.095, "covered employment" includes employment
 177.8 covered under an unemployment insurance program:

177.9 (1) of any other state; ~~or~~

177.10 (2) established by an act of Congress; or

177.11 (3) the law of Canada.

177.12 (d) The percentage of employment performed under paragraph (a) is determined by the
 177.13 amount of hours worked.

177.14 (e) Covered employment does not include any employment defined as "noncovered
 177.15 employment" under subdivision 20.

177.16 Sec. 2. Minnesota Statutes 2018, section 268.035, subdivision 20, is amended to read:

177.17 Subd. 20. **Noncovered employment.** "Noncovered employment" means:

177.18 (1) employment for the United States government or an instrumentality thereof, including
 177.19 military service;

177.20 (2) employment for a state, other than Minnesota, or a political subdivision or
 177.21 instrumentality thereof;

177.22 (3) employment for a foreign government;

177.23 (4) employment covered under the federal Railroad Unemployment Insurance Act;

177.24 (5) employment for a church or convention or association of churches, or a nonprofit
 177.25 organization operated primarily for religious purposes that is operated, supervised, controlled,
 177.26 or principally supported by a church or convention or association of churches;

177.27 (6) employment for an elementary or secondary school with a curriculum that includes
 177.28 religious education that is operated by a church, a convention or association of churches,
 177.29 or a nonprofit organization that is operated, supervised, controlled, or principally supported
 177.30 by a church or convention or association of churches;

178.1 (7) employment for Minnesota or a political subdivision, or a nonprofit organization, of
178.2 a duly ordained or licensed minister of a church in the exercise of a ministry or by a member
178.3 of a religious order in the exercise of duties required by the order;

178.4 (8) employment for Minnesota or a political subdivision, or a nonprofit organization, of
178.5 an individual receiving rehabilitation of "sheltered" work in a facility conducted for the
178.6 purpose of carrying out a program of rehabilitation for individuals whose earning capacity
178.7 is impaired by age or physical or mental deficiency or injury or a program providing
178.8 "sheltered" work for individuals who because of an impaired physical or mental capacity
178.9 cannot be readily absorbed in the competitive labor market. This clause applies only to
178.10 services performed in a facility certified by the Rehabilitation Services Branch of the
178.11 department or in a day training or habilitation program licensed by the Department of Human
178.12 Services;

178.13 (9) employment for Minnesota or a political subdivision, or a nonprofit organization, of
178.14 an individual receiving work relief or work training as part of an unemployment work relief
178.15 or work training program financed in whole or in part by any federal agency or an agency
178.16 of a state or political subdivision thereof. This clause does not apply to programs that require
178.17 unemployment benefit coverage for the participants;

178.18 (10) employment for Minnesota or a political subdivision, as an elected official, a member
178.19 of a legislative body, or a member of the judiciary;

178.20 (11) employment as a member of the Minnesota National Guard or Air National Guard;

178.21 (12) employment for Minnesota or a political subdivision, or instrumentality thereof, of
178.22 an individual serving on a temporary basis in case of fire, flood, tornado, or similar
178.23 emergency;

178.24 (13) employment as an election official or election worker for Minnesota or a political
178.25 subdivision, if the compensation for that employment was less than \$1,000 in a calendar
178.26 year;

178.27 (14) employment for Minnesota that is a major policy-making or advisory position in
178.28 the unclassified service;

178.29 (15) employment for Minnesota in an unclassified position established under section
178.30 43A.08, subdivision 1a;

178.31 (16) employment for a political subdivision of Minnesota that is a nontenured major
178.32 policy making or advisory position;

179.1 (17) domestic employment in a private household, local college club, or local chapter
179.2 of a college fraternity or sorority, if the wages paid in any calendar quarter in either the
179.3 current or prior calendar year to all individuals in domestic employment totaled less than
179.4 \$1,000.

179.5 "Domestic employment" includes all service in the operation and maintenance of a
179.6 private household, for a local college club, or local chapter of a college fraternity or sorority
179.7 as distinguished from service as an employee in the pursuit of an employer's trade or business;

179.8 (18) employment of an individual by a son, daughter, or spouse, and employment of a
179.9 child under the age of 18 by the child's father or mother;

179.10 (19) employment of an inmate of a custodial or penal institution;

179.11 (20) employment for a school, college, or university, by a student who is enrolled and
179.12 whose primary relation to the school, college, or university is as a student. This does not
179.13 include an individual whose primary relation to the school, college, or university is as an
179.14 employee who also takes courses;

179.15 (21) employment of an individual who is enrolled as a student in a full-time program at
179.16 a nonprofit or public educational institution that maintains a regular faculty and curriculum
179.17 and has a regularly organized body of students in attendance at the place where its educational
179.18 activities are carried on, taken for credit at the institution, that combines academic instruction
179.19 with work experience, if the employment is an integral part of the program, and the institution
179.20 has so certified to the employer, except that this clause does not apply to employment in a
179.21 program established for or on behalf of an employer or group of employers;

179.22 (22) employment of a foreign college or university student who works on a seasonal or
179.23 temporary basis under the J-1 visa summer work travel program described in Code of Federal
179.24 Regulations, title 22, section 62.32;

179.25 ~~(22)~~ (23) employment of university, college, or professional school students in an
179.26 internship or other training program with the city of St. Paul or the city of Minneapolis
179.27 under Laws 1990, chapter 570, article 6, section 3;

179.28 ~~(23)~~ (24) employment for a hospital by a patient of the hospital. "Hospital" means an
179.29 institution that has been licensed by the Department of Health as a hospital;

179.30 ~~(24)~~ (25) employment as a student nurse for a hospital or a nurses' training school by
179.31 an individual who is enrolled and is regularly attending classes in an accredited nurses'
179.32 training school;

180.1 ~~(25)~~ (26) employment as an intern for a hospital by an individual who has completed a
180.2 four-year course in an accredited medical school;

180.3 ~~(26)~~ (27) employment as an insurance salesperson, by other than a corporate officer, if
180.4 all the wages from the employment is solely by way of commission. The word "insurance"
180.5 includes an annuity and an optional annuity;

180.6 ~~(27)~~ (28) employment as an officer of a township mutual insurance company or farmer's
180.7 mutual insurance company under chapter 67A;

180.8 ~~(28)~~ (29) employment of a corporate officer, if the officer directly or indirectly, including
180.9 through a subsidiary or holding company, owns 25 percent or more of the employer
180.10 corporation, and employment of a member of a limited liability company, if the member
180.11 directly or indirectly, including through a subsidiary or holding company, owns 25 percent
180.12 or more of the employer limited liability company;

180.13 ~~(29)~~ (30) employment as a real estate salesperson, other than a corporate officer, if all
180.14 the wages from the employment is solely by way of commission;

180.15 ~~(30)~~ (31) employment as a direct seller as defined in United States Code, title 26, section
180.16 3508;

180.17 ~~(31)~~ (32) employment of an individual under the age of 18 in the delivery or distribution
180.18 of newspapers or shopping news, not including delivery or distribution to any point for
180.19 subsequent delivery or distribution;

180.20 ~~(32)~~ (33) casual employment performed for an individual, other than domestic
180.21 employment under clause (17), that does not promote or advance that employer's trade or
180.22 business;

180.23 ~~(33)~~ (34) employment in "agricultural employment" unless it is "covered agricultural
180.24 employment" under subdivision 11; or

180.25 ~~(34)~~ (35) if employment during one-half or more of any pay period was covered
180.26 employment, all the employment for the pay period is covered employment; but if during
180.27 more than one-half of any pay period the employment was noncovered employment, then
180.28 all of the employment for the pay period is noncovered employment. "Pay period" means
180.29 a period of not more than a calendar month for which a payment or compensation is ordinarily
180.30 made to the employee by the employer.

181.1 Sec. 3. Minnesota Statutes 2018, section 268.051, subdivision 2a, is amended to read:

181.2 Subd. 2a. **Unemployment insurance tax ~~limits~~ reduction.** (a) If the balance in the trust
181.3 fund on December 31 of any calendar year is four percent or more above the amount equal
181.4 to an average high cost multiple of 1.0, future unemployment taxes payable must be reduced
181.5 by all amounts above 1.0. The amount of tax reduction for any taxpaying employer is the
181.6 same percentage of the total amount above 1.0 as the percentage of taxes paid by the
181.7 employer during the calendar year is of the total amount of taxes that were paid by all
181.8 ~~nonmaximum experience rated~~ employers during the year except taxes paid by employers
181.9 assigned a tax rate equal to the maximum experience rating plus the applicable base tax
181.10 rate.

181.11 (b) For purposes of this subdivision, "average high cost multiple" has the meaning given
181.12 in Code of Federal Regulations, title 20, section 606.3, as amended through December 31,
181.13 2015. An amount equal to an average high cost multiple of 1.0 is a federal measure of
181.14 adequate reserves in relation to the state's current economy. The commissioner must calculate
181.15 and publish, as soon as possible following December 31 of any calendar year, the trust fund
181.16 balance on December 31 along with the amount an average high cost multiple of 1.0 equals.
181.17 Actual wages paid must be used in the calculation and estimates may not be used.

181.18 (c) The unemployment tax reduction under this subdivision does not apply to employers
181.19 that were at assigned a tax rate equal to the maximum experience rating plus the applicable
181.20 base tax rate for the year, nor to high experience rating industry employers under subdivision
181.21 5, paragraph (b). Computations under paragraph (a) are not subject to the rounding
181.22 requirement of section 268.034. The refund provisions of section 268.057, subdivision 7,
181.23 do not apply.

181.24 (d) The unemployment tax reduction under this subdivision applies to taxes paid between
181.25 March 1 and December 15 of the year following the December 31 computation under
181.26 paragraph (a).

181.27 ~~(e) The amount equal to the average high cost multiple of 1.0 on December 31, 2012,~~
181.28 ~~must be used for the calculation under paragraph (a) but only for the calculation made on~~
181.29 ~~December 31, 2015. Notwithstanding paragraph (d), the tax reduction resulting from the~~
181.30 ~~application of this paragraph applies to unemployment taxes paid between July 1, 2016,~~
181.31 ~~and June 30, 2017. If there was an experience rating history transfer under subdivision 4,~~
181.32 the successor employer must receive that portion of the predecessor employer's tax reduction
181.33 equal to that portion of the experience rating history transferred. The predecessor employer
181.34 retains that portion of tax reduction not transferred to the successor. This paragraph applies

182.1 to that portion of the tax reduction that remains unused at the time of notice of acquisition
182.2 is provided under subdivision 4, paragraph (e).

182.3 Sec. 4. **EFFECTIVE DATE.**

182.4 Unless otherwise specified, this article is effective October 1, 2020.

182.5 **ARTICLE 11**

182.6 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; INTEREST**

182.7 Section 1. Minnesota Statutes 2018, section 268.057, subdivision 5, is amended to read:

182.8 Subd. 5. **Interest on amounts past due.** If any amounts due from an employer under
182.9 this chapter or section 116L.20, except late fees under section 268.044, are not received on
182.10 the date due ~~the unpaid balance bears~~ the commissioner must assess interest on any amount
182.11 that remains unpaid. Interest is assessed at the rate of one percent per month or any part of
182.12 a month. Interest is not assessed on unpaid interest. Interest collected under this subdivision
182.13 is credited to the contingent account.

182.14 **EFFECTIVE DATE.** This section is effective October 1, 2020.

182.15 Sec. 2. Minnesota Statutes 2018, section 268.18, subdivision 2b, is amended to read:

182.16 Subd. 2b. **Interest.** On any unemployment benefits obtained by misrepresentation, and
182.17 any penalty amounts assessed under subdivision 2, the commissioner must assess interest
182.18 ~~at the rate of one percent per month~~ on any amount that remains unpaid beginning 30 calendar
182.19 days after the date of a determination of overpayment penalty. Interest is assessed at the
182.20 rate of one percent per month or any part of a month. A determination of overpayment
182.21 penalty must state that interest will be assessed. Interest is not assessed ~~in the same manner~~
182.22 ~~as on employer debt under section 268.057, subdivision 5~~ on unpaid interest. Interest
182.23 ~~payments~~ collected under this subdivision are is credited to the trust fund.

182.24 **EFFECTIVE DATE.** This section is effective October 1, 2020.

182.25 **ARTICLE 12**

182.26 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; BASE PERIODS**

182.27 Section 1. Minnesota Statutes 2018, section 268.035, subdivision 4, is amended to read:

182.28 Subd. 4. **Base period.** (a) "Base period," unless otherwise provided in this subdivision,
182.29 means the most recent four completed calendar quarters before the effective date of an
182.30 applicant's application for unemployment benefits if the application has an effective date

183.1 occurring after the month following the most recent completed calendar quarter. The base
183.2 period under this paragraph is as follows:

183.3	If the application for unemployment	The base period is the prior:
183.4	benefits is effective on or between these	
183.5	dates:	
183.6	February 1 - March 31	January 1 - December 31
183.7	May 1 - June 30	April 1 - March 31
183.8	August 1 - September 30	July 1 - June 30
183.9	November 1 - December 31	October 1 - September 30

183.10 (b) If an application for unemployment benefits has an effective date that is during the
183.11 month following the most recent completed calendar quarter, then the base period is the
183.12 first four of the most recent five completed calendar quarters before the effective date of
183.13 an applicant's application for unemployment benefits. The base period under this paragraph
183.14 is as follows:

183.15	If the application for unemployment	The base period is the prior:
183.16	benefits is effective on or between these	
183.17	dates:	
183.18	January 1 - January 31	October 1 - September 30
183.19	April 1 - April 30	January 1 - December 31
183.20	July 1 - July 31	April 1 - March 31
183.21	October 1 - October 31	July 1 - June 30

183.22 (c) Regardless of paragraph (a), a base period of the first four of the most recent five
183.23 completed calendar quarters must be used if the applicant would have more wage credits
183.24 under that base period than under a base period of the four most recent completed calendar
183.25 quarters.

183.26 ~~(d) If the applicant under paragraph (b) has insufficient wage credits to establish a benefit~~
183.27 ~~account, then a base period of the most recent four completed calendar quarters before the~~
183.28 ~~effective date of the applicant's application for unemployment benefits must be used.~~

183.29 (e) ~~(d)~~ If the applicant has insufficient wage credits to establish a benefit account under
183.30 a base period of the four most recent completed calendar quarters, or a base period of the
183.31 first four of the most recent five completed calendar quarters, but during either base period
183.32 the applicant received workers' compensation for temporary disability under chapter 176
183.33 or a similar federal law or similar law of another state, or if the applicant whose own serious
183.34 illness caused a loss of work for which the applicant received compensation for loss of
183.35 wages from some other source, the applicant may request a base period as follows:

184.1 (1) if an applicant was compensated for a loss of work of seven to 13 weeks; during a
184.2 base period referred to in paragraph (a) or (b), then the base period is the first four of the
184.3 most recent six completed calendar quarters before the effective date of the application for
184.4 unemployment benefits;

184.5 (2) if an applicant was compensated for a loss of work of 14 to 26 weeks; during a base
184.6 period referred to in paragraph (a) or (b), then the base period is the first four of the most
184.7 recent seven completed calendar quarters before the effective date of the application for
184.8 unemployment benefits;

184.9 (3) if an applicant was compensated for a loss of work of 27 to 39 weeks; during a base
184.10 period referred to in paragraph (a) or (b), then the base period is the first four of the most
184.11 recent eight completed calendar quarters before the effective date of the application for
184.12 unemployment benefits; and

184.13 (4) if an applicant was compensated for a loss of work of 40 to 52 weeks; during a base
184.14 period referred to in paragraph (a) or (b), then the base period is the first four of the most
184.15 recent nine completed calendar quarters before the effective date of the application for
184.16 unemployment benefits.

184.17 ~~(f)~~ (e) No base period under this subdivision may include wage credits upon which a
184.18 prior benefit account was established.

184.19 Sec. 2. Minnesota Statutes 2018, section 268.07, subdivision 1, is amended to read:

184.20 Subdivision 1. **Application for unemployment benefits; determination of benefit**
184.21 **account.** (a) An application for unemployment benefits may be filed in person, by mail, or
184.22 by electronic transmission as the commissioner may require. The applicant must be
184.23 unemployed at the time the application is filed and must provide all requested information
184.24 in the manner required. If the applicant is not unemployed at the time of the application or
184.25 fails to provide all requested information, the communication is not an application for
184.26 unemployment benefits.

184.27 (b) The commissioner must examine each application for unemployment benefits to
184.28 determine the base period and the benefit year, and based upon all the covered employment
184.29 in the base period the commissioner must determine the weekly unemployment benefit
184.30 amount available, if any, and the maximum amount of unemployment benefits available,
184.31 if any. The determination, which is a document separate and distinct from a document titled
184.32 a determination of eligibility or determination of ineligibility issued under section 268.101,

185.1 must be titled determination of benefit account. A determination of benefit account must
185.2 be sent to the applicant and all base period employers, by mail or electronic transmission.

185.3 (c) If a base period employer did not provide wage detail information for the applicant
185.4 as required under section 268.044, ~~or provided erroneous information, or wage detail is not~~
185.5 ~~yet due and the applicant is using a base period under section 268.035, subdivision 4,~~
185.6 ~~paragraph (d),~~ the commissioner may accept an applicant certification of wage credits, based
185.7 upon the applicant's records, and issue a determination of benefit account.

185.8 ~~(d) An employer must provide wage detail information on an applicant within five~~
185.9 ~~calendar days of request by the commissioner, in a manner and format requested, when:~~

185.10 ~~(1) the applicant is using a base period under section 268.035, subdivision 4, paragraph~~
185.11 ~~(d); and~~

185.12 ~~(2) wage detail under section 268.044 is not yet required to have been filed by the~~
185.13 ~~employer.~~

185.14 ~~(e)~~ (d) The commissioner may, at any time within 24 months from the establishment of
185.15 a benefit account, reconsider any determination of benefit account and make an amended
185.16 determination if the commissioner finds that the wage credits listed in the determination
185.17 were incorrect for any reason. An amended determination of benefit account must be
185.18 promptly sent to the applicant and all base period employers, by mail or electronic
185.19 transmission. This subdivision does not apply to documents titled determinations of eligibility
185.20 or determinations of ineligibility issued under section 268.101.

185.21 ~~(f)~~ (e) If an amended determination of benefit account reduces the weekly unemployment
185.22 benefit amount or maximum amount of unemployment benefits available, any unemployment
185.23 benefits that have been paid greater than the applicant was entitled is an overpayment of
185.24 unemployment benefits. A determination or amended determination issued under this section
185.25 that results in an overpayment of unemployment benefits must set out the amount of the
185.26 overpayment and the requirement under section 268.18, subdivision 1, that the overpaid
185.27 unemployment benefits must be repaid.

185.28 Sec. 3. **EFFECTIVE DATE.**

185.29 Unless otherwise specified, this article is effective January 1, 2020.

ARTICLE 13**UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; HOUSEKEEPING**

Section 1. Minnesota Statutes 2018, section 268.035, subdivision 15, is amended to read:

Subd. 15. **Employment.** (a) "Employment" means service performed by:

(1) an individual who is an employee under the common law of employer-employee and not an independent contractor;

(2) an officer of a corporation;

(3) a member of a limited liability company who is an employee under the common law of employer-employee; or

(4) an individual who is an employee under the Federal Insurance Contributions Act, United States Code, title 26, chapter 21, sections 3121 (d)(3)(A) and 3121 (d)(3)(D); or

~~(4)~~ (5) product demonstrators in retail stores or other locations to aid in the sale of products. The person that pays the wages is the employer.

(b) Employment does not include service as a juror.

(c) Construction industry employment is defined in subdivision 9a. Trucking and messenger/courier industry employment is defined in subdivision 25b. Rules on determining worker employment status are described under Minnesota Rules, chapter 3315.

Sec. 2. Minnesota Statutes 2018, section 268.044, subdivision 2, is amended to read:

Subd. 2. **Failure to timely file report; late fees.** (a) Any employer that fails to submit the quarterly wage detail report when due must pay a late fee of \$10 per employee, computed based upon the highest of:

(1) the number of employees reported on the last wage detail report submitted;

(2) the number of employees reported in the corresponding quarter of the prior calendar year; or

(3) if no wage detail report has ever been submitted, the number of employees listed at the time of employer registration.

The late fee is canceled if the wage detail report is received within 30 calendar days after a demand for the report is sent to the employer by mail or electronic transmission. A late fee assessed an employer may not be canceled more than twice each 12 months. The amount of the late fee assessed may not be less than \$250.

187.1 (b) If the wage detail report is not received in a manner and format prescribed by the
187.2 commissioner within 30 calendar days after demand is sent under paragraph (a), the late
187.3 fee assessed under paragraph (a) doubles and a renewed demand notice and notice of the
187.4 increased late fee will be sent to the employer by mail or electronic transmission.

187.5 (c) Late fees due under this subdivision may be canceled, in whole or in part, under
187.6 section ~~268.066 where good cause for late submission is found by the commissioner~~ 268.067.

187.7 Sec. 3. Minnesota Statutes 2018, section 268.047, subdivision 3, is amended to read:

187.8 Subd. 3. **Exceptions for taxpaying employers.** Unemployment benefits paid will not
187.9 be used in computing the future tax rate of a taxpaying base period employer when:

187.10 (1) the applicant's wage credits from that employer are less than \$500;

187.11 (2) the applicant quit the employment, unless it was determined under section 268.095,
187.12 to have been because of a good reason caused by the employer or because the employer
187.13 notified the applicant of discharge within 30 calendar days. This exception applies ~~only~~ to
187.14 unemployment benefits paid for periods after the applicant's quitting the employment and,
187.15 if the applicant is rehired by the employer, continues only until the beginning of the week
187.16 the applicant is rehired; or

187.17 (3) the employer discharged the applicant from employment because of employment
187.18 misconduct as determined under section 268.095. This exception applies ~~only~~ to
187.19 unemployment benefits paid for periods after the applicant's discharge from employment
187.20 and, if the applicant is rehired by the employer, continues only until the beginning of the
187.21 week the applicant is rehired.

187.22 Sec. 4. Minnesota Statutes 2018, section 268.085, subdivision 3, is amended to read:

187.23 Subd. 3. **Vacation and sick payments that delay unemployment benefits.** (a) An
187.24 applicant is not eligible to receive unemployment benefits for any week the applicant is
187.25 receiving, has received, or will receive vacation pay, sick pay, or personal time off pay, also
187.26 known as "PTO."

187.27 This paragraph ~~only applies upon temporary, indefinite, or seasonal separation and~~ does
187.28 not apply:

187.29 (1) upon a permanent separation from employment; or

187.30 (2) to payments from a vacation fund administered by a union or a third party not under
187.31 the control of the employer.

188.1 ~~Payments under this paragraph are applied to the period immediately following the~~
188.2 ~~temporary, indefinite, or seasonal separation.~~

188.3 ~~(b) An applicant is not eligible to receive unemployment benefits for any week the~~
188.4 ~~applicant is receiving, has received, or will receive severance pay, bonus pay, or any other~~
188.5 ~~payments paid by an employer because of, upon, or after separation from employment.~~

188.6 ~~This paragraph only applies if the payment is:~~

188.7 ~~(1) considered wages under section 268.035, subdivision 29; or~~

188.8 ~~(2) subject to the Federal Insurance Contributions Act (FICA) tax imposed to fund Social~~
188.9 ~~Security and Medicare.~~

188.10 ~~(b) Payments under this paragraph subdivision are applied to the period immediately~~
188.11 ~~following the later of the date of separation from employment or the date the applicant first~~
188.12 ~~becomes aware that the employer will be making a payment. The date the payment is actually~~
188.13 ~~made or received, or that an applicant must agree to a release of claims, does not affect the~~
188.14 ~~application of this paragraph subdivision.~~

188.15 ~~This paragraph does not apply to earnings under subdivision 5, back pay under~~
188.16 ~~subdivision 6, or vacation pay, sick pay, or personal time off pay under paragraph (a).~~

188.17 ~~(c) An applicant is not eligible to receive unemployment benefits for any week the~~
188.18 ~~applicant is receiving, has received, will receive, or has applied for pension, retirement, or~~
188.19 ~~annuity payments from any plan contributed to by a base period employer including the~~
188.20 ~~United States government. The base period employer is considered to have contributed to~~
188.21 ~~the plan if the contribution is excluded from the definition of wages under section 268.035,~~
188.22 ~~subdivision 29. If the pension, retirement, or annuity payment is paid in a lump sum, an~~
188.23 ~~applicant is not considered to have received a payment if:~~

188.24 ~~(1) the applicant immediately deposits that payment in a qualified pension plan or~~
188.25 ~~account; or~~

188.26 ~~(2) that payment is an early distribution for which the applicant paid an early distribution~~
188.27 ~~penalty under the Internal Revenue Code, United States Code, title 26, section 72(t)(1).~~

188.28 ~~This paragraph does not apply to Social Security benefits under subdivision 4 or 4a.~~

188.29 ~~(d) (c)~~ This subdivision applies to all the weeks of payment. The number of weeks of
188.30 payment is determined as follows:

188.31 (1) if the payments are made periodically, the total of the payments to be received is
188.32 divided by the applicant's last level of regular weekly pay from the employer; or

189.1 (2) if the payment is made in a lump sum, that sum is divided by the applicant's last level
189.2 of regular weekly pay from the employer.

189.3 ~~For purposes of this paragraph, The~~ "last level of regular weekly pay" includes
189.4 commissions, bonuses, and overtime pay if that is part of the applicant's ongoing regular
189.5 compensation.

189.6 ~~(e)~~ (d) Under this subdivision, if the payment with respect to a week is equal to or more
189.7 than the applicant's weekly unemployment benefit amount, the applicant is ineligible for
189.8 benefits for that week. If the payment with respect to a week is less than the applicant's
189.9 weekly unemployment benefit amount, unemployment benefits are reduced by the amount
189.10 of the payment.

189.11 Sec. 5. Minnesota Statutes 2018, section 268.085, subdivision 3a, is amended to read:

189.12 Subd. 3a. **Workers' compensation and disability insurance offset.** (a) An applicant
189.13 is not eligible to receive unemployment benefits for any week in which the applicant is
189.14 receiving or has received compensation for loss of wages equal to or in excess of the
189.15 applicant's weekly unemployment benefit amount under:

189.16 (1) the workers' compensation law of this state;

189.17 (2) the workers' compensation law of any other state or similar federal law; or

189.18 (3) any insurance or trust fund paid in whole or in part by an employer.

189.19 (b) This subdivision does not apply to an applicant who has a claim pending for loss of
189.20 wages under paragraph (a); however, before unemployment benefits may be paid when a
189.21 claim is pending, the issue of the applicant being available for suitable employment, as
189.22 required under subdivision 1, clause (4), ~~is~~ must be determined under section 268.101,
189.23 subdivision 2. If the applicant later receives compensation as a result of the pending claim,
189.24 the applicant is subject to ~~the provisions of~~ paragraph (a) and the unemployment benefits
189.25 paid are ~~subject to recoupment by the commissioner to the extent that the compensation~~
189.26 ~~constitutes~~ overpaid unemployment benefits under section 268.18, subdivision 1.

189.27 (c) If the amount of compensation described under paragraph (a) for any week is less
189.28 than the applicant's weekly unemployment benefit amount, unemployment benefits requested
189.29 for that week are reduced by the amount of that compensation payment.

190.1 Sec. 6. Minnesota Statutes 2018, section 268.085, is amended by adding a subdivision to
190.2 read:

190.3 **Subd. 3b. Separation, severance, or bonus payments that delay unemployment**
190.4 **benefits.** (a) An applicant is not eligible to receive unemployment benefits for any week
190.5 the applicant is receiving, has received, or will receive separation pay, severance pay, bonus
190.6 pay, or any other payments paid by an employer because of, upon, or after separation from
190.7 employment. This subdivision applies if the payment is:

190.8 (1) considered wages under section 268.035, subdivision 29; or

190.9 (2) subject to the Federal Insurance Contributions Act (FICA) tax imposed to fund Social
190.10 Security and Medicare.

190.11 (b) Payments under this subdivision are applied to the period immediately following the
190.12 later of the date of separation from employment or the date the applicant first becomes
190.13 aware that the employer will be making a payment. The date the payment is actually made
190.14 or received, or that an applicant must agree to a release of claims, does not affect the
190.15 application of this paragraph.

190.16 (c) This subdivision does not apply to earnings under subdivision 5, back pay under
190.17 subdivision 6, or vacation pay, sick pay, or personal time off pay under subdivision 3.

190.18 (d) This subdivision applies to all the weeks of payment. The number of weeks of
190.19 payment is determined in accordance with subdivision 3, paragraph (c).

190.20 (e) Under this subdivision, if the payment with respect to a week is equal to or more
190.21 than the applicant's weekly unemployment benefit amount, the applicant is ineligible for
190.22 benefits for that week. If the payment with respect to a week is less than the applicant's
190.23 weekly unemployment benefit amount, unemployment benefits are reduced by the amount
190.24 of the payment.

190.25 Sec. 7. Minnesota Statutes 2018, section 268.085, is amended by adding a subdivision to
190.26 read:

190.27 **Subd. 3c. Pension or retirement payment offset.** (a) An applicant is not eligible to
190.28 receive unemployment benefits for any week the applicant is receiving, has received, will
190.29 receive, or has applied for pension, retirement, or annuity payments from any plan contributed
190.30 to by a base period employer including the United States government. The base period
190.31 employer is considered to have contributed to the plan if the contribution is excluded from
190.32 the definition of wages under section 268.035, subdivision 29.

191.1 (b) If the pension, retirement, or annuity payment is paid in a lump sum, an applicant is
 191.2 not considered to have received a payment if:

191.3 (1) the applicant immediately deposits that payment in a qualified pension plan or
 191.4 account; or

191.5 (2) that payment is an early distribution for which the applicant paid an early distribution
 191.6 penalty under the Internal Revenue Code, United States Code, title 26, section 72(t)(1).

191.7 (c) This subdivision does not apply to Social Security benefits under subdivision 4 or
 191.8 4a.

191.9 (d) This subdivision applies to all the weeks of payment.

191.10 If the payment is made in a lump sum, that sum is divided by the applicant's last level
 191.11 of regular weekly pay from the employer to determine the weeks of payment.

191.12 The "last level of regular weekly pay" includes commissions, bonuses, and overtime
 191.13 pay if that is part of the applicant's ongoing regular compensation.

191.14 (e) Under this subdivision, if the payment with respect to a week is equal to or more
 191.15 than the applicant's weekly unemployment benefit amount, the applicant is ineligible for
 191.16 benefits for that week. If the payment with respect to a week is less than the applicant's
 191.17 weekly unemployment benefit amount, unemployment benefits are reduced by the amount
 191.18 of the payment.

191.19 Sec. 8. Minnesota Statutes 2018, section 268.085, subdivision 13a, is amended to read:

191.20 Subd. 13a. **Leave of absence.** (a) An applicant on a voluntary leave of absence is
 191.21 ineligible for unemployment benefits for the duration of the leave of absence. An applicant
 191.22 on an involuntary leave of absence is not ineligible under this subdivision.

191.23 A leave of absence is voluntary when work that the applicant can then perform is available
 191.24 with the applicant's employer but the applicant chooses not to work. A medical leave of
 191.25 absence is not presumed to be voluntary.

191.26 (b) A period of vacation requested by the applicant, paid or unpaid, is a voluntary leave
 191.27 of absence. A vacation period assigned by an employer under: (1) a uniform vacation
 191.28 shutdown; (2) a collective bargaining agreement; or (3) an established employer policy, is
 191.29 an involuntary leave of absence.

191.30 (c) A leave of absence is a temporary stopping of work that has been approved by the
 191.31 employer. A ~~voluntary~~ leave of absence is not a quit ~~and an involuntary leave of absence~~

192.1 ~~is not~~ or a discharge from employment for purposes of Section 268.095 does not apply to
 192.2 a leave of absence.

192.3 (d) An applicant who is on a paid leave of absence, whether the leave of absence is
 192.4 voluntary or involuntary, is ineligible for unemployment benefits for the duration of the
 192.5 leave.

192.6 (e) This subdivision applies to a leave of absence from a base period employer, an
 192.7 employer during the period between the end of the base period and the effective date of the
 192.8 benefit account, or an employer during the benefit year.

192.9 Sec. 9. Minnesota Statutes 2018, section 268.095, subdivision 6, is amended to read:

192.10 Subd. 6. **Employment misconduct defined.** (a) Employment misconduct means any
 192.11 intentional, negligent, or indifferent conduct, on the job or off the job, that ~~displays clearly:~~

192.12 ~~(1) is~~ a serious violation of the standards of behavior the employer has the right to
 192.13 reasonably expect of the employee; ~~or~~

192.14 ~~(2) a substantial lack of concern for the employment.~~

192.15 (b) Regardless of paragraph (a), the following is not employment misconduct:

192.16 (1) conduct that was a consequence of the applicant's mental illness or impairment;

192.17 (2) conduct that was a consequence of the applicant's inefficiency or inadvertence;

192.18 (3) simple unsatisfactory conduct;

192.19 (4) conduct an average reasonable employee would have engaged in under the
 192.20 circumstances;

192.21 (5) conduct that was a consequence of the applicant's inability or incapacity;

192.22 (6) good faith errors in judgment if judgment was required;

192.23 (7) absence because of illness or injury of the applicant, with proper notice to the
 192.24 employer;

192.25 (8) absence, with proper notice to the employer, in order to provide necessary care
 192.26 because of the illness, injury, or disability of an immediate family member of the applicant;

192.27 (9) conduct that was a consequence of the applicant's chemical dependency, unless the
 192.28 applicant was previously diagnosed chemically dependent or had treatment for chemical
 192.29 dependency, and since that diagnosis or treatment has failed to make consistent efforts to
 192.30 control the chemical dependency; or

193.1 (10) conduct that was a consequence of the applicant, or an immediate family member
 193.2 of the applicant, being a victim of domestic abuse, sexual assault, or stalking. For the
 193.3 purposes of this subdivision, "domestic abuse," "sexual assault," and "stalking" have the
 193.4 meanings given them in subdivision 1.

193.5 (c) Regardless of paragraph (b), clause (9), conduct in violation of sections 169A.20,
 193.6 169A.31, 169A.50 to 169A.53, or 171.177 that ~~interferes with or~~ adversely affects the
 193.7 employment is employment misconduct.

193.8 (d) If the conduct for which the applicant was discharged involved only a single incident,
 193.9 that is an important fact that must be considered in deciding whether the conduct rises to
 193.10 the level of employment misconduct under paragraph (a). This paragraph does not require
 193.11 that a determination under section 268.101 or decision under section 268.105 contain a
 193.12 specific acknowledgment or explanation that this paragraph was considered.

193.13 (e) The definition of employment misconduct provided by this subdivision is exclusive
 193.14 and no other definition applies.

193.15 Sec. 10. Minnesota Statutes 2018, section 268.095, subdivision 6a, is amended to read:

193.16 Subd. 6a. **Aggravated employment misconduct defined.** (a) ~~For the purpose of this~~
 193.17 ~~section, "aggravated employment misconduct" means:~~

193.18 ~~(1)~~ The commission of any act, on the job or off the job, that would amount to a gross
 193.19 misdemeanor or felony is aggravated employment misconduct if the act ~~substantially~~
 193.20 ~~interfered with the employment or~~ had a significant adverse effect on the employment; ~~or,~~

193.21 A criminal charge or conviction is not necessary to determine aggravated employment
 193.22 misconduct under this paragraph. If an applicant is convicted of a gross misdemeanor or
 193.23 felony, the applicant is presumed to have committed the act.

193.24 ~~(2)~~ (b) For an employee of a facility as defined in section 626.5572, aggravated
 193.25 employment misconduct includes an act of patient or resident abuse, financial exploitation,
 193.26 or recurring or serious neglect, as defined in section 626.5572 and applicable rules.

193.27 ~~(b) If an applicant is convicted of a gross misdemeanor or felony for the same act for~~
 193.28 ~~which the applicant was discharged, it is aggravated employment misconduct if the act~~
 193.29 ~~substantially interfered with the employment or had a significant adverse effect on the~~
 193.30 ~~employment.~~

193.31 (c) The definition of aggravated employment misconduct provided by this subdivision
 193.32 is exclusive and no other definition applies.

194.1 Sec. 11. **EFFECTIVE DATE.**

194.2 Unless otherwise specified, this article is effective October 1, 2019.

194.3 **ARTICLE 14**194.4 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; TECHNICAL**

194.5 Section 1. Minnesota Statutes 2018, section 268.044, subdivision 3, is amended to read:

194.6 Subd. 3. **Missing or erroneous information.** (a) Any employer that submits the wage
194.7 detail report, but fails to include all required employee information or enters erroneous
194.8 information, is subject to an administrative service fee of \$25 for each employee for whom
194.9 the information is partially missing or erroneous.

194.10 (b) Any employer that submits the wage detail report, but fails to include an employee,
194.11 is subject to an administrative service fee equal to two percent of the total wages for each
194.12 employee for whom the information is completely missing.

194.13 (c) An administrative service fee under this subdivision must be canceled under section
194.14 268.067 if the commissioner determines that the failure or error by the employer occurred
194.15 because of ignorance or inadvertence.

194.16 Sec. 2. Minnesota Statutes 2018, section 268.046, subdivision 1, is amended to read:

194.17 Subdivision 1. **Tax accounts assigned.** (a) Any person that contracts with a taxpaying
194.18 employer to have that person obtain the taxpaying employer's workforce and provide workers
194.19 to the taxpaying employer for a fee is, as of the effective date of the contract, assigned for
194.20 the duration of the contract the taxpaying employer's account under section 268.045. That
194.21 tax account must be maintained by the person separate and distinct from every other tax
194.22 account held by the person and identified in a manner prescribed by the commissioner. The
194.23 tax account is, for the duration of the contract, considered that person's account for all
194.24 purposes of this chapter. The workers obtained from the taxpaying employer and any other
194.25 workers provided by that person to the taxpaying employer, including officers of the
194.26 taxpaying employer as defined in section 268.035, subdivision 20, clause ~~(28)~~ (29), whose
194.27 wages paid by the person are considered paid in covered employment under section 268.035,
194.28 subdivision 24, for the duration of the contract between the taxpaying employer and the
194.29 person, must, under section 268.044, be reported on the wage detail report under that tax
194.30 account, and that person must pay any taxes due at the tax rate computed for that account
194.31 under section 268.051, subdivision 2.

195.1 (b) Any workers of the taxpaying employer who are not covered by the contract under
195.2 paragraph (a) must be reported by the taxpaying employer as a separate unit on the wage
195.3 detail report under the tax account assigned under paragraph (a). Taxes and any other
195.4 amounts due on the wages reported by the taxpaying employer under this paragraph may
195.5 be paid directly by the taxpaying employer.

195.6 (c) If the taxpaying employer that contracts with a person under paragraph (a) does not
195.7 have a tax account at the time of the execution of the contract, an account must be registered
195.8 for the taxpaying employer under section 268.042 and the new employer tax rate under
195.9 section 268.051, subdivision 5, must be assigned. The tax account is then assigned to the
195.10 person as provided for in paragraph (a).

195.11 (d) A person that contracts with a taxpaying employer under paragraph (a) must, within
195.12 30 calendar days of the execution or termination of a contract, notify the commissioner by
195.13 electronic transmission, in a format prescribed by the commissioner, of that execution or
195.14 termination. The taxpaying employer's name, the account number assigned, and any other
195.15 information required by the commissioner must be provided by that person.

195.16 (e) Any contract subject to paragraph (a) must specifically inform the taxpaying employer
195.17 of the assignment of the tax account under this section and the taxpaying employer's
195.18 obligation under paragraph (b). If there is a termination of the contract, the tax account is,
195.19 as of the date of termination, immediately assigned to the taxpaying employer.

195.20 Sec. 3. Minnesota Statutes 2018, section 268.069, subdivision 1, is amended to read:

195.21 Subdivision 1. **Requirements.** The commissioner must pay unemployment benefits
195.22 from the trust fund to an applicant who has met each of the following requirements:

195.23 (1) the applicant has filed an application for unemployment benefits and established a
195.24 benefit account in accordance with section 268.07;

195.25 (2) the applicant has not been held ineligible for unemployment benefits under section
195.26 268.095 because of a quit or discharge;

195.27 (3) the applicant has met all of the ongoing eligibility requirements under section 268.085;

195.28 (4) the applicant does not have an outstanding overpayment of unemployment benefits,
195.29 including any penalties or interest; and

195.30 (5) the applicant has not been held ineligible for unemployment benefits under section
195.31 268.183 ~~because of a false representation or concealment of facts.~~

196.1 Sec. 4. Minnesota Statutes 2018, section 268.105, subdivision 6, is amended to read:

196.2 Subd. 6. **Representation; fees.** (a) In any proceeding under subdivision 1 or 2, an
196.3 applicant or employer may be represented by any authorized representative.

196.4 Except for services provided by an attorney-at-law, no person may charge an applicant
196.5 a fee of any kind for advising, assisting, or representing an applicant in a hearing ~~or~~ on
196.6 reconsideration, or in a proceeding under subdivision 7.

196.7 (b) An applicant may not be charged fees, costs, or disbursements of any kind in a
196.8 proceeding before an unemployment law judge, the Minnesota Court of Appeals, or the
196.9 Supreme Court of Minnesota.

196.10 (c) No attorney fees may be awarded, or costs or disbursements assessed, against the
196.11 department as a result of any proceedings under this section.

196.12 Sec. 5. Minnesota Statutes 2018, section 268.145, subdivision 1, is amended to read:

196.13 Subdivision 1. **Notification.** (a) Upon filing an application for unemployment benefits,
196.14 the applicant must be informed that:

196.15 (1) unemployment benefits are subject to federal and state income tax;

196.16 (2) there are requirements for filing estimated tax payments;

196.17 (3) the applicant may elect to have federal income tax withheld from unemployment
196.18 benefits;

196.19 (4) if the applicant elects to have federal income tax withheld, the applicant may, in
196.20 addition, elect to have Minnesota state income tax withheld; and

196.21 (5) at any time during the benefit year the applicant may change a prior election.

196.22 (b) If an applicant elects to have federal income tax withheld, the commissioner must
196.23 deduct ten percent for federal income tax. If an applicant also elects to have Minnesota state
196.24 income tax withheld, the commissioner must make an additional five percent deduction for
196.25 state income tax. Any ~~amounts~~ amount deducted ~~or offset~~ under ~~sections 268.155, 268.18,~~
196.26 ~~and 268.184~~ have section 268.085 has priority over any amounts deducted under this section.
196.27 Federal income tax withholding has priority over state income tax withholding.

196.28 (c) An election to have income tax withheld may not be retroactive and only applies to
196.29 unemployment benefits paid after the election.

197.1 Sec. 6. Minnesota Statutes 2018, section 268.18, subdivision 5, is amended to read:

197.2 Subd. 5. **Remedies.** (a) Any method undertaken to recover an overpayment of
197.3 unemployment benefits, including any penalties and interest, is not an election of a method
197.4 of recovery.

197.5 (b) Intervention or lack thereof, in whole or in part, in a workers' compensation matter
197.6 under section 176.361 is not an election of a remedy and does not prevent the commissioner
197.7 from determining an applicant ineligible for unemployment benefits ~~or taking action under~~
197.8 ~~section 268.183.~~

197.9 Sec. 7. **REVISOR INSTRUCTION.**

197.10 The revisor of statutes is instructed to make the following changes in Minnesota Statutes:

197.11 (1) delete the term "bona fide" wherever it appears in section 268.035;

197.12 (2) replace the term "under" with "subject to" in section 268.047, subdivision 2, clause
197.13 (8);

197.14 (3) replace the term "displays clearly" with "shows" in chapter 268;

197.15 (4) replace the term "entire" with "hearing" in section 268.105; and

197.16 (5) replace "24 calendar months" with "eight calendar quarters" in section 268.052,
197.17 subdivision 2.

197.18 Sec. 8. **EFFECTIVE DATE.**

197.19 Unless otherwise specified, this article is effective October 1, 2019.

197.20 **ARTICLE 15**

197.21 **UI POLICY**

197.22 Section 1. Minnesota Statutes 2018, section 268.085, subdivision 8, is amended to read:

197.23 Subd. 8. **Services for school contractors.** (a) Wage credits from an employer are subject
197.24 to subdivision 7; if:

197.25 (1) the employment was provided under a contract between the employer and an
197.26 elementary or secondary school; and

197.27 (2) the contract was for services that the elementary or secondary school could have had
197.28 performed by its employees.

197.29 (b) Wage credits from an employer are not subject to subdivision 7 if:

- 198.1 (1) those wage credits were earned by an employee of a private employer performing
 198.2 work under a contract between the employer and an elementary or secondary school; and
 198.3 (2) the employment was related to bus or food services provided to the school by the
 198.4 employer.

198.5 ARTICLE 16

198.6 BUREAU OF MEDIATION SERVICES POLICY

198.7 Section 1. Minnesota Statutes 2018, section 13.43, subdivision 6, is amended to read:

198.8 Subd. 6. **Access by labor organizations, Bureau of Mediation Services, Public**
 198.9 **Employment Relations Board.** Personnel data may be disseminated to labor organizations
 198.10 and the Public Employment Relations Board to the extent that the responsible authority
 198.11 determines that the dissemination is necessary to conduct elections, notify employees of
 198.12 fair share fee assessments, and implement the provisions of chapters 179 and 179A. Personnel
 198.13 data shall be disseminated to labor organizations, the Public Employment Relations Board,
 198.14 and to the Bureau of Mediation Services to the extent the dissemination is ordered or
 198.15 authorized by the commissioner of the Bureau of Mediation Services or the Public
 198.16 Employment Relations Board or its designee.

198.17 Sec. 2. **[13.7909] PUBLIC EMPLOYMENT RELATIONS BOARD DATA.**

198.18 Subdivision 1. **Definition.** For purposes of this section, "board" means the Public
 198.19 Employment Relations Board.

198.20 Subd. 2. **Nonpublic data.** (a) Except as provided in this subdivision, all data maintained
 198.21 by the board about a charge or complaint of unfair labor practices and appeals of
 198.22 determinations of the commissioner under section 179A.12, subdivision 11, are classified
 198.23 as protected nonpublic data or confidential data, and become public when admitted into
 198.24 evidence at a hearing conducted pursuant to section 179A.13. The data may be subject to
 198.25 a protective order as determined by the board or a hearing officer.

198.26 (b) Notwithstanding sections 13.43 and 181.932, the following data are public:

- 198.27 (1) the filing date of unfair labor practice charges;
 198.28 (2) the status of unfair labor practice charges as an original or amended charge;
 198.29 (3) the names and job classifications of charging parties and charged parties;
 198.30 (4) the provisions of law alleged to have been violated in unfair labor practice charges;
 198.31 (5) the complaint issued by the board and all data in the complaint;

199.1 (6) the full and complete record of an evidentiary hearing before a hearing officer,
 199.2 including the hearing transcript, exhibits admitted into evidence, and posthearing briefs,
 199.3 unless subject to a protective order;

199.4 (7) recommended decisions and orders of hearing officers pursuant to section 179A.13,
 199.5 subdivision 1, paragraph (i);

199.6 (8) exceptions to the hearing officer's recommended decision and order filed with the
 199.7 board pursuant to section 179A.13, subdivision 1, paragraph (k);

199.8 (9) briefs filed with the board; and

199.9 (10) decisions and orders issued by the board.

199.10 (c) Notwithstanding paragraph (a), individuals have access to their own statements
 199.11 provided to the board under paragraph (a).

199.12 (d) The board may make any data classified as protected nonpublic or confidential
 199.13 pursuant to this subdivision accessible to any person or party if the access will aid the
 199.14 implementation of chapters 179 and 179A or ensure due process protection of the parties.

199.15 Sec. 3. Minnesota Statutes 2018, section 179A.041, is amended by adding a subdivision
 199.16 to read:

199.17 Subd. 10. **Open meetings.** Chapter 13D does not apply to meetings of the board when
 199.18 it is deliberating on the merits of unfair labor practice charges under sections 179.11, 179.12,
 199.19 and 179A.13; reviewing a recommended decision and order of a hearing officer under
 199.20 section 179A.13; or reviewing decisions of the commissioner of the Bureau of Mediation
 199.21 Services relating to unfair labor practices under section 179A.12, subdivision 11.

199.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

199.23 Sec. 4. Laws 2014, chapter 211, section 13, as amended by Laws 2015, First Special
 199.24 Session chapter 1, article 7, section 1, Laws 2016, chapter 189, article 7, section 42, and
 199.25 Laws 2017, chapter 94, article 12, section 1, is amended to read:

199.26 Sec. 13. **EFFECTIVE DATE.**

199.27 Sections 1 to 3 and 6 to 11 are effective ~~July~~ January 1, 2020. Sections 4, 5, and 12 are
 199.28 effective July 1, 2014.

199.29 **EFFECTIVE DATE.** This section is effective the day following final enactment. Until
 199.30 January 1, 2020, any employee, employer, employee or employer organization, exclusive

200.1 representative, or any other person or organization aggrieved by an unfair labor practice as
200.2 defined in Minnesota Statutes, section 179A.13, may bring an action for injunctive relief
200.3 and for damages caused by the unfair labor practice in the district court of the county in
200.4 which the practice is alleged to have occurred.

200.5 **ARTICLE 17**

200.6 **UNCLAIMED PROPERTY; GENERAL**

200.7 Section 1. [345A.101] DEFINITIONS.

200.8 (1) For the purposes of this chapter, the terms defined in this section have the meanings
200.9 given them.

200.10 (2) "Administrator" means the commissioner of commerce.

200.11 (3) "Administrator's agent" means a person with which the administrator contracts to
200.12 conduct an examination under this chapter on behalf of the administrator. The term includes
200.13 an independent contractor of the person and each individual participating in the examination
200.14 on behalf of the person or contractor.

200.15 (4) "Affiliated group of merchants" means two or more affiliated merchants or other
200.16 persons that are related by common ownership or common corporate control and that share
200.17 the same name, mark, or logo. Affiliated group of merchants also applies to two or more
200.18 merchants or other persons that agree among themselves, by contract or otherwise, to redeem
200.19 cards, codes, or other devices bearing the same name, mark, or logo, other than the mark,
200.20 logo, or brand of a payment network, for the purchase of goods or services solely at such
200.21 merchants or persons. However, merchants or other persons are not considered affiliated
200.22 merely because they agree to accept a card that bears the mark, logo, or brand of a payment
200.23 network.

200.24 (5) "Apparent owner" means a person whose name appears on the records of a holder
200.25 as the owner of property held, issued, or owing by the holder.

200.26 (6) "Business association" means a corporation, joint stock company, investment
200.27 company, other than an investment company registered under the Investment Company Act
200.28 of 1940, as amended, United States Code, title 15, sections 80a-1 to 80a-64, partnership,
200.29 unincorporated association, joint venture, limited liability company, business trust, trust
200.30 company, land bank, safe deposit company, safekeeping depository, financial organization,
200.31 insurance company, federally chartered entity, utility, sole proprietorship, or other business
200.32 entity, whether or not for profit.

- 201.1 (7) "District court" means Ramsey County District Court.
- 201.2 (8) "Domicile" means:
- 201.3 (A) for a corporation, the state of its incorporation;
- 201.4 (B) for a business association whose formation requires a filing with a state, other than
- 201.5 a corporation, the state of its filing;
- 201.6 (C) for a federally chartered entity or an investment company registered under the
- 201.7 Investment Company Act of 1940, as amended, United States Code, title 15, sections 80a-1
- 201.8 to 80a-64, the state of its home office; and
- 201.9 (D) for any other holder, the state of its principal place of business.
- 201.10 (9) "Electronic" means relating to technology having electrical, digital, magnetic, wireless,
- 201.11 optical, electromagnetic, or similar capabilities.
- 201.12 (10) "E-mail" means a communication by electronic means which is automatically
- 201.13 retained and stored and may be readily accessed or retrieved.
- 201.14 (11) "Financial organization" means a savings and loan association, building and loan
- 201.15 association, savings bank, industrial bank, bank, banking organization, or credit union.
- 201.16 (12) "Game-related digital content" means digital content that exists only in an electronic
- 201.17 game or electronic-game platform. The term:
- 201.18 (A) includes:
- 201.19 i. game-play currency such as a virtual wallet, even if denominated in United States
- 201.20 currency; and
- 201.21 ii. the following if for use or redemption only within the game or platform or another
- 201.22 electronic game or electronic-game platform:
- 201.23 1. points sometimes referred to as gems, tokens, gold, and similar names; and
- 201.24 2. digital codes; and
- 201.25 (B) does not include an item that the issuer:
- 201.26 i. permits to be redeemed for use outside a game or platform for:
- 201.27 ii. money; or
- 201.28 iii. goods or services that have more than minimal value; or
- 201.29 iv. otherwise monetizes for use outside a game or platform.

202.1 (13) "Gift card" means:

202.2 (A) a stored-value card:

202.3 i. issued on a prepaid basis for a specified amount;

202.4 ii. the value of which does not expire;

202.5 iii. that is not subject to a dormancy, inactivity, or service fee;

202.6 iv. that may be decreased in value only by redemption for merchandise, goods, or services

202.7 upon presentation at a single merchant or an affiliated group of merchants;

202.8 v. that, unless required by law, may not be redeemed for or converted into money or

202.9 otherwise monetized by the issuer; and

202.10 (B) includes a prepaid commercial mobile radio service, as defined in Code of Federal

202.11 Regulations, title 47, section 20.3, as amended.

202.12 (14) "Holder" means a person obligated to hold for the account of, or to deliver or pay

202.13 to, the owner, property subject to this chapter.

202.14 (15) "Insurance company" means an association, corporation, or fraternal or

202.15 mutual-benefit organization, whether or not for profit, engaged in the business of providing

202.16 life endowments, annuities, or insurance, including accident, burial, casualty, credit-life,

202.17 contract-performance, dental, disability, fidelity, fire, health, hospitalization, illness, life,

202.18 malpractice, marine, mortgage, surety, wage-protection, and worker-compensation insurance.

202.19 (16) "Loyalty card" means a record given without direct monetary consideration under

202.20 an award, reward, benefit, loyalty, incentive, rebate, or promotional program which may

202.21 be used or redeemed only to obtain goods or services or a discount on goods or services.

202.22 Loyalty card does not include a record that may be redeemed for money or otherwise

202.23 monetized by the issuer.

202.24 (17) "Mineral" means gas, oil, coal, oil shale, other gaseous liquid or solid hydrocarbon,

202.25 cement material, sand and gravel, road material, building stone, chemical raw material,

202.26 gemstone, fissionable and nonfissionable ores, colloidal and other clay, steam and other

202.27 geothermal resources, and any other substance defined as a mineral by law of this state other

202.28 than this chapter.

202.29 (18) "Mineral proceeds" means an amount payable for extraction, production, or sale of

202.30 minerals, or, on the abandonment of the amount, an amount that becomes payable after

202.31 abandonment. Mineral proceeds includes an amount payable:

203.1 (A) for the acquisition and retention of a mineral lease, including a bonus, royalty,
203.2 compensatory royalty, shut-in royalty, minimum royalty, and delay rental;

203.3 (B) for the extraction, production, or sale of minerals, including a net revenue interest,
203.4 royalty, overriding royalty, extraction payment, and production payment; and

203.5 (C) under an agreement or option, including a joint-operating agreement, unit agreement,
203.6 pooling agreement, and farm-out agreement.

203.7 (19) "Money order" means a payment order for a specified amount of money. Money
203.8 order includes an express money order and a personal money order on which the remitter
203.9 is the purchaser.

203.10 (20) "Municipal bond" means a bond or evidence of indebtedness issued by a municipality
203.11 or other political subdivision of a state.

203.12 (21) "Net card value" means the original purchase price or original issued value of a
203.13 stored-value card, plus amounts added to the original price or value, minus amounts used
203.14 and any service charge, fee, or dormancy charge permitted by law.

203.15 (22) "Nonfreely transferable security" means a security that cannot be delivered to the
203.16 administrator by the Depository Trust Clearing Corporation or similar custodian of securities
203.17 providing post-trade clearing and settlement services to financial markets or cannot be
203.18 delivered because there is no agent to effect transfer. Nonfreely transferable security includes
203.19 a worthless security.

203.20 (23) "Owner" means a person that has a legal, beneficial, or equitable interest in property
203.21 subject to this chapter or the person's legal representative when acting on behalf of the
203.22 owner. Owner includes:

203.23 (A) a depositor, for a deposit;

203.24 (B) a beneficiary, for a trust other than a deposit in trust;

203.25 (C) a creditor, claimant, or payee, for other property; and

203.26 (D) the lawful bearer of a record that may be used to obtain money, a reward, or a thing
203.27 of value.

203.28 (24) "Payroll card" means a record that evidences a payroll card account as defined in
203.29 Regulation E, Code of Federal Regulations, title 12, part 1005, as amended.

203.30 (25) "Person" means an individual, estate, business association, public corporation,
203.31 government or governmental subdivision, agency, instrumentality, or other legal entity
203.32 whether or not for profit.

- 204.1 (26) "Property" means tangible property described in section 345A.205 or a fixed and
204.2 certain interest in intangible property held, issued, or owed in the course of a holder's business
204.3 or by a government, governmental subdivision, agency, or instrumentality. Property:
- 204.4 (A) includes all income from or increments to the property;
- 204.5 (B) includes property referred to as or evidenced by:
- 204.6 i. money, virtual currency, interest, dividend, check, draft, deposit, or payroll card;
- 204.7 ii. a credit balance, customer's overpayment, stored-value card, security deposit, refund,
204.8 credit memorandum, unpaid wage, unused ticket for which the issuer has an obligation to
204.9 provide a refund, mineral proceeds, or unidentified remittance;
- 204.10 iii. a security except for:
- 204.11 1. a worthless security; or
- 204.12 2. a security that is subject to a lien, legal hold, or restriction evidenced on the records
204.13 of the holder or imposed by operation of law, if the lien, legal hold, or restriction restricts
204.14 the holder's or owner's ability to receive, transfer, sell, or otherwise negotiate the security;
- 204.15 iv. a bond, debenture, note, or other evidence of indebtedness;
- 204.16 v. money deposited to redeem a security, make a distribution, or pay a dividend;
- 204.17 vi. an amount due and payable under an annuity contract or insurance policy; and
- 204.18 vii. an amount distributable from a trust or custodial fund established under a plan to
204.19 provide health, welfare, pension, vacation, severance, retirement, death, stock purchase,
204.20 profit-sharing, employee savings, supplemental unemployment insurance, or a similar
204.21 benefit; and
- 204.22 (C) does not include:
- 204.23 i. property held in a plan described in section 529A of the Internal Revenue Code, as
204.24 amended, United States Code, title 26, section 529A;
- 204.25 ii. game-related digital content;
- 204.26 iii. a loyalty card;
- 204.27 iv. a gift card; or
- 204.28 v. money held or owing by a public pension fund enumerated in section 356.20,
204.29 subdivision 2, or 356.30, subdivision 3; or covered by sections 69.77 or 69.771 to 69.776,

205.1 if the plan governing the public pension fund includes a provision governing the disposition
205.2 of unclaimed amounts of money.

205.3 (27) "Putative holder" means a person believed by the administrator to be a holder, until
205.4 the person pays or delivers to the administrator property subject to this chapter or the
205.5 administrator or a court makes a final determination that the person is or is not a holder.

205.6 (28) "Record" means information that is inscribed on a tangible medium or that is stored
205.7 in an electronic or other medium and is retrievable in perceivable form. "Records of the
205.8 holder" includes records maintained by a third party that has contracted with the holder.

205.9 (29) "Security" means:

205.10 (A) a security as defined in article 8 of the Uniform Commercial Code, section 336.8-102;

205.11 (B) a security entitlement as defined in article 8 of the Uniform Commercial Code,
205.12 section 336.8-102, including a customer security account held by a registered broker-dealer,
205.13 to the extent the financial assets held in the security account are not:

205.14 i. registered on the books of the issuer in the name of the person for which the
205.15 broker-dealer holds the assets;

205.16 ii. payable to the order of the person; or

205.17 iii. specifically endorsed to the person; or

205.18 (C) an equity interest in a business association not included in subparagraph (A) or (B).

205.19 (30) "State" means a state of the United States, the District of Columbia, the
205.20 Commonwealth of Puerto Rico, the United States Virgin Islands, or any territory or insular
205.21 possession subject to the jurisdiction of the United States.

205.22 (31) "Stored-value card" means a record evidencing a promise made for consideration
205.23 by the seller or issuer of the record that goods, services, or money will be provided to the
205.24 owner of the record to the value or amount shown in the record. Stored-value card:

205.25 (A) includes:

205.26 i. a record that contains or consists of a microprocessor chip, magnetic strip, or other
205.27 means for the storage of information, which is prefunded and whose value or amount is
205.28 decreased on each use and increased by payment of additional consideration; and

205.29 ii. a payroll card; and

205.30 (B) does not include a loyalty card, gift card, or game-related digital content.

206.1 (32) "Utility" means a person that owns or operates for public use a plant, equipment,
206.2 real property, franchise, or license for the following public services:

206.3 (A) transmission of communications or information;

206.4 (B) production, storage, transmission, sale, delivery, or furnishing of electricity, water,
206.5 steam, or gas; or

206.6 (C) provision of sewage or septic services, or trash, garbage, or recycling disposal.

206.7 (33) "Virtual currency" means a digital representation of value used as a medium of
206.8 exchange, unit of account, or store of value, which does not have legal tender status
206.9 recognized by the United States. Virtual currency does not include:

206.10 (A) the software or protocols governing the transfer of the digital representation of value;

206.11 (B) game-related digital content; or

206.12 (C) a loyalty card or gift card.

206.13 (34) "Worthless security" means a security whose cost of liquidation and delivery to the
206.14 administrator would exceed the value of the security on the date a report is due under this
206.15 chapter.

206.16 **Sec. 2. [345A.102] INAPPLICABILITY TO FOREIGN TRANSACTION.**

206.17 This chapter does not apply to property held, due, and owing in a foreign country if the
206.18 transaction out of which the property arose was a foreign transaction.

206.19 **ARTICLE 18**

206.20 **UNCLAIMED PROPERTY; PRESUMPTION OF ABANDONMENT**

206.21 **Section 1. [345A.201] WHEN PROPERTY PRESUMED ABANDONED.**

206.22 Subject to section 345A.210, the following property is presumed abandoned if it is
206.23 unclaimed by the apparent owner during the period specified below:

206.24 (1) a traveler's check, 15 years after issuance;

206.25 (2) a money order, seven years after issuance;

206.26 (3) cooperative property, including any profit distribution or other sum held or owing
206.27 by a cooperative to a participating patron is presumed abandoned only if it has remained
206.28 unclaimed by the owner for more than seven years after it became payable or distributable;

207.1 (4) a state or municipal bond, bearer bond, or original-issue discount bond, three years
207.2 after the earliest of the date the bond matures or is called or the obligation to pay the principal
207.3 of the bond arises;

207.4 (5) a debt of a business association, three years after the obligation to pay arises;

207.5 (6) demand, savings, or time deposit, including a deposit that is automatically renewable,
207.6 three years after the later of the maturity or the date of the last indication of interest in the
207.7 property by the apparent owner, except a deposit that is automatically renewable is deemed
207.8 matured three years after its initial date of maturity unless the apparent owner consented to
207.9 renewal in a record on file with the holder at or about the time of the renewal;

207.10 (7) money or a credit owed to a customer as a result of a retail business transaction, other
207.11 than in-store credit for returned merchandise, three years after the obligation arose;

207.12 (8) an amount owed by an insurance company on a life or endowment insurance policy
207.13 or an annuity contract that has matured or terminated, three years after the obligation to pay
207.14 arose under the terms of the policy or contract or, if a policy or contract for which an amount
207.15 is owed on proof of death has not matured by proof of the death of the insured or annuitant,
207.16 as follows:

207.17 (A) with respect to an amount owed on a life or endowment insurance policy, the earlier
207.18 of:

207.19 i. three years after the death of the insured; or

207.20 ii. two years after the insured has attained, or would have attained if living, the limiting
207.21 age under the mortality table in which the reserve for the policy is based; and

207.22 (B) with respect to an amount owed on an annuity contract, three years after the date of
207.23 the death of the annuitant;

207.24 (9) funds on deposit or held in trust for the prepayment of funeral or other funeral-related
207.25 expenses, the earliest of:

207.26 (A) two years after the date of death of the beneficiary;

207.27 (B) one year after the date the beneficiary has attained, or would have attained if living,
207.28 the age of 105 where the holder does not know whether the beneficiary is deceased; or

207.29 (C) 30 years after the contract for prepayment was executed;

207.30 (10) property distributable by a business association in the course of dissolution, one
207.31 year after the property becomes distributable;

208.1 (11) property held by a court, including property received as proceeds of a class action,
208.2 three years after the property becomes distributable;

208.3 (12) property held by a government or governmental subdivision, agency, or
208.4 instrumentality, including municipal bond interest and unredeemed principal under the
208.5 administration of a paying agent or indenture trustee, one year after the property becomes
208.6 distributable;

208.7 (13) wages, commissions, bonuses, or reimbursements to which an employee is entitled,
208.8 or other compensation for personal services, including amounts held on a payroll card, one
208.9 year after the amount becomes payable;

208.10 (14) a deposit or refund owed to a subscriber by a utility, one year after the deposit or
208.11 refund becomes payable; and

208.12 (15) property not specified in this section or sections 345A.202 to 345A.208, the earlier
208.13 of three years after the owner first has a right to demand the property or the obligation to
208.14 pay or distribute the property arises.

208.15 Notwithstanding any provision in this section to the contrary, and subject to section
208.16 345A.210, a deceased owner cannot indicate interest in the owner's property. If the owner
208.17 is deceased and the abandonment period for the owner's property specified in this section
208.18 is greater than two years, then the property, excluding any amounts owed by an insurance
208.19 company on a life or endowment insurance policy or an annuity contract that has matured
208.20 or terminated, shall instead be presumed abandoned two years from the date of the owner's
208.21 last indication of interest in the property.

208.22 **Sec. 2. [345A.202] WHEN TAX-DEFERRED RETIREMENT ACCOUNT**
208.23 **PRESUMED ABANDONED.**

208.24 (a) Subject to section 345A.210, property held in a pension account or retirement account
208.25 that qualifies for tax deferral under the income tax laws of the United States is presumed
208.26 abandoned if it is unclaimed by the apparent owner after the later of:

208.27 (1) three years after the following dates:

208.28 (A) except as in subparagraph (B), the date a communication sent by the holder by
208.29 first-class United States mail to the apparent owner is returned to the holder undelivered by
208.30 the United States Postal Service; or

209.1 (B) if such communication is re-sent within 30 days after the date the first communication
209.2 is returned undelivered, the date the second communication was returned undelivered by
209.3 the United States Postal Service; or

209.4 (2) the earlier of the following dates:

209.5 (A) three years after the date the apparent owner becomes 70.5 years of age, if
209.6 determinable by the holder; or

209.7 (B) one year after the date of mandatory distribution following death if the Internal
209.8 Revenue Code, as amended, United States Code, title 26, section 1, et seq., requires
209.9 distribution to avoid a tax penalty and the holder:

209.10 (i) receives confirmation of the death of the apparent owner in the ordinary course of
209.11 its business; or

209.12 (ii) confirms the death of the apparent owner under subsection (b).

209.13 (b) If a holder in the ordinary course of its business receives notice or an indication of
209.14 the death of an apparent owner and subsection (a)(2) applies, the holder shall attempt, not
209.15 later than 90 days after receipt of the notice or indication, to confirm whether the apparent
209.16 owner is deceased.

209.17 (c) If the holder does not send communications to the apparent owner of an account
209.18 described in subsection (a) by first-class United States mail, the holder shall attempt to
209.19 confirm the apparent owner's interest in the property by sending the apparent owner an
209.20 e-mail communication not later than two years after the apparent owner's last indication of
209.21 interest in the property; however, the holder promptly shall attempt to contact the apparent
209.22 owner by first-class United States mail if:

209.23 (1) the holder does not have information needed to send the apparent owner an e-mail
209.24 communication or the holder believes that the apparent owner's e-mail address in the holder's
209.25 records is not valid;

209.26 (2) the holder receives notification that the e-mail communication was not received; or

209.27 (3) the apparent owner does not respond to the e-mail communication not later than 30
209.28 days after the communication was sent.

209.29 (d) If first-class United States mail sent under subsection (c) is returned to the holder
209.30 undelivered by the United States Postal Service, the property is presumed abandoned three
209.31 years after the later of:

210.1 (1) except as in paragraph (2), the date a communication to contact the apparent owner
210.2 sent by first-class United States mail is returned to the holder undelivered;

210.3 (2) if such communication is sent later than 30 days after the date the first communication
210.4 is returned undelivered, the date the second communication was returned undelivered; or

210.5 (3) the date established by subsection (a)(2).

210.6 **Sec. 3. [345A.203] WHEN OTHER TAX-DEFERRED ACCOUNT PRESUMED**
210.7 **ABANDONED.**

210.8 (a) Subject to section 345A.210 and except for property described in section 345A.202
210.9 and property held in a plan described in section 529A of the Internal Revenue Code, as
210.10 amended; United States Code, title 26, section 529A, property held in an account or plan,
210.11 including a health savings account, that qualifies for tax deferral under the income tax laws
210.12 of the United States is presumed abandoned if it is unclaimed by the apparent owner three
210.13 years after the earlier of:

210.14 (1) the date, if determinable by the holder, specified in the income tax laws and
210.15 regulations of the United States by which distribution of the property must begin to avoid
210.16 a tax penalty, with no distribution having been made; or

210.17 (2) 30 years after the date the account was opened.

210.18 (b) If the owner is deceased, property subject to this section is presumed abandoned two
210.19 years from the earliest of:

210.20 (1) the date of the distribution or attempted distribution of the property;

210.21 (2) the date the required distribution as stated in the plan or trust agreement governing
210.22 the plan; or

210.23 (3) the date, if determinable by the holder, specified in the income tax laws of the United
210.24 States by which distribution of the property must begin in order to avoid a tax penalty.

210.25 **Sec. 4. [345A.204] WHEN CUSTODIAL ACCOUNT FOR MINOR PRESUMED**
210.26 **ABANDONED.**

210.27 (a) Subject to section 345A.210, property held in an account established under a state's
210.28 Uniform Gifts to Minors Act or Uniform Transfers to Minors Act is presumed abandoned
210.29 if it is unclaimed by or on behalf of the minor on whose behalf the account was opened
210.30 three years after the later of:

211.1 (1) except as in paragraph (2), the date a communication sent by the holder by first-class
211.2 United States mail to the custodian of the minor on whose behalf the account was opened
211.3 is returned undelivered to the holder by the United States Postal Service;

211.4 (2) if the communication is re-sent later than 30 days after the date the first
211.5 communication is returned undelivered, the date the second communication was returned
211.6 undelivered; or

211.7 (3) the date on which the custodian is required to transfer the property to the minor or
211.8 the minor's estate in accordance with the Uniform Gifts to Minors Act or Uniform Transfers
211.9 to Minors Act of the state in which the account was opened.

211.10 (b) If the holder does not send communications to the custodian of the minor on whose
211.11 behalf an account described in subsection (a) was opened by first-class United States mail,
211.12 the holder shall attempt to confirm the custodian's interest in the property by sending the
211.13 custodian an e-mail communication not later than two years after the custodian's last
211.14 indication of interest in the property; however, the holder promptly shall attempt to contact
211.15 the custodian by first-class United States mail if:

211.16 (1) the holder does not have information needed to send the custodian an e-mail
211.17 communication or the holder believes that the custodian's e-mail address in the holder's
211.18 records is not valid;

211.19 (2) the holder receives notification that the e-mail communication was not received; or

211.20 (3) the custodian does not respond to the e-mail communication not later than 30 days
211.21 after the communication was sent.

211.22 (c) If first-class United States mail sent under subsection (b) is returned undelivered to
211.23 the holder by the United States Postal Service, the property is presumed abandoned three
211.24 years after the later of:

211.25 (1) the date a communication to contact the custodian by first-class United States mail
211.26 is returned to the holder undelivered by the United States Postal Service; or

211.27 (2) the date established by subsection (a)(3).

211.28 (d) When the property in the account described in subsection (a) is transferred to the
211.29 minor on whose behalf an account was opened or to the minor's estate, the property in the
211.30 account is no longer subject to this section.

212.1 Sec. 5. **[345A.205] WHEN CONTENTS OF SAFE DEPOSIT BOX PRESUMED**
212.2 **ABANDONED.**

212.3 Tangible property held in a safe deposit box and proceeds from a sale of the property
212.4 by the holder permitted by law of this state other than this chapter are presumed abandoned
212.5 if the property remains unclaimed by the apparent owner five years after the earlier of the:

212.6 (1) expiration of the lease or rental period for the safe deposit box; or

212.7 (2) earliest date when the lessor of the safe deposit box is authorized by law of this state
212.8 other than this chapter to enter the safe deposit box and remove or dispose of the contents
212.9 without consent or authorization of the lessee.

212.10 Sec. 6. **[345A.206] WHEN STORED-VALUE CARD PRESUMED ABANDONED.**

212.11 (a) Subject to section 345A.210, the net card value of a stored-value card, other than a
212.12 payroll card or a gift card, is presumed abandoned on the latest of three years after:

212.13 (1) December 31 of the year in which the card is issued or additional funds are deposited
212.14 into it;

212.15 (2) the most recent indication of interest in the card by the apparent owner; or

212.16 (3) a verification or review of the balance by or on behalf of the apparent owner.

212.17 (b) The amount presumed abandoned in a stored-value card is the net card value at the
212.18 time it is presumed abandoned.

212.19 (c) If a holder has reported and remitted to the administrator the net card value on a
212.20 stored-value card presumed abandoned under this section and the stored-value card does
212.21 not have an expiration date, then the holder must honor the card on presentation indefinitely
212.22 and may then request reimbursement from the administrator under section 345A.605.

212.23 Sec. 7. **[345A.208] WHEN SECURITY PRESUMED ABANDONED.**

212.24 (a) Subject to section 345A.210, a security is presumed abandoned after the earlier of
212.25 the following:

212.26 (1) three years after the date a communication sent by the holder by first-class United
212.27 States mail to the apparent owner is returned to the holder undelivered by the United States
212.28 Postal Service or if such communication is re-sent no later than 30 days after the first
212.29 communication is returned, the date the second communication is returned undelivered to
212.30 the holder by the United States Postal Service; or

213.1 (2) five years after the date of the apparent owner's last indication of interest in the
213.2 security.

213.3 (b) If the holder does not send communications to the apparent owner of a security by
213.4 first-class United States mail, the holder shall attempt to confirm the apparent owner's
213.5 interest in the security by sending the apparent owner an e-mail communication not later
213.6 than two years after the apparent owner's last indication of interest in the security; however,
213.7 the holder promptly shall attempt to contact the apparent owner by first-class United States
213.8 mail if:

213.9 (1) the holder does not have information needed to send the apparent owner an e-mail
213.10 communication or the holder believes that the apparent owner's e-mail address in the holder's
213.11 records is not valid;

213.12 (2) the holder receives notification that the e-mail communication was not received; or

213.13 (3) the apparent owner does not respond to the e-mail communication not later than 30
213.14 days after the communication was sent.

213.15 (c) If first-class United States mail sent under subsection (b) is returned to the holder
213.16 undelivered by the United States Postal Service, the security is presumed abandoned in
213.17 accordance with subsection (a)(2).

213.18 (d) If a holder, in the ordinary course of business, receives notice or an indication of the
213.19 death of an apparent owner, the holder shall attempt, not later than 90 days after receipt of
213.20 the notice or indication, to confirm whether the apparent owner is deceased. Notwithstanding
213.21 the standards set forth in subsections (a), (b), and (c), if the holder either receives
213.22 confirmation of the death of the apparent owner in the ordinary course of business or confirms
213.23 the death of the apparent owner under this subsection, then the property shall be presumed
213.24 abandoned two years after the date of the owner's death.

213.25 **Sec. 8. [345A.209] WHEN RELATED PROPERTY PRESUMED ABANDONED.**

213.26 At and after the time property is presumed abandoned under this chapter, any other
213.27 property right or interest accrued or accruing from the property and not previously presumed
213.28 abandoned is also presumed abandoned.

213.29 **Sec. 9. [345A.210] INDICATION OF APPARENT OWNER INTEREST IN**
213.30 **PROPERTY.**

213.31 (a) The period after which property is presumed abandoned is measured from the later:

- 214.1 (1) the date the property is presumed abandoned under sections 345A.201 to 345A.211;
214.2 or
- 214.3 (2) the latest indication of interest by the apparent owner in the property.
- 214.4 (b) Under this chapter, an indication of an apparent owner's interest in property includes:
- 214.5 (1) a record communicated by the apparent owner to the holder or agent of the holder
214.6 concerning the property or the account in which the property is held;
- 214.7 (2) an oral communication by the apparent owner to the holder or agent of the holder
214.8 concerning the property or the account in which the property is held, if the holder or its
214.9 agent contemporaneously makes and preserves a record of the fact of the apparent owner's
214.10 communication;
- 214.11 (3) presentment of a check or other instrument of payment of a dividend, interest payment,
214.12 or other distribution, or evidence of receipt of a distribution made by electronic or similar
214.13 means, with respect to an account, underlying security, or interest in a business association.
- 214.14 (4) activity directed by an apparent owner in the account in which the property is held,
214.15 including accessing the account or information concerning the account, or a direction by
214.16 the apparent owner to increase, decrease, or otherwise change the amount or type of property
214.17 held in the account;
- 214.18 (5) a deposit into or withdrawal from an account at a financial organization, except for
214.19 an automatic debit or credit previously authorized by the apparent owner or an automatic
214.20 reinvestment of dividends or interest; and
- 214.21 (6) subject to subsection (e), payment of a premium on an insurance policy.
- 214.22 (c) An action by an agent or other representative of an apparent owner, other than the
214.23 holder acting as the apparent owner's agent, is presumed to be an action on behalf of the
214.24 apparent owner.
- 214.25 (d) A communication with an apparent owner by a person other than the holder or the
214.26 holder's representative is not an indication of interest in the property by the apparent owner
214.27 unless a record of the communication evidences the apparent owner's knowledge of a right
214.28 to the property.
- 214.29 (e) If the insured dies or the insured or beneficiary of an insurance policy otherwise
214.30 becomes entitled to the proceeds before depletion of the cash surrender value of the policy
214.31 by operation of an automatic premium loan provision or other nonforfeiture provision

215.1 contained in the policy, the operation does not prevent the policy from maturing or
215.2 terminating.

215.3 (f) If the apparent owner has other property with the holder to which section 345A.201,
215.4 paragraph (6), applies, the activity directed by the apparent owner toward any other accounts,
215.5 including but not limited to loan accounts, at the financial organization holding an inactive
215.6 account of the apparent owner shall be an indication of interest in all such accounts if:

215.7 (1) the apparent owner engages in one or more of the following activities:

215.8 (A) the apparent owner undertakes one or more of the actions described in subsection
215.9 (b) regarding an account that appears on a consolidated statement with the inactive account;

215.10 (B) the apparent owner increases or decreases the amount of funds in any other account
215.11 the apparent owner has with the financial organization; or

215.12 (C) the apparent owner engages in any other relationship with the financial organization,
215.13 including payment of any amounts due on a loan; and

215.14 (2) the mailing address for the apparent owner in the financial organization's records is
215.15 the same for both the inactive account and the active account.

215.16 **Sec. 10. [345A.211] KNOWLEDGE OF DEATH OF INSURED OR ANNUITANT.**

215.17 (a) In this section, "death master file" ("DMF") means the United States Social Security
215.18 Administration Death Master File or other database or service that is at least as
215.19 comprehensive as the United States Social Security Administration Death Master File for
215.20 determining that an individual reportedly has died.

215.21 (b) With respect to a life or endowment insurance policy or annuity contract for which
215.22 an amount is owed on proof of death, but which has not matured by proof of death of the
215.23 insured or annuitant, the company has knowledge of the death of an insured or annuitant
215.24 when:

215.25 (1) the company receives a death certificate or court order determining that the insured
215.26 or annuitant has died;

215.27 (2) the company receives notice of the death of the insured or annuitant from the
215.28 administrator or an unclaimed property administrator of another state, a beneficiary, a policy
215.29 owner, a relative of the insured, a representative under the Probate Act of 1975, or an
215.30 executor or other legal representative of the insured's or annuitant's estate and validates the
215.31 death of the insured or annuitant;

216.1 (3) the company conducts a comparison for any purpose between a DMF and the names
216.2 of some or all of the company's insureds or annuitants, finds a match that provides notice
216.3 that the insured or annuitant has died, and validates the death; or

216.4 (4) the administrator or the administrator's agent conducts a comparison for the purpose
216.5 of finding matches during an examination conducted under this chapter between a DMF
216.6 and the names of some or all of the company's insureds or annuitants, and finds a match
216.7 that provides notice that the insured or annuitant has died.

216.8 (c) A holder shall perform a comparison of its insureds' in-force policies, annuity
216.9 contracts, and retained asset accounts against a DMF on at least a semiannual basis by using
216.10 the full DMF once and thereafter using DMF updated files for future comparisons to identify
216.11 potential matches of its insureds.

216.12 (d) A death master file match under subsection (b)(3) or (4) occurs if the criteria for an
216.13 exact or partial match are satisfied.

216.14 (1) an exact match occurs when the Social Security number, first and last name, and
216.15 date of birth contained in the holder's records matches exactly to the data contained in the
216.16 DMF;

216.17 (2) a partial match occurs in any of the following circumstances:

216.18 (A) when the Social Security number contained in the data found in the holder's records
216.19 matches exactly or in accordance with the fuzzy match criteria listed below to the Social
216.20 Security number contained in the DMF, the first and last names match either exactly or in
216.21 accordance with the fuzzy match criteria listed below, and the date of birth matches exactly
216.22 or in accordance with the fuzzy match criteria listed below;

216.23 (B) when the holder's records do not include a Social Security number or where the
216.24 Social Security number is incomplete or otherwise invalid, and there is a first name, last
216.25 name, and date of birth combination in the holder's data that is a match against the data
216.26 contained in the DMF where the first and last names match either exactly or in accordance
216.27 with the fuzzy match criteria listed below and the date of birth matches exactly or in
216.28 accordance with the fuzzy match criteria listed below;

216.29 (C) if there is more than one potentially matched individual returned as a result of the
216.30 process described in paragraphs (A) and (B) above, the holder shall search the Social Security
216.31 numbers obtained from the DMF for the potential matched individuals against Accurint for
216.32 Insurance or an equivalent database. If a search of those databases shows that the DMF
216.33 Social Security number is listed at the address in the holder's records for the insured, a

217.1 partial match will be considered to have been made only for individuals with a matching
217.2 address;

217.3 (D) fuzzy match criteria includes the following:

217.4 (i) a first name fuzzy match includes one or more of the following: a nickname; an initial
217.5 instead of a full first name; accepted industry standard phonetic name-matching algorithm;
217.6 data entry mistakes with a maximum difference of one character with at least five characters
217.7 in length; a first and last name are provided and cannot be reliably distinguished from one
217.8 another; use of interchanged first name and middle name; a misused compound name; and
217.9 the use of a "Mrs." in conjunction with a spouse's name where the date of birth and Social
217.10 Security number match exactly and the last name matches exactly or in accordance with
217.11 the fuzzy match criteria listed herein;

217.12 (ii) a last name fuzzy match includes one or more of the following: Anglicized forms
217.13 of last names; compound last name; blank spaces in last name; accepted industry standard
217.14 phonetic name-matching algorithm; a first and last name are provided and cannot be reliably
217.15 distinguished from one another; use of apostrophe or other punctuation; data entry mistakes
217.16 with a maximum difference of one character for last name with at least eight characters in
217.17 length; and married female last name variations;

217.18 (iii) a date of birth fuzzy match includes one of the following: two dates with a maximum
217.19 of two digits in difference, but only one entry mistake per full date is allowable; transposition
217.20 of the month and date portion of the date of birth; if the holder's records do not contain a
217.21 complete date of birth, then a fuzzy match date of birth will be found to exist where the data
217.22 available in the holder's records does not conflict with the data contained in the DMF; if
217.23 the holder provided a first and last name match, either exactly or in accordance with the
217.24 fuzzy match criteria herein and the Social Security number matches exactly against the
217.25 DMF, the date of birth is a fuzzy match if the holder provided a date of birth that is within
217.26 two years of the DMF-listed date of birth;

217.27 (iv) a Social Security number fuzzy match includes one of the following: two Social
217.28 Security numbers with a maximum of two digits in difference, any number position; two
217.29 consecutive numbers are transposed; and the Social Security number is less than nine digits
217.30 in length, but at least seven digits, and is entirely embedded within the other Social Security
217.31 number;

217.32 (3) the DMF match does not constitute proof of death for the purpose of submission to
217.33 an insurance company of a claim by a beneficiary, annuitant, or owner of the policy or
217.34 contract for an amount due under an insurance policy or annuity contract;

218.1 (4) the DMF match or validation of the insured's or annuitant's death does not alter the
218.2 requirements for a beneficiary, annuitant, or owner of the policy or contract to make a claim
218.3 to receive proceeds under the terms of the policy or contract;

218.4 (5) an insured or an annuitant is presumed dead if the date of the person's death is
218.5 indicated by the DMF match under either subsection (b)(3) or (4), unless the insurer has
218.6 competent and substantial evidence that the person is living, including but not limited to a
218.7 contact made by the insurer with the person or the person's legal representation.

218.8 (e) This chapter does not affect the determination of the extent to which an insurance
218.9 company before the effective date of this chapter had knowledge of the death of an insured
218.10 or annuitant or was required to conduct a DMF comparison to determine whether amounts
218.11 owed by the company on a life or endowment insurance policy or annuity contract were
218.12 presumed abandoned or unclaimed.

218.13 **Sec. 11. [345A.211] DEPOSIT ACCOUNT FOR PROCEEDS OF INSURANCE**
218.14 **POLICY OR ANNUITY CONTRACT.**

218.15 If proceeds payable under a life or endowment insurance policy or annuity contract are
218.16 deposited into an account with check or draft-writing privileges for the beneficiary of the
218.17 policy or contract and, under a supplementary contract not involving annuity benefits other
218.18 than death benefits, the proceeds are retained by the insurance company or the financial
218.19 organization where the account is held, the policy or contract includes the assets in the
218.20 account.

218.21 **ARTICLE 19**
218.22 **UNCLAIMED PROPERTY; RULES FOR TAKING CUSTODY OF PROPERTY**
218.23 **PRESUMED ABANDONED**

218.24 **Section 1. [345A.301] ADDRESS OF APPARENT OWNER TO ESTABLISH**
218.25 **PRIORITY.**

218.26 In sections 345A.301 to 345A.307, the following rules apply:

218.27 (1) The last known address of an apparent owner is any description, code, or other
218.28 indication of the location of the apparent owner which identifies the state, even if the
218.29 description, code, or indication of location is not sufficient to direct the delivery of first-class
218.30 United States mail to the apparent owner.

218.31 (2) If the United States postal zip code associated with the apparent owner is for a post
218.32 office located in this state, this state is deemed to be the state of the last known address of

219.1 the apparent owner unless other records associated with the apparent owner specifically
219.2 identify the physical address of the apparent owner to be in another state.

219.3 (3) If the address under paragraph (2) is in another state, the other state is deemed to be
219.4 the state of the last known address of the apparent owner.

219.5 (4) The address of the apparent owner of a life or endowment insurance policy or annuity
219.6 contract or its proceeds is presumed to be the address of the insured or annuitant if a person
219.7 other than the insured or annuitant is entitled to the amount owed under the policy or contract
219.8 and the address of the other person is not known by the insurance company and cannot be
219.9 determined under section 345A.302.

219.10 **Sec. 2. [345A.302] ADDRESS OF APPARENT OWNER IN THIS STATE.**

219.11 The administrator may take custody of property that is presumed abandoned, whether
219.12 located in this state, another state, or a foreign country, if:

219.13 (1) the last known address of the apparent owner in the records of the holder is in this
219.14 state; or

219.15 (2) the records of the holder do not reflect the identity or last known address of the
219.16 apparent owner, but the administrator has determined that the last known address of the
219.17 apparent owner is in this state.

219.18 **Sec. 3. [345A.303] IF RECORDS SHOW MULTIPLE ADDRESSES OF APPARENT**
219.19 **OWNER.**

219.20 (a) Except as provided in subsection (b), if records of a holder reflect multiple addresses
219.21 for an apparent owner and this state is the state of the last known address, this state may
219.22 take custody of property presumed abandoned, whether located in this state or another state.

219.23 (b) If it appears from records of the holder that the last known address of the apparent
219.24 owner under subsection (a) is a temporary address and this state is the state of the next most
219.25 recently recorded address that is not a temporary address, this state may take custody of the
219.26 property presumed abandoned.

219.27 **Sec. 4. [345A.304] HOLDER DOMICILED IN THIS STATE.**

219.28 (a) Except as provided in subsection (b) or section 345A.302 or 345A.303, the
219.29 administrator may take custody of property presumed abandoned, whether located in this
219.30 state, another state, or a foreign country, if the holder is domiciled in this state, another state,
219.31 or a governmental subdivision, agency, or instrumentality of this state and:

220.1 (1) another state or foreign country is not entitled to the property because there is no last
220.2 known address of the apparent owner or other person entitled to the property in the records
220.3 of the holder; or

220.4 (2) the state or foreign country of the last known address of the apparent owner or other
220.5 person entitled to the property does not provide for custodial taking of the property.

220.6 (b) Property is not subject to custody of the administrator under subsection (a) if the
220.7 property is specifically exempt from custodial taking under the law of this state, another
220.8 state, or foreign country of the last known address of the apparent owner.

220.9 (c) If a holder's state of domicile has changed since the time the property was presumed
220.10 abandoned, the holder's state of domicile in this section is deemed to be the state where the
220.11 holder was domiciled at the time the property was presumed abandoned.

220.12 **Sec. 5. [345A.305] CUSTODY IF TRANSACTION TOOK PLACE IN THIS STATE.**

220.13 Except as provided in sections 345A.302 to 345A.304, the administrator may take custody
220.14 of property presumed abandoned whether located in this state or another state if:

220.15 (1) the transaction out of which the property arose took place in this state;

220.16 (2) the holder is domiciled in a state that does not provide for the custodial taking of the
220.17 property, except that if the property is specifically exempt from custodial taking under the
220.18 law of the state of the holder's domicile, the property is not subject to the custody of the
220.19 administrator; and

220.20 (3) the last known address of the apparent owner or other person entitled to the property
220.21 is unknown or in a state that does not provide for the custodial taking of the property, except
220.22 that if the property is specifically exempt from custodial taking under the law of the state
220.23 of the last known address, the property is not subject to the custody of the administrator.

220.24 **Sec. 6. [345A.306] TRAVELER'S CHECK, MONEY ORDER, OR SIMILAR**
220.25 **INSTRUMENT.**

220.26 The administrator may take custody of sums payable on a traveler's check, money order,
220.27 or similar instrument presumed abandoned to the extent permissible under United States
220.28 Code, title 12, sections 2501 through 2503, as amended.

221.1 Sec. 7. **[345A.307] BURDEN OF PROOF TO ESTABLISH ADMINISTRATOR'S**
221.2 **RIGHT TO CUSTODY.**

221.3 Subject to this chapter, if the administrator asserts a right to custody of unclaimed
221.4 property and there is a dispute concerning such property, the administrator has the initial
221.5 burden to prove:

221.6 (1) the amount of the property;

221.7 (2) the property is presumed abandoned; and

221.8 (3) the property is subject to the custody of the administrator.

221.9 **ARTICLE 20**

221.10 **UNCLAIMED PROPERTY; REPORT BY HOLDER**

221.11 Section 1. **[345A.401] REPORT REQUIRED BY HOLDER.**

221.12 (a) A holder of property presumed abandoned and subject to the custody of the
221.13 administrator shall report in a record to the administrator concerning the property. A holder
221.14 shall submit an electronic report in a format prescribed by, and acceptable to, the
221.15 administrator.

221.16 (b) A holder may contract with a third party to make the report required under subsection
221.17 (a).

221.18 (c) Whether or not a holder contracts with a third party under subsection (b), the holder
221.19 is responsible:

221.20 (1) to the administrator for the complete, accurate, and timely reporting of property
221.21 presumed abandoned; and

221.22 (2) for paying or delivering to the administrator property described in the report.

221.23 Sec. 2. **[345A.402] CONTENT OF REPORT.**

221.24 (a) The report required under section 345A.401 must:

221.25 (1) be signed by or on behalf of the holder and verified as to its completeness and
221.26 accuracy;

221.27 (2) be filed electronically, unless exception is granted, and be in a secure format approved
221.28 by the administrator which protects confidential information of the apparent owner;

221.29 (3) describe the property;

222.1 (4) except for a traveler's check, money order, or similar instrument, contain the name,
222.2 if known, last known address, if known, and Social Security number or taxpayer identification
222.3 number, if known or readily ascertainable, of the apparent owner of property with a value
222.4 of \$50 or more;

222.5 (5) for an amount held or owing under a life or endowment insurance policy or annuity
222.6 contract, contain the name and last known address of the insured, annuitant, or other apparent
222.7 owner of the policy or contract and of the beneficiary;

222.8 (6) for property held in or removed from a safe deposit box, indicate the location of the
222.9 property, and where it may be inspected by the administrator;

222.10 (7) contain the commencement date for determining abandonment under sections
222.11 345A.201 to 345A.211;

222.12 (8) state that the holder has complied with the notice requirements of section 345A.501;

222.13 (9) identify property that is a nonfreely transferable security and explain why it is a
222.14 nonfreely transferable security; and

222.15 (10) contain other information prescribed by the administrator.

222.16 (b) A report under section 345A.401 may include in the aggregate items valued under
222.17 \$50 each. If the report includes items in the aggregate valued under \$50 each, the
222.18 administrator may not require the holder to provide the name and address of an apparent
222.19 owner of an item unless the information is necessary to verify or process a claim in progress
222.20 by the apparent owner.

222.21 (c) A report under section 345A.401 may include personal information as defined in
222.22 section 345A.401(a) about the apparent owner or the apparent owner's property.

222.23 (d) If a holder has changed its name while holding property presumed abandoned or is
222.24 a successor to another person that previously held the property for the apparent owner, the
222.25 holder must include in the report under section 345A.401 its former name or the name of
222.26 the previous holder, if any, and the known name and address of each previous holder of the
222.27 property.

222.28 Sec. 3. **[345A.403] WHEN REPORT TO BE FILED.**

222.29 (a) Except as otherwise provided in subsection (b) and subject to subsection (c), the
222.30 report under section 345A.401 must be filed before November 1 of each year and cover the
222.31 12 months preceding July 1 of that year.

223.1 (b) Subject to subsection (c), the report under section 345A.401 to be filed by an insurance
223.2 company must be filed before May 1 of each year for the immediately preceding calendar
223.3 year.

223.4 (c) Before the date for filing the report under section 345A.401, the holder of property
223.5 presumed abandoned may request the administrator to extend the time for filing. The
223.6 administrator may grant an extension. If the extension is granted, the holder may pay or
223.7 make a partial payment of the amount the holder estimates ultimately will be due. The
223.8 payment or partial payment terminates accrual of interest on the amount paid.

223.9 **Sec. 4. [345A.404] RETENTION OF RECORDS BY HOLDER.**

223.10 A holder required to file a report under section 345A.401 shall retain records for ten
223.11 years after the later of the date the report was filed or the last date a timely report was due
223.12 to be filed, unless a shorter period is provided by rule of the administrator. The holder may
223.13 satisfy the requirement to retain records under this section through an agent. The records
223.14 must contain:

223.15 (1) the information required to be included in the report;

223.16 (2) the date, place, and nature of the circumstances that gave rise to the property right;

223.17 (3) the amount or value of the property;

223.18 (4) the last known address of the apparent owner, if known to the holder; and

223.19 (5) if the holder sells, issues, or provides to others for sale or issue in this state traveler's
223.20 checks, money orders, or similar instruments, other than third-party bank checks, on which
223.21 the holder is directly liable, a record of the instruments while they remain outstanding,
223.22 indicating the state and date of issue.

223.23 **Sec. 5. [345A.405] PROPERTY REPORTABLE AND PAYABLE OR**
223.24 **DELIVERABLE ABSENT OWNER DEMAND.**

223.25 Property is reportable and payable or deliverable under this chapter even if the owner
223.26 fails to make demand or present an instrument or document otherwise required to obtain
223.27 payment.

ARTICLE 21**UNCLAIMED PROPERTY; NOTICE TO APPARENT OWNER OF PROPERTY
PRESUMED ABANDONED****Section 1. [345A.501] NOTICE TO APPARENT OWNER BY HOLDER.**

(a) Subject to subsection (b), the holder of property presumed abandoned shall send to the apparent owner notice by first-class United States mail that complies with section 345A.502 in a format acceptable to the administrator not more than 180 days nor less than 60 days before filing the report under section 345A.401 if:

(1) the holder has in its records an address for the apparent owner which the holder's records do not disclose to be invalid and is sufficient to direct the delivery of first-class United States mail to the apparent owner; and

(2) the value of the property is \$50 or more.

(b) If an apparent owner has consented to receive e-mail delivery from the holder, the holder shall send the notice described in subsection (a) both by first-class United States mail to the apparent owner's last known mailing address and by e-mail, unless the holder believes that the apparent owner's e-mail address is invalid.

(c) The holder of securities presumed abandoned under sections 345A.202, 345A.203, or 345A.208 shall send the apparent owner notice by certified United States mail that complies with section 345A.502, and in a format acceptable to the administrator, not less than 60 days before filing the report under section 345A.401, if:

(1) the holder has in its records an address for the apparent owner which the holder's records do not disclose to be invalid and is sufficient to direct the delivery of United States mail to the apparent owner; and

(2) the value of the property is \$1,000 or more.

(d) In addition to other indications of an apparent owner's interest in property pursuant to section 345A.210, a signed return receipt in response to a notice sent pursuant to this section by certified United States mail shall constitute a record communicated by the apparent owner to the holder concerning the property or the account in which the property is held.

Sec. 2. [345A.502] CONTENTS OF NOTICE BY HOLDER.

(a) Notice under section 345A.501 must contain a heading that reads substantially as follows: "Notice. The State of Minnesota requires us to notify you that your property may

225.1 be transferred to the custody of the commissioner of commerce if you do not contact us
225.2 before (insert date that is 30 days after the date of this notice)."

225.3 (b) The notice under section 345A.501 must:

225.4 (1) identify the nature and, except for property that does not have a fixed value, the value
225.5 of the property that is the subject of the notice;

225.6 (2) state that the property will be turned over to the administrator;

225.7 (3) state that after the property is turned over to the administrator an apparent owner
225.8 that seeks return of the property must file a claim with the administrator;

225.9 (4) state that property that is not legal tender of the United States may be sold by the
225.10 administrator; and

225.11 (5) provide instructions that the apparent owner must follow to prevent the holder from
225.12 reporting and paying or delivering the property to the administrator.

225.13 **Sec. 3. [345A.503] NOTICE BY ADMINISTRATOR.**

225.14 (a) The administrator shall give notice to an apparent owner that property presumed
225.15 abandoned and that appears to be owned by the apparent owner is held by the administrator
225.16 under this chapter.

225.17 (b) In providing notice under subsection (a), the administrator shall:

225.18 (1) publish every 12 months in at least one newspaper of general circulation in each
225.19 county in this state notice of property held by the administrator which must include:

225.20 (A) the total value of property received by the administrator during the preceding
225.21 12-month period, taken from the reports under section 345A.401;

225.22 (B) the total value of claims paid by the administrator during the preceding 12-month
225.23 period;

225.24 (C) the Internet address of the unclaimed property website maintained by the
225.25 administrator;

225.26 (D) a telephone number and e-mail address to contact the administrator to inquire about
225.27 or claim property; and

225.28 (E) a statement that a person may access the Internet by a computer to search for
225.29 unclaimed property and a computer may be available as a service to the public at a local
225.30 public library; and

226.1 (2) maintain a website or database accessible by the public and electronically searchable
226.2 which contains the names reported to the administrator of all apparent owners for whom
226.3 property is being held by the administrator. The administrator need not list property on such
226.4 website when:

226.5 (A) no owner name was reported;

226.6 (B) a claim has been initiated or is pending for the property;

226.7 (C) the administrator has made direct contact with the apparent owner of the property;
226.8 and

226.9 (D) other instances exist where the administrator reasonably believes exclusion of the
226.10 property is in the best interests of both the state and the owner of the property.

226.11 (c) The website or database maintained under subsection (b)(2) must include instructions
226.12 for filing with the administrator a claim to property and a printable claim form with
226.13 instructions for its use.

226.14 (d) In addition to giving notice under subsection (b), publishing the information under
226.15 subsection (b)(1), and maintaining the website or database under subsection (b)(2), the
226.16 administrator may use other printed publication, telecommunication, the Internet, or other
226.17 media to inform the public of the existence of unclaimed property held by the administrator.

226.18 **ARTICLE 22**

226.19 **UNCLAIMED PROPERTY; TAKING CUSTODY OF PROPERTY BY** 226.20 **ADMINISTRATOR**

226.21 Section 1. **[345A.601] DORMANCY CHARGE.**

226.22 (a) A holder may deduct a dormancy charge from property required to be paid or delivered
226.23 to the administrator if:

226.24 (1) a valid contract between the holder and the apparent owner authorizes imposition of
226.25 the charge for the apparent owner's failure to claim the property within a specified time;
226.26 and

226.27 (2) the holder regularly imposes the charge and regularly does not reverse or otherwise
226.28 cancel the charge.

226.29 (b) The amount of the deduction under subsection (a) is limited to an amount that is not
226.30 unconscionable considering all relevant factors, including the marginal transactional costs
226.31 incurred by the holder in maintaining the apparent owner's property and any services received
226.32 by the apparent owner.

227.1 (c) A holder may not deduct an escheat fee or impose other charges solely by virtue of
227.2 property being reported as presumed abandoned.

227.3 **Sec. 2. [345A.602] PAYMENT OR DELIVERY OF PROPERTY TO**
227.4 **ADMINISTRATOR.**

227.5 (a) Except as otherwise provided in this section, on filing a report under section 345A.401,
227.6 the holder shall pay or deliver to the administrator the property described in the report.

227.7 (b) If property in a report under section 345A.401 is an automatically renewable deposit
227.8 and a penalty or forfeiture in the payment of interest would result from paying the deposit
227.9 to the administrator at the time of the report, the date for payment of the property to the
227.10 administrator is extended until a penalty or forfeiture no longer would result from payment,
227.11 if the holder informs the administrator of the extended date.

227.12 (c) Tangible property in a safe deposit box may not be delivered to the administrator
227.13 until 60 days after filing the report under section 345A.401.

227.14 (d) If property reported to the administrator under section 345A.401 is a security, the
227.15 administrator may:

227.16 (1) make an endorsement, instruction, or entitlement order on behalf of the apparent
227.17 owner to invoke the duty of the issuer, its transfer agent, or the securities intermediary to
227.18 transfer the security; or

227.19 (2) dispose of the security under section 345A.702.

227.20 (e) If the holder of property reported to the administrator under section 345A.401 is the
227.21 issuer of a certificated security, the administrator may obtain a replacement certificate in
227.22 physical or book-entry form under section 336.8-405. An indemnity bond is not required.

227.23 (f) The administrator shall establish procedures for the registration, issuance, method
227.24 of delivery, transfer, and maintenance of securities delivered to the administrator by a holder.

227.25 (g) An issuer, holder, and transfer agent or other person acting under this section under
227.26 instructions of and on behalf of the issuer or holder is not liable to the apparent owner for,
227.27 and must be indemnified by the state against, a claim arising with respect to property after
227.28 the property has been delivered to the administrator.

227.29 (h) A holder is not required to deliver to the administrator a security identified by the
227.30 holder as a nonfreely transferable security. If the administrator or holder determines that a
227.31 security is no longer a nonfreely transferable security, the holder shall deliver the security
227.32 on the next regular date prescribed for delivery of securities under this chapter. The holder

228.1 shall make a determination annually whether a security identified in a report filed under
228.2 section 345A.401 as a nonfreely transferable security is no longer a nonfreely transferable
228.3 security.

228.4 **Sec. 3. [345A.603] EFFECT OF PAYMENT OR DELIVERY OF PROPERTY TO**
228.5 **ADMINISTRATOR.**

228.6 On payment or delivery of property to the administrator under this chapter, the
228.7 administrator, as agent for the state, assumes custody and responsibility for safekeeping the
228.8 property. A holder that pays or delivers property to the administrator in good faith and
228.9 substantially complies with sections 345A.501 and 345A.502 is relieved of liability which
228.10 may arise thereafter with respect to the property so paid or delivered.

228.11 **Sec. 4. [345A.604] RECOVERY OF PROPERTY BY HOLDERS FROM**
228.12 **ADMINISTRATOR.**

228.13 (a) A holder that under this chapter pays money to the administrator may file a claim
228.14 for reimbursement from the administrator of the amount paid if the holder:

228.15 (1) paid the money in error; or

228.16 (2) after paying the money to the administrator, paid money to a person the holder
228.17 reasonably believed entitled to the money.

228.18 (b) If a claim for return of property is made, the holder shall include with the claim
228.19 evidence sufficient to establish that the apparent owner has claimed the property from the
228.20 holder or that the property was delivered by the holder to the administrator in error.

228.21 **Sec. 5. [345A.605] CREDITING INCOME OR GAIN TO OWNER'S ACCOUNT.**

228.22 If property other than money is delivered to the administrator, the owner is entitled to
228.23 receive from the administrator income or gain realized or accrued on the property before
228.24 the property is sold. If the property was interest-bearing, the administrator shall pay interest
228.25 at the lesser of the rate of the weekly average one-year constant maturity treasury yield, as
228.26 published by the Board of Governors of the Federal Reserve System, for the calendar week
228.27 preceding the beginning of the fiscal quarter in which the property was sold or the rate the
228.28 property earned while in the possession of the holder. Interest begins to accrue when the
228.29 property is delivered to the administrator and ends on the earlier of the expiration of ten
228.30 years after its delivery or the date on which payment is made to the owner.

229.1 Sec. 6. **[345A.606] ADMINISTRATOR'S OPTIONS AS TO CUSTODY.**

229.2 (a) The administrator may decline to take custody of property reported under section
229.3 345A.401 if the administrator determines that:

229.4 (1) the property has a value less than the estimated expenses of notice and sale of the
229.5 property; or

229.6 (2) taking custody of the property would be unlawful.

229.7 (b) A holder may pay or deliver property to the administrator before the property is
229.8 presumed abandoned under this chapter if the holder:

229.9 (1) sends the apparent owner of the property notice required by section 345A.501 and
229.10 provides the administrator evidence of the holder's compliance with this paragraph;

229.11 (2) includes with the payment or delivery a report regarding the property conforming to
229.12 section 345A.402; and

229.13 (3) first obtains the administrator's written consent to accept payment or delivery.

229.14 (c) A holder's request for the administrator's consent under subsection (b)(3) must be in
229.15 a record. If the administrator fails to respond to the request not later than 30 days after
229.16 receipt of the request, the administrator is deemed to consent to the payment or delivery of
229.17 the property and the payment or delivery is considered to have been made in good faith.

229.18 (d) On payment or delivery of property under subsection (b), the property is presumed
229.19 abandoned.

229.20 Sec. 7. **[345A.607] DISPOSITION OF PROPERTY HAVING NO SUBSTANTIAL**
229.21 **VALUE; IMMUNITY FROM LIABILITY.**

229.22 (a) If the administrator takes custody of property delivered under this chapter and later
229.23 determines that the property has no substantial commercial value or that the cost of disposing
229.24 of the property will exceed the value of the property, the administrator may return the
229.25 property to the holder or destroy or otherwise dispose of the property.

229.26 (b) An action or proceeding may not be commenced against the state, an agency of the
229.27 state, the administrator, another officer, employee, or agent of the state, or a holder for or
229.28 because of an act of the administrator under this section, except for intentional misconduct
229.29 or malfeasance.

230.1 **Sec. 8. [345A.608] PERIODS OF LIMITATION AND REPOSE.**

230.2 (a) Expiration, before, on, or after the effective date of this chapter, of a period of
230.3 limitation on an owner's right to receive or recover property, whether specified by contract,
230.4 statute, or court order, does not prevent the property from being presumed abandoned or
230.5 affect the duty of a holder under this chapter to file a report or pay or deliver property to
230.6 the administrator.

230.7 (b) An action or proceeding may not be maintained by the administrator to enforce this
230.8 act's reporting, delivery, or payment requirements more than ten years after the holder
230.9 specifically identified the property in a report filed with the administrator, or gave express
230.10 notice to the administrator of a dispute regarding the property. In the absence of such a
230.11 report or other express notice, the period of limitation is tolled. The period of limitation is
230.12 also tolled by filing a fraudulent report.

230.13 **ARTICLE 23**

230.14 **UNCLAIMED PROPERTY; SALE OF PROPERTY BY ADMINISTRATOR**

230.15 **Section 1. [345A.701] PUBLIC SALE OF PROPERTY.**

230.16 (a) Subject to section 345A.702, not earlier than three years after receipt of property
230.17 presumed abandoned, the administrator may sell the property.

230.18 (b) Before selling property under subsection (a), the administrator shall give notice to
230.19 the public of:

230.20 (1) the date of the sale; and

230.21 (2) a reasonable description of the property.

230.22 (c) A sale under subsection (a) must be to the highest bidder:

230.23 (1) at public sale at a location in this state which the administrator determines to be the
230.24 most favorable market for the property;

230.25 (2) on the Internet; or

230.26 (3) on another forum the administrator determines is likely to yield the highest net
230.27 proceeds of sale.

230.28 (d) The administrator may decline the highest bid at a sale under this section and reoffer
230.29 the property for sale if the administrator determines the highest bid is insufficient.

230.30 (e) If a sale held under this section is to be conducted other than on the Internet, the
230.31 administrator must publish at least one notice of the sale, at least two weeks but not more

231.1 than five weeks before the sale, in a newspaper of general circulation in the county in which
231.2 the property is sold. For purposes of this subsection, the reasonable description of property
231.3 to be sold required by subsection (b) may be satisfied by posting such information on the
231.4 administrator's website so long as the newspaper notice includes the website address where
231.5 such information is posted.

231.6 **Sec. 2. [345A.702] DISPOSAL OF SECURITIES.**

231.7 (a) The administrator may not sell or otherwise liquidate a security until one year after
231.8 the administrator receives the security, unless requested to do so by the owner of the security
231.9 in making a claim for the property.

231.10 (b) The administrator may not sell a security listed on an established stock exchange for
231.11 less than the price prevailing on the exchange at the time of sale. The administrator may
231.12 sell a security not listed on an established exchange by any commercially reasonable method.

231.13 **Sec. 3. [345A.704] PURCHASER OWNS PROPERTY AFTER SALE.**

231.14 A purchaser of property at a sale conducted by the administrator under this chapter takes
231.15 the property free of all claims of the owner, a previous holder, or a person claiming through
231.16 the owner or holder. The administrator shall execute documents necessary to complete the
231.17 transfer of ownership to the purchaser.

231.18 **ARTICLE 24**

231.19 **UNCLAIMED PROPERTY; ADMINISTRATION OF PROPERTY**

231.20 **Section 1. [345A.801] DEPOSIT OF FUNDS BY ADMINISTRATOR.**

231.21 (a) The administrator shall deposit in the general fund all funds received under this
231.22 chapter, including proceeds from the sale of property under sections 345A.701 to 345A.704,
231.23 except:

231.24 (1) expenses of disposition of property delivered to the administrator under this chapter;

231.25 (2) expenses incurred in examining records of or collecting property from a putative
231.26 holder or holder; and

231.27 (3) as otherwise provided in this chapter.

231.28 **Sec. 2. [345A.802] ADMINISTRATOR TO RETAIN RECORDS OF PROPERTY.**

231.29 The administrator shall:

232.1 (1) record and retain the name and last known address of each person shown on a report
232.2 filed under section 345A.401 to be the apparent owner of property delivered to the
232.3 administrator;

232.4 (2) record and retain the name and last known address of each insured or annuitant and
232.5 beneficiary shown on the report;

232.6 (3) for each policy of insurance or annuity contract listed in the report of an insurance
232.7 company, record and retain the policy or account number, the name of the company, and
232.8 the amount due or paid; and

232.9 (4) for each apparent owner listed in the report, record and retain the name of the holder
232.10 that filed the report and the amount due or paid.

232.11

ARTICLE 25

232.12

UNCLAIMED PROPERTY; CONFIDENTIALITY AND SECURITY OF INFORMATION

232.13

232.14 Section 1. [345A.901] DATA PRACTICES.

232.15 (a) All working papers, recorded information, documents, and copies thereof produced
232.16 by, obtained by, or disclosed to the administrator or the administrator's agent in the course
232.17 of an examination made under this chapter are classified private or nonpublic for purposes
232.18 of the Minnesota Government Data Practices Act, Minnesota Statutes, chapter 13, are not
232.19 subject to subpoena, and may only be disclosed to:

232.20 (1) the extent required or permitted by law to report upon or take special action regarding
232.21 compliance and delivery of unclaimed property, or ordered by a court of law to testify or
232.22 produce evidence in a civil or criminal proceeding;

232.23 (2) another department or agency of this state or the United States;

232.24 (3) the person that administers the unclaimed property law of another state, if the other
232.25 state accords substantially reciprocal privileges to the administrator of this state and maintains
232.26 the confidentiality and security of information obtained in a substantially equivalent manner;

232.27 (4) a person subject to an examination as required by this chapter; and

232.28 (5) the auditor or administrator of a joint examination conducted with another state, the
232.29 United States, a foreign country or subordinate unit of a foreign country, or any other
232.30 governmental entity if the governmental entity conducting the examination maintains the
232.31 confidentiality and security of information in a substantially equivalent manner.

233.1 (b) All personal information derived or otherwise obtained by or communicated to the
 233.2 administrator or the administrator's agent from a person making a claim for personal property
 233.3 are classified private or nonpublic for purposes of the Minnesota Government Data Practices
 233.4 Act, Minnesota Statutes, chapter 13, and may not be made public by the administrator or
 233.5 the administrator's agent, except to:

233.6 (1) the subject, or the subject's personal representative, attorney, other legal representative,
 233.7 heir, or agent designated to have the information;

233.8 (2) the personal representative of an estate, other legal representative, agent designated
 233.9 by a deceased apparent owner, or a person entitled to inherit from a deceased apparent
 233.10 owner;

233.11 (3) another department or agency of this state or the United States; and

233.12 (4) the extent required or permitted by law or ordered by a court of law to testify or
 233.13 produce evidence in a civil or criminal proceeding.

233.14 (c) Except as otherwise provided by law, the administrator shall include on its website
 233.15 or in the database required by section 345A.503(b)(2) the name of each apparent owner of
 233.16 property held by the administrator. The administrator may include in published notices,
 233.17 printed publications, telecommunications, the Internet, or other media and on the website
 233.18 or in the database additional information concerning the apparent owner's property if the
 233.19 administrator believes the information will assist in identifying and returning property to
 233.20 the owner and does not disclose personal information except the home or physical address
 233.21 of an apparent owner.

233.22 **ARTICLE 26**

233.23 **UNCLAIMED PROPERTY; HEARINGS, PROCEDURE, AND JUDICIAL REVIEW**

233.24 Section 1. Minnesota Statutes 2018, section 345.515, is amended to read:

233.25 **345.515 AGREEMENTS TO LOCATE REPORTED PROPERTY.**

233.26 It is unlawful for a person to seek or receive from another person or contract with a
 233.27 person for a fee or compensation for locating property, ~~knowing it to have been reported or~~
 233.28 ~~paid or delivered to the commissioner pursuant to chapter 345~~ prior to 24 months after the
 233.29 date the property is paid or delivered to the ~~commissioner~~ administrator.

233.30 ~~No~~ An agreement entered into after 24 months after the date the property is paid or
 233.31 ~~delivered to the commissioner~~ is valid only if a person thereby undertakes to locate property
 233.32 ~~included in a report for a fee or other compensation exceeding ten percent of the value of~~

234.1 ~~the recoverable property unless the agreement is in writing and~~ is signed by the owner and
234.2 discloses the nature and value of the property and the name and address of the holder thereof
234.3 as such facts have been reported, and provides for compensation in an amount that is no
234.4 more than 15 percent of the amount collected. Nothing in this section shall be construed to
234.5 prevent an owner from asserting at any time that an agreement to locate property is based
234.6 upon an excessive or unjust consideration.

234.7 Sec. 2. Minnesota Statutes 2018, section 345.53, subdivision 1, is amended to read:

234.8 Subdivision 1. ~~Commissioner's~~ **Administrator's duties.** (a) ~~The commissioner~~
234.9 administrator or the administrator's agent may at reasonable times and upon reasonable
234.10 notice examine the records of any person, including examination of appropriate records in
234.11 the possession of an agent of the person under examination, if there is reason to believe that
234.12 ~~the person has failed to report property that should have been reported pursuant to sections~~
234.13 ~~345.31 to 345.60.~~ the records are reasonably necessary to determine whether the person has
234.14 complied with this chapter. The administrator may issue an administrative subpoena requiring
234.15 the person or agent of the person to make records available for examination, and bring an
234.16 action seeking judicial enforcement of the subpoena, as well as impose penalties under
234.17 section 345.55.

234.18 (b) The administrator may contract with a person to conduct an examination under this
234.19 chapter. The contract shall be awarded pursuant to a request for proposals issued in
234.20 compliance with the state procurement rules.

234.21 (1) If the administrator contracts with a person under this subsection, the contract may
234.22 provide for compensation of the person based on a fixed fee, hourly fee, or contingent fee.

234.23 (2) A contract under subsection (b) is public data.

234.24 (c) If the administrator conducts an examination under subsection (a), each person under
234.25 examination shall pay an examination fee upon the request of the administrator and to be
234.26 based on the salary cost of examiners or assistants, and at such an average rate per day or
234.27 fraction thereof so as to provide for the total cost of such examinations. In no case may the
234.28 charges exceed the value of the property found to be reportable and deliverable.

234.29 (d) All data gathered in the course of an examination or audit of a holder or purported
234.30 holder under this chapter is classified as private or nonpublic information under the Minnesota
234.31 Government Data Practices Act, Minnesota Statutes, chapter 13, except as set forth in section
234.32 (b)(2) and except that such data may be disclosed as follows:

235.1 (1) to the extent required or permitted by law to report upon or take special action
235.2 regarding compliance and delivery of unclaimed property, or ordered by a court of law;

235.3 (2) to another department or agency of this state or the United States;

235.4 (3) to the person that administers the unclaimed property law of another state, if the
235.5 other state accords substantially reciprocal privileges to the administrator of this state, and
235.6 maintains the confidentiality and security of information by law or by agreement in a
235.7 substantially equivalent manner;

235.8 (4) to a person subject to an examination as required by this chapter; and

235.9 (5) to the auditor or administrator of a joint examination conducted with another state,
235.10 the United States, a foreign country or subordinate unit of a foreign country, or any other
235.11 governmental entity if the governmental entity conducting the examination maintains the
235.12 confidentiality and security of information by law or by agreement in a substantially
235.13 equivalent manner.

235.14 Sec. 3. Minnesota Statutes 2018, section 345.53, is amended by adding a subdivision to
235.15 read:

235.16 Subd. 3. **Failure of person examined to retain records.** If a person subject to
235.17 examination under this chapter does not retain the records required by section 345A.404,
235.18 the administrator may determine the value of property due using a reasonable method of
235.19 estimation based on all information available to the administrator, including extrapolation
235.20 and use of statistical sampling when appropriate and necessary. A payment made based on
235.21 estimation under this section is a penalty for failure to maintain the records required by
235.22 section 345A.404, and does not relieve a person from an obligation to report and deliver
235.23 property to a state in which the holder is domiciled.

235.24 Sec. 4. **[345A.950] HEARINGS, PROCEDURE, JUDICIAL REVIEW.**

235.25 (a) Any person aggrieved by a decision of the administrator under this chapter as it
235.26 relates to holder examinations may, within 21 days after that decision, make a written request
235.27 to the administrator for a hearing pursuant to this article to determine whether the decision
235.28 complies with the requirements of this chapter.

235.29 (b) Any person aggrieved by a decision of the administrator under this chapter as it
235.30 relates to claims of ownership of unclaimed property may, within 21 days after that decision
235.31 or within 180 days from the filing of the claim if the administrator fails to act on a claim,

236.1 make a written request to the administrator for a hearing pursuant to this article to determine
 236.2 whether the decision complies with the requirements of this chapter.

236.3 (c) At the administrator's discretion, a hearing may be based upon written submissions,
 236.4 and nothing contained in this section requires the observance of formal rules of pleading or
 236.5 evidence.

236.6 (d) The administrator shall commence a hearing within 45 days after receipt of the
 236.7 request and shall give not less than 15 days' written notice of the hearing. Within 30 days
 236.8 after the hearing, the administrator shall affirm, reverse, or modify the previous action and
 236.9 specify the reasons for that decision in writing.

236.10 (e) An order or decision of the administrator is a final decision subject to appeal in
 236.11 accordance with chapter 14.

236.12 **Sec. 5. REPEALER.**

236.13 Minnesota Statutes 2018, section 345.53, subdivision 2, is repealed."

236.14 Delete the title and insert:

236.15 "A bill for an act

236.16 relating to economic development; appropriating money for jobs and economic
 236.17 development; establishing paid family leave insurance; modifying economic
 236.18 development programs; establishing wage theft prevention; providing for earned
 236.19 sick and safe time; modifying labor and industry policy provisions; modifying
 236.20 commerce policy provisions; adopting Unemployment Insurance Advisory Council
 236.21 provisions; modifying unemployment insurance policy; modifying Bureau of
 236.22 Mediation Services policy; establishing guidelines relating to unclaimed property;
 236.23 modifying fees; increasing civil and criminal penalties; authorizing rulemaking;
 236.24 amending Minnesota Statutes 2018, sections 13.43, subdivision 6; 13.719, by
 236.25 adding a subdivision; 15.72, subdivision 2; 16C.285, subdivision 3; 46.131,
 236.26 subdivision 11; 47.59, subdivision 2; 47.60, subdivision 2; 47.601, subdivisions
 236.27 2, 6; 53.04, subdivision 3a; 56.131, subdivision 1; 116J.8731, subdivision 5;
 236.28 116J.8748, subdivisions 4, 6; 175.46, subdivisions 3, 13; 176.1812, subdivision
 236.29 2; 176.231, subdivision 1; 177.27, subdivisions 2, 4, 7, by adding subdivisions;
 236.30 177.30; 177.32, subdivision 1; 179.86, subdivisions 1, 3; 179A.041, by adding a
 236.31 subdivision; 181.03, subdivision 1, by adding subdivisions; 181.032; 181.101;
 236.32 181.635, subdivision 2; 181.942, subdivision 1; 256J.561, by adding a subdivision;
 236.33 256J.95, subdivisions 3, 11; 256P.01, subdivision 3; 268.035, subdivisions 4, 12,
 236.34 15, 20; 268.044, subdivisions 2, 3; 268.046, subdivision 1; 268.047, subdivision
 236.35 3; 268.051, subdivision 2a; 268.057, subdivision 5; 268.069, subdivision 1; 268.07,
 236.36 subdivision 1; 268.085, subdivisions 3, 3a, 8, 13a, by adding subdivisions; 268.095,
 236.37 subdivisions 6, 6a; 268.105, subdivision 6; 268.145, subdivision 1; 268.18,
 236.38 subdivisions 2b, 5; 268.19, subdivision 1; 290.0132, by adding a subdivision;
 236.39 326B.082, subdivisions 6, 8, 12; 326B.103, subdivision 11; 326B.106, subdivision
 236.40 9; 326B.46, by adding a subdivision; 326B.475, subdivision 4; 326B.815,
 236.41 subdivision 1; 326B.821, subdivision 21; 326B.84; 327.31, by adding a subdivision;
 236.42 327B.041; 327C.095, subdivision 6, by adding a subdivision; 337.10, subdivision
 236.43 4; 345.515; 345.53, subdivision 1, by adding a subdivision; 609.52, subdivisions
 236.44 1, 2, 3; Laws 2014, chapter 211, section 13, as amended; Laws 2017, chapter 94,
 236.45 article 1, section 2, subdivision 3; proposing coding for new law in Minnesota

237.1 Statutes, chapters 13; 16C; 116J; 116L; 177; 181; 325F; 327; proposing coding
237.2 for new law as Minnesota Statutes, chapters 58B; 268B; 345A; repealing Minnesota
237.3 Statutes 2018, sections 181.9413; 325F.75; 345.53, subdivision 2."