

Approved by
Revisor of Statutes

Atherlee Apen

1.1 Mahoney from the Jobs and Economic Development Finance Division to which was
1.2 referred:

1.3 H. F. No. 2208, A bill for an act relating to jobs; appropriating money for the Departments
1.4 of Employment and Economic Development, Labor and Industry, Human Services, and
1.5 Commerce; the Bureau of Mediation Services; Public Employment Relations Board; Housing
1.6 Finance Agency; Workers' Compensation Court of Appeals; and Public Utilities Commission;
1.7 making policy and technical changes; modifying fees; providing criminal and civil penalties;
1.8 requiring reports; amending Minnesota Statutes 2018, sections 16C.285, subdivision 3;
1.9 116J.8731, subdivision 5; 116J.8748, subdivision 4; 177.27, subdivisions 2, 4, 7, 8, by
1.10 adding subdivisions; 177.30; 177.32, subdivision 1; 181.03, subdivision 1, by adding
1.11 subdivisions; 181.032; 181.101; 182.659, subdivision 8; 182.666, subdivisions 1, 2, 3, 4,
1.12 5, by adding a subdivision; 326B.802, subdivision 15; 327C.095, subdivisions 1, 2, 3, 4,
1.13 12, 13; 341.30, subdivision 1; 341.32, subdivision 1; 341.321; 345.515; 345.53, subdivision
1.14 1, by adding a subdivision; 609.52, subdivisions 1, 2, 3; proposing coding for new law in
1.15 Minnesota Statutes, chapters 177; 181; 216C; proposing coding for new law as Minnesota
1.16 Statutes, chapter 345A; repealing Minnesota Statutes 2018, sections 177.27, subdivisions
1.17 1, 3; 345.53, subdivision 2.

1.18 Reported the same back with the following amendments:

1.19 Delete everything after the enacting clause and insert:

1.20 "ARTICLE 1

1.21 APPROPRIATIONS

1.22 Section 1. **JOBS AND ECONOMIC DEVELOPMENT.**

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

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

2.1	<u>APPROPRIATIONS</u>		
2.2	<u>Available for the Year</u>		
2.3	<u>Ending June 30</u>		
2.4		<u>2020</u>	<u>2021</u>
2.5	<u>Sec. 2. DEPARTMENT OF EMPLOYMENT</u>		
2.6	<u>AND ECONOMIC DEVELOPMENT</u>		
2.7	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 169,405,000</u>	<u>\$ 139,075,000</u>
2.8	<u>Appropriations by Fund</u>		
2.9		<u>2020</u>	<u>2021</u>
2.10	<u>General</u>	<u>134,933,000</u>	<u>104,804,000</u>
2.11	<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
2.12	<u>Workforce</u>		
2.13	<u>Development</u>	<u>33,772,000</u>	<u>33,571,000</u>
2.14	<u>The amounts that may be spent for each</u>		
2.15	<u>purpose are specified in the following</u>		
2.16	<u>subdivisions.</u>		
2.17	<u>Subd. 2. Business and Community Development</u>	<u>47,121,000</u>	<u>34,230,000</u>
2.18	<u>Appropriations by Fund</u>		
2.19	<u>General</u>	<u>44,721,000</u>	<u>31,830,000</u>
2.20	<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
2.21	<u>Workforce</u>		
2.22	<u>Development</u>	<u>1,700,000</u>	<u>1,700,000</u>
2.23	<u>(a) \$9,350,000 the first year is for:</u>		
2.24	<u>(1) the greater Minnesota business</u>		
2.25	<u>development public infrastructure grant</u>		
2.26	<u>program under Minnesota Statutes, section</u>		
2.27	<u>116J.431;</u>		
2.28	<u>(2) the spark program, formerly known as the</u>		
2.29	<u>business development competitive grant</u>		
2.30	<u>program;</u>		
2.31	<u>(3) the community prosperity grant program;</u>		
2.32	<u>(4) a grant to the Minnesota Design Center at</u>		
2.33	<u>the University of Minnesota for the greater</u>		
2.34	<u>Minnesota community design program; and</u>		

3.1 (5) a grant to Red Wing Ignite for economic
3.2 development activities focused on technology
3.3 and innovation in Southeastern Minnesota.

3.4 The commissioner has discretion to allocate
3.5 this appropriation among the listed programs,
3.6 including awarding zero funds to a listed
3.7 program or grantee. The commissioner has
3.8 discretion to stipulate reasonable terms for
3.9 individual programs and grants. Of this
3.10 amount, up to four percent is for
3.11 administration and monitoring of the funded
3.12 programs. This appropriation is available until
3.13 June 30, 2022.

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

3.18 (1) \$1,600,000 each year is for innovation
3.19 grants to eligible Minnesota entrepreneurs or
3.20 start-up businesses to assist with their
3.21 operating needs. Of this amount, five percent
3.22 is for the department's administrative costs;

3.23 (2) \$450,000 each year is for administration
3.24 of the Minnesota Innovation Collaborative;
3.25 and

3.26 (3) \$450,000 each year is for grantee activities
3.27 at the Minnesota Innovation Collaborative. Of
3.28 this amount, five percent is for the
3.29 department's administrative costs.

3.30 (c) \$1,772,000 each year is from the general
3.31 fund and \$700,000 each year is from the
3.32 remediation fund for contaminated site cleanup
3.33 and development grants under Minnesota

4.1 Statutes, sections 116J.551 to 116J.558. These
4.2 appropriations are available until spent.

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

4.6 (e) \$25,000 each year is for the administration
4.7 of state aid for the Destination Medical Center
4.8 under Minnesota Statutes, sections 469.40 to
4.9 469.47.

4.10 (f) \$875,000 each year is for the host
4.11 community economic development grant
4.12 program established in Minnesota Statutes,
4.13 section 116J.548.

4.14 (g) \$500,000 the first year and \$125,000 the
4.15 second year are for grants to the White Earth
4.16 Nation for the White Earth Nation Integrated
4.17 Business Development System to provide
4.18 business assistance with workforce
4.19 development, outreach, technical assistance,
4.20 infrastructure and operational support,
4.21 financing, and other business development
4.22 activities. This is a onetime appropriation.

4.23 (h) \$875,000 each year is for a grant to
4.24 Enterprise Minnesota, Inc. for the small
4.25 business growth acceleration program under
4.26 Minnesota Statutes, section 116O.115. This
4.27 is a onetime appropriation.

4.28 (i) \$300,000 each year is to provide business
4.29 performance assessments to Minnesota
4.30 manufacturers with 50 or fewer employees,
4.31 with focus on very small and rural locations.
4.32 The assessment findings must position
4.33 Minnesota manufacturers to retain and recruit

5.1 employees and grow in their community. This
5.2 is a onetime appropriation.

5.3 (j) \$250,000 the first year is for a grant to the
5.4 Rondo Community Land Trust for
5.5 improvements to leased commercial space in
5.6 the Selby Milton Victoria Project that will
5.7 create long-term affordable space for small
5.8 businesses and for build-out and development
5.9 of new businesses.

5.10 (k) \$1,175,000 each year is for a grant to the
5.11 Metropolitan Economic Development
5.12 Association (MEDA) for statewide business
5.13 development and assistance services, including
5.14 services to entrepreneurs with businesses that
5.15 have the potential to create job opportunities
5.16 for unemployed and underemployed people,
5.17 with an emphasis on minority-owned
5.18 businesses. This is a onetime appropriation.

5.19 (l) \$2,865,000 the first year is for grants for
5.20 projects that support economic development
5.21 by increasing the availability of child care.
5.22 Eligible recipients for these grants are limited
5.23 to:

5.24 (1) WomenVenture;
5.25 (2) the Minnesota Initiative Foundations; and
5.26 (3) eligible applicants under the child care
5.27 economic development grant program.

5.28 The commissioner has discretion to allocate
5.29 the available grant funds among the listed
5.30 eligible recipients, including awarding zero
5.31 funds to a listed entity. The commissioner has
5.32 discretion to stipulate reasonable terms for
5.33 individual programs and grants. Of this
5.34 amount, up to four percent is for

6.1 administration and monitoring of the funded
6.2 programs. This appropriation is available until
6.3 June 30, 2021.

6.4 (m)(1) \$750,000 each year is for grants to the
6.5 Neighborhood Development Center for small
6.6 business programs. This is a onetime
6.7 appropriation.

6.8 (2) Of the amount appropriated in the first
6.9 year, \$150,000 is for outreach and training
6.10 activities outside the seven-county
6.11 metropolitan area, as defined in Minnesota
6.12 Statutes, section 473.121, subdivision 2.

6.13 (n)(1) \$50,000 the first year is for grants to
6.14 support broadband connections for coworking
6.15 spaces designed to foster start-up businesses.
6.16 Grant recipients must be located in an
6.17 unserved area or an underserved area for
6.18 broadband, as defined in Minnesota Statutes,
6.19 section 116J.394. Grant recipients must obtain
6.20 a 100 percent nonstate match to grant funds
6.21 in either cash or in-kind contributions, though
6.22 matching funds may be used for expenses of
6.23 the coworking space other than broadband.
6.24 This is a onetime appropriation.

6.25 (2) Within one year of receiving grant funds,
6.26 grant recipients must report to the
6.27 commissioner on the outcomes of the grant
6.28 program including but not limited to the
6.29 number of start-up businesses served and the
6.30 amount of local funds invested.

6.31 (o) \$6,772,000 each year is for the Minnesota
6.32 job creation fund under Minnesota Statutes,
6.33 section 116J.8748. Of this amount, the
6.34 commissioner of employment and economic

7.1 development may use up to three percent for
7.2 administrative expenses. This appropriation
7.3 is available until expended.

7.4 (p)(1) \$6,935,000 the first year and \$6,934,000
7.5 the second year are for the Minnesota
7.6 investment fund under Minnesota Statutes,
7.7 section 116J.8731. Of this amount, the
7.8 commissioner of employment and economic
7.9 development may use up to three percent for
7.10 administration and monitoring of the program.
7.11 This appropriation is available until expended.

7.12 (2) Of the amount appropriated in the first
7.13 year, \$2,000,000 is for a loan to a paper mill
7.14 in Duluth for a retrofit project that will support
7.15 the operation and manufacture of packaging
7.16 paper grades. The company that owns the
7.17 paper mill must spend \$20,000,000 on project
7.18 activities by December 31, 2020, in order to
7.19 be eligible to receive this loan. Loan funds
7.20 may be used for purchases of materials,
7.21 supplies, and equipment for the project and
7.22 are available from July 1, 2019, to July 30,
7.23 2021. The commissioner of employment and
7.24 economic development shall forgive 25
7.25 percent of the loan each year after the second
7.26 year during a five-year period if the mill has
7.27 retained at least 200 full-time equivalent
7.28 employees and has satisfied other performance
7.29 goals and contractual obligations as required
7.30 under Minnesota Statutes, section 116J.8731.

7.31 (q) \$1,000,000 each year is for the Minnesota
7.32 emerging entrepreneur loan program under
7.33 Minnesota Statutes, section 116M.18. Funds
7.34 available under this paragraph are for transfer
7.35 into the emerging entrepreneur program

8.1 special revenue fund account created under
8.2 Minnesota Statutes, chapter 116M, and are
8.3 available until expended. Of this amount, up
8.4 to four percent is for administration and
8.5 monitoring of the program.

8.6 (r) \$163,000 each year is for the Minnesota
8.7 Film and TV Board. The appropriation in each
8.8 year is available only upon receipt by the
8.9 board of \$1 in matching contributions of
8.10 money or in-kind contributions from nonstate
8.11 sources for every \$3 provided by this
8.12 appropriation, except that each year up to
8.13 \$50,000 is available on July 1 even if the
8.14 required matching contribution has not been
8.15 received by that date.

8.16 (s) \$12,000 each year is for a grant to the
8.17 Upper Minnesota Film Office.

8.18 (t) \$500,000 each year is from the general fund
8.19 for a grant to the Minnesota Film and TV
8.20 Board for the film production jobs program
8.21 under Minnesota Statutes, section 116U.26.
8.22 This appropriation is available until June 30,
8.23 2023.

8.24 (u) \$4,195,000 each year is for the Minnesota
8.25 job skills partnership program under
8.26 Minnesota Statutes, sections 116L.01 to
8.27 116L.17. If the appropriation for either year
8.28 is insufficient, the appropriation for the other
8.29 year is available. This appropriation is
8.30 available until expended.

8.31 (v) \$1,350,000 each year is from the
8.32 workforce development fund for jobs training
8.33 grants under Minnesota Statutes, section
8.34 116L.42.

9.1 (w) \$350,000 each year is from the workforce
 9.2 development fund for metropolitan job training
 9.3 grants under Minnesota Statutes, section
 9.4 116L.43.

9.5 Subd. 3. **Workforce Development** 50,351,000 31,486,000

9.6 Appropriations by Fund

9.7 General 26,164,000 7,500,000

9.8 Workforce
 9.9 Development 24,187,000 23,986,000

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

9.13 (b) \$500,000 each year is for rural career
 9.14 counseling coordinator positions in the
 9.15 workforce service areas and for the purposes
 9.16 specified in Minnesota Statutes, section
 9.17 116L.667.

9.18 (c) \$750,000 each year is for the women and
 9.19 high-wage, high-demand, nontraditional jobs
 9.20 grant program under Minnesota Statutes,
 9.21 section 116L.99. Of this amount, up to five
 9.22 percent is for administration and monitoring
 9.23 of the program.

9.24 (d) \$700,000 the first year is for a grant to the
 9.25 Washburn Center for Children to train and
 9.26 hire additional children's mental health
 9.27 treatment staff. Of this amount, \$200,000 is
 9.28 for the pathways program to create fellowships
 9.29 for professionals of color in children's mental
 9.30 health treatment. This appropriation is
 9.31 available until June 30, 2023.

9.32 (e)(1) \$300,000 the first year is for a grant to
 9.33 the Regional Center for Entrepreneurial
 9.34 Facilitation hosted by a county or higher

10.1 education institution. Funds available under
10.2 this paragraph must be used to provide
10.3 entrepreneur and small business development
10.4 direct professional business assistance services
10.5 in the following counties in Minnesota: Blue
10.6 Earth, Brown, Faribault, Le Sueur, Martin,
10.7 Nicollet, Sibley, Watonwan, and Waseca. For
10.8 the purposes of this paragraph, "direct
10.9 professional business assistance services" must
10.10 include but is not limited to payment of
10.11 overhead costs, pre-venture assistance for
10.12 individuals considering starting a business,
10.13 and services for underserved populations,
10.14 agricultural businesses, and students. This
10.15 appropriation is not available until the
10.16 commissioner determines that an equal amount
10.17 is committed from nonstate sources. This
10.18 appropriation is available until June 30, 2021.

10.19 (2) Grant recipients shall report to the
10.20 commissioner by February 1, 2021, and
10.21 include information on the number of
10.22 customers served in each county; the number
10.23 of businesses started, stabilized, or expanded;
10.24 the number of jobs created and retained; and
10.25 business success rates in each county. By April
10.26 1, 2021, the commissioner shall report the
10.27 information submitted by grant recipients to
10.28 the chairs and ranking minority members of
10.29 the standing committees of the house of
10.30 representatives and senate having jurisdiction
10.31 over economic development issues.

10.32 (f) \$20,000 in the first year is for preparing
10.33 the inventory of workforce development
10.34 programs under Minnesota Statutes, section
10.35 116L.35.

- 11.1 (g) \$1,500,000 each year is for a grant to
11.2 Summit Academy OIC to expand its
11.3 contextualized GED and employment
11.4 placement program and STEM program. This
11.5 is a onetime appropriation.
- 11.6 (h) \$485,000 the first year is for a grant to
11.7 Lifetrack, a St. Paul nonprofit organization,
11.8 for building maintenance. This appropriation
11.9 is available until June 30, 2023.
- 11.10 (i) \$1,000,000 each year is for a grant to
11.11 Youthprise to give grants through a
11.12 competitive process to community
11.13 organizations to provide economic
11.14 development services designed to enhance
11.15 long-term economic self-sufficiency in
11.16 communities with concentrated East African
11.17 populations. Such communities include but
11.18 are not limited to Faribault, Rochester, St.
11.19 Cloud, Moorhead, and Willmar. To the extent
11.20 possible, Youthprise must make at least 50
11.21 percent of these grants to organizations serving
11.22 communities located outside the seven-county
11.23 metropolitan area, as defined in Minnesota
11.24 Statutes, section 473.121, subdivision 2. This
11.25 is a onetime appropriation and is available
11.26 until June 30, 2022.
- 11.27 (j) \$525,000 each year is for a grant to the
11.28 YWCA of Minneapolis to provide
11.29 economically challenged individuals the jobs
11.30 skills training, career counseling, and job
11.31 placement assistance necessary to secure a
11.32 child development associate credential and to
11.33 have a career path in early childhood
11.34 education. This is a onetime appropriation.

- 12.1 (k) \$250,000 each year is for a grant to YWCA
12.2 St. Paul to provide job training services and
12.3 workforce development programs and
12.4 services, including job skills training and
12.5 counseling. This is a onetime appropriation.
- 12.6 (l) \$17,159,000 the first year is for:
- 12.7 (1) distribution to existing nonprofit and state
12.8 displaced homemaker programs under
12.9 Minnesota Statutes, section 116L.96;
- 12.10 (2) the special education employment pilot
12.11 project;
- 12.12 (3) a grant to Fathers Rise Together to study
12.13 the creation of a Duluth-Iron Range African
12.14 heritage hub;
- 12.15 (4) a grant to Hennepin County for the Cedar
12.16 Riverside Partnership;
- 12.17 (5) a grant to Goodwill-Easter Seals Minnesota
12.18 and its partners for the FATHER Project;
- 12.19 (6) competitive grants to eligible nonprofit
12.20 minority business development organizations
12.21 for statewide business development and
12.22 assistance services to minority-owned
12.23 businesses, including the creation of revolving
12.24 loan funds and operating support for the
12.25 organizations providing the services;
- 12.26 (7) a grant to Lifetrack for job training and
12.27 employment preparation for at-risk adults;
- 12.28 (8) the pathways to prosperity grant program
12.29 under Minnesota Statutes, section 116L.25;
12.30 and
- 12.31 (9) a grant to Better Futures Minnesota to
12.32 provide job skills training to individuals who
12.33 have been released from incarceration for a

- 13.1 felony-level offense and are no more than 12
13.2 months from the date of release.
- 13.3 The commissioner has discretion to allocate
13.4 this appropriation among the listed programs
13.5 and grantees, including awarding zero funds
13.6 to a listed program or grantee. The
13.7 commissioner has discretion to stipulate
13.8 reasonable terms for individual programs and
13.9 grants. Of these amounts, up to four percent
13.10 is for administration and monitoring of the
13.11 funded programs. This is a onetime
13.12 appropriation and funds are available until
13.13 June 30, 2021.
- 13.14 (m) \$100,000 the first year is from the
13.15 workforce development fund for a grant to the
13.16 Cook County Higher Education Board to
13.17 provide educational programming and
13.18 academic support services to remote regions
13.19 in northeastern Minnesota. This appropriation
13.20 is in addition to other funds previously
13.21 appropriated to the board.
- 13.22 (n) \$500,000 each year is from the workforce
13.23 development fund for Propel Nonprofits,
13.24 formerly known as the Nonprofits Assistance
13.25 Fund, to make grants for infrastructure support
13.26 to small nonprofit organizations that serve
13.27 historically underserved cultural communities.
- 13.28 (o) \$250,000 each year is from the workforce
13.29 development fund for a grant to the American
13.30 Indian Opportunities and Industrialization
13.31 Center, in collaboration with the Northwest
13.32 Indian Community Development Center, to
13.33 reduce academic disparities for American
13.34 Indian students and adults. This is a onetime

- 14.1 appropriation. The grant funds may be used
14.2 to provide:
- 14.3 (1) student tutoring and testing support
14.4 services;
- 14.5 (2) training and employment placement in
14.6 information technology;
- 14.7 (3) training and employment placement within
14.8 trades;
- 14.9 (4) assistance in obtaining a GED;
- 14.10 (5) remedial training leading to enrollment
14.11 and to sustain enrollment in a postsecondary
14.12 higher education institution;
- 14.13 (6) real-time work experience in information
14.14 technology fields and in the trades;
- 14.15 (7) contextualized adult basic education;
- 14.16 (8) career and educational counseling for
14.17 clients with significant and multiple barriers;
14.18 and;
- 14.19 (9) reentry services and counseling for adults
14.20 and youth.
- 14.21 After notification to the chairs and minority
14.22 leads of the legislative committees with
14.23 jurisdiction over jobs and economic
14.24 development, the commissioner may transfer
14.25 this appropriation to the commissioner of
14.26 education.
- 14.27 (p) \$350,000 each year is from the workforce
14.28 development fund for a grant to the
14.29 International Institute of Minnesota. Grant
14.30 funds must be used for workforce training for
14.31 New Americans in industries in need of trained
14.32 workforce. This is a onetime appropriation.

15.1 (q) \$100,000 the first year is from the
15.2 workforce development fund for preparing a
15.3 plan to address barriers to employment for
15.4 persons with mental illness.

15.5 (r) \$1,000,000 each year is from the workforce
15.6 development fund for a grant to EMERGE
15.7 Community Development, in collaboration
15.8 with community partners, for services
15.9 targeting Minnesota communities with the
15.10 highest concentrations of African and
15.11 African-American joblessness, based on the
15.12 most recent census tract data, to provide
15.13 employment readiness training, credentialed
15.14 training placement, job placement and
15.15 retention services, supportive services for
15.16 hard-to-employ individuals, and a general
15.17 education development fast track and adult
15.18 diploma program. This is a onetime
15.19 appropriation.

15.20 (s) \$1,000,000 each year is from the workforce
15.21 development fund for a grant to the
15.22 Minneapolis Foundation for a strategic
15.23 intervention program designed to target and
15.24 connect program participants to meaningful,
15.25 sustainable living-wage employment. This is
15.26 a onetime appropriation.

15.27 (t) \$1,000,000 each year from the workforce
15.28 development fund is for a grant to the
15.29 Construction Careers Foundation for the
15.30 construction career pathway initiative to
15.31 provide year-round educational and
15.32 experiential learning opportunities for teens
15.33 and young adults under the age of 21 that lead
15.34 to careers in the construction industry. This is

16.1 a onetime appropriation. Grant funds must be
16.2 used to:

16.3 (1) increase construction industry exposure
16.4 activities for middle school and high school
16.5 youth, parents, and counselors to reach a more
16.6 diverse demographic and broader statewide
16.7 audience. This requirement includes, but is
16.8 not limited to, an expansion of programs to
16.9 provide experience in different crafts to youth
16.10 and young adults throughout the state;

16.11 (2) increase the number of high schools in
16.12 Minnesota offering construction classes during
16.13 the academic year that utilize a multicraft
16.14 curriculum;

16.15 (3) increase the number of summer internship
16.16 opportunities;

16.17 (4) enhance activities to support graduating
16.18 seniors in their efforts to obtain employment
16.19 in the construction industry;

16.20 (5) increase the number of young adults
16.21 employed in the construction industry and
16.22 ensure that they reflect Minnesota's diverse
16.23 workforce; and

16.24 (6) enhance an industrywide marketing
16.25 campaign targeted to youth and young adults
16.26 about the depth and breadth of careers within
16.27 the construction industry.

16.28 Programs and services supported by grant
16.29 funds must give priority to individuals and
16.30 groups that are economically disadvantaged
16.31 or historically underrepresented in the
16.32 construction industry, including but not limited
16.33 to women, veterans, and members of minority
16.34 and immigrant groups.

- 17.1 (u) \$1,000,000 each year is from the
17.2 workforce development fund for a grant to
17.3 Latino Communities United in Service
17.4 (CLUES) to expand culturally tailored
17.5 programs that address employment and
17.6 education skill gaps for working parents and
17.7 underserved youth by providing new job skills
17.8 training to stimulate higher wages for
17.9 low-income people, family support systems
17.10 designed to reduce intergenerational poverty,
17.11 and youth programming to promote
17.12 educational advancement and career pathways.
17.13 At least 50 percent of this amount must be
17.14 used for programming targeted at greater
17.15 Minnesota. This is a onetime appropriation.
- 17.16 (v) \$1,297,000 in the first year and \$800,000
17.17 in the second year are from the workforce
17.18 development fund for performance grants
17.19 under Minnesota Statutes, section 116J.8747,
17.20 to Twin Cities R!SE to provide training to
17.21 hard-to-train individuals. This is a onetime
17.22 appropriation.
- 17.23 (w) \$6,192,000 the first year and \$6,688,000
17.24 the second year are from the workforce
17.25 development fund for:
- 17.26 (1) a grant to Minnesota Diversified Industries,
17.27 Inc., to provide progressive development and
17.28 employment opportunities for persons with
17.29 disabilities;
- 17.30 (2) the getting to work grant program under
17.31 Minnesota Statutes, section 116J.545;
- 17.32 (3) a grant to the Minnesota High Tech
17.33 Association to support SciTechsperience;

- 18.1 (4) the Opportunities Industrialization Center
18.2 programs;
- 18.3 (5) rural career counseling coordinator
18.4 positions in the workforce service areas and
18.5 for the purposes specified in Minnesota
18.6 Statutes, section 116L.667;
- 18.7 (6) the pathways to prosperity grant program
18.8 under Minnesota Statutes, section 116L.25;
- 18.9 (7) a grant to Bridges to Healthcare to provide
18.10 career education, wraparound support services,
18.11 and job skills training in high-demand health
18.12 care fields to low-income parents, nonnative
18.13 speakers of English, and other hard-to-train
18.14 individuals;
- 18.15 (8) a grant to Avivo to provide low-income
18.16 individuals with career education and job skills
18.17 training that are fully integrated with chemical
18.18 and mental health services; and
- 18.19 (9) a grant to Better Futures Minnesota to
18.20 provide job skills training to individuals who
18.21 have been released from incarceration for a
18.22 felony-level offense and are no more than 12
18.23 months from the date of release.
- 18.24 The commissioner has discretion to allocate
18.25 this appropriation among the listed programs
18.26 and grantees, including awarding zero funds
18.27 to a listed program or grantee. The
18.28 commissioner has discretion to stipulate
18.29 reasonable terms for individual programs and
18.30 grants. Of these amounts, up to four percent
18.31 is for administration and monitoring of the
18.32 funded programs. This is a onetime
18.33 appropriation and funds are available until
18.34 June 30, 2022.

- 19.1 (x) \$500,000 each year is from the workforce
19.2 development fund for competitive grants to
19.3 organizations providing services to relieve
19.4 economic disparities in the Southeast Asian
19.5 community through workforce recruitment,
19.6 development, job creation, assistance of
19.7 smaller organizations to increase capacity, and
19.8 outreach. Of this amount, up to five percent
19.9 is for administration and monitoring of the
19.10 program.
- 19.11 (y) \$1,000,000 each year is from the
19.12 workforce development fund for a grant to the
19.13 Hmong American Partnership, in collaboration
19.14 with community partners, for services
19.15 targeting Minnesota communities with the
19.16 highest concentrations of Southeast Asian
19.17 joblessness, based on the most recent census
19.18 tract data, to provide employment readiness
19.19 training, credentialed training placement, job
19.20 placement and retention services, supportive
19.21 services for hard-to-employ individuals, and
19.22 a general education development fast track
19.23 and adult diploma program. This is a onetime
19.24 appropriation.
- 19.25 (z) \$1,000,000 each year is for a competitive
19.26 grant program to provide grants to
19.27 organizations that provide support services for
19.28 individuals, such as job training, employment
19.29 preparation, internships, job assistance to
19.30 parents, financial literacy, academic and
19.31 behavioral interventions for low-performing
19.32 students, and youth intervention. Grants made
19.33 under this section must focus on low-income
19.34 communities, young adults from families with
19.35 a history of intergenerational poverty, and

20.1 communities of color. Of this amount, up to
20.2 four percent is for administration and
20.3 monitoring of the program.

20.4 (aa) \$1,000,000 each year is for a grant to
20.5 Ujamaa Place for job training, employment
20.6 preparation, internships, education, training
20.7 in vocational trades, housing, and
20.8 organizational capacity building. This is a
20.9 onetime appropriation.

20.10 (bb) \$750,000 each year is from the general
20.11 fund and \$4,848,000 each year is from the
20.12 workforce development fund for the
20.13 youth-at-work competitive grant program
20.14 under Minnesota Statutes, section 116L.562.
20.15 Of this amount, up to five percent is for
20.16 administration and monitoring of the youth
20.17 workforce development competitive grant
20.18 program. All grant awards shall be for two
20.19 consecutive years. Grants shall be awarded in
20.20 the first year. This is a onetime appropriation.

20.21 (cc) \$5,050,000 each year is from the
20.22 workforce development fund for:

20.23 (1) the youthbuild program under Minnesota
20.24 Statutes, sections 116L.361 to 116L.366;

20.25 (2) the Minnesota youth program under
20.26 Minnesota Statutes, sections 116L.56 and
20.27 116L.561;

20.28 (3) a grant to Big Brothers, Big Sisters of the
20.29 Greater Twin Cities for workforce readiness,
20.30 employment exploration, and skills
20.31 development for youth ages 12 to 21;

20.32 (4) a grant to the Minnesota Alliance of Boys
20.33 and Girls Clubs to administer a statewide

21.1 project of youth job skills and career

21.2 development;

21.3 (5) a grant to the Minneapolis Park and

21.4 Recreation Board for its youth workforce

21.5 employment program Learn to Earn/Teen

21.6 Teamworks; and

21.7 (6) a grant to Youthprise for Opportunity

21.8 Reboot, a statewide initiative to address the

21.9 economic challenges of disconnected youth.

21.10 The commissioner has discretion to allocate

21.11 these appropriations among the listed

21.12 programs and grantees, including awarding

21.13 zero funds to a listed program or grantee. The

21.14 commissioner has discretion to stipulate

21.15 reasonable terms for individual programs and

21.16 grants. Of these amounts, up to four percent

21.17 is for administration and monitoring of the

21.18 funded programs. This is a onetime

21.19 appropriation and funds are available until

21.20 June 30, 2021.

21.21 Subd. 4. General Support Services

4,726,000

4,726,000

21.22 Appropriations by Fund

21.23 General Fund 4,671,000 4,671,000

21.24 Workforce

21.25 Development 55,000 55,000

21.26 (a) \$250,000 each year is for the publication,

21.27 dissemination, and use of labor market

21.28 information under Minnesota Statutes, section

21.29 116J.401.

21.30 (b) \$1,269,000 each year is for transfer to the

21.31 Minnesota Housing Finance Agency for

21.32 operating the Olmstead Compliance Office.

21.33 (c) \$500,000 each year is for the

21.34 capacity-building grant program to assist

22.1 nonprofit organizations offering or seeking to
 22.2 offer workforce development and economic
 22.3 development programming.

22.4 Subd. 5. Minnesota Trade Office 2,292,000 2,292,000

22.5 (a) \$300,000 each year is for the STEP grants
 22.6 in Minnesota Statutes, section 116J.979.

22.7 (b) \$180,000 each year is for the Invest
 22.8 Minnesota marketing initiative in Minnesota
 22.9 Statutes, section 116J.9781.

22.10 (c) \$270,000 each year is for the Minnesota
 22.11 Trade Offices under Minnesota Statutes,
 22.12 section 116J.978.

22.13 (d) \$50,000 each year is for the Trade Policy
 22.14 Advisory Council under Minnesota Statutes,
 22.15 section 116J.9661.

22.16 Subd. 6. Vocational Rehabilitation 37,941,000 37,941,000

22.17 Appropriations by Fund

22.18 General 30,111,000 30,111,000

22.19 Workforce
 22.20 Development 7,830,000 7,830,000

22.21 (a) \$14,800,000 each year is for the state's
 22.22 vocational rehabilitation program under
 22.23 Minnesota Statutes, chapter 268A.

22.24 (b) \$8,995,000 each year from the general fund
 22.25 and \$6,830,000 each year from the workforce
 22.26 development fund is for extended employment
 22.27 services for persons with severe disabilities
 22.28 under Minnesota Statutes, section 268A.15.

22.29 Of the general fund amount appropriated,
 22.30 \$2,000,000 each year is for rate increases to
 22.31 providers of extended employment services
 22.32 for persons with severe disabilities under
 22.33 Minnesota Statutes, section 268A.15.

23.1 (c) \$2,555,000 each year is for grants to
 23.2 programs that provide employment support
 23.3 services to persons with mental illness under
 23.4 Minnesota Statutes, sections 268A.13 and
 23.5 268A.14.

23.6 (d) \$3,761,000 each year is for grants to
 23.7 centers for independent living under
 23.8 Minnesota Statutes, section 268A.11. Of these
 23.9 amounts, at least \$100,000 each year must be
 23.10 used for providing services to veterans.

23.11 (e) \$1,000,000 each year is from the workforce
 23.12 development fund for grants under Minnesota
 23.13 Statutes, section 268A.16, for employment
 23.14 services for persons, including transition-age
 23.15 youth, who are deaf, deafblind, or
 23.16 hard-of-hearing. If the amount in the first year
 23.17 is insufficient, the amount in the second year
 23.18 is available in the first year.

23.19	<u>Subd. 7. Services for the Blind</u>	<u>6,425,000</u>	<u>6,425,000</u>
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23.20 Of this amount, \$500,000 each year is for
 23.21 senior citizens who are becoming blind. At
 23.22 least one-half of the funds for this purpose
 23.23 must be used to provide training services for
 23.24 seniors who are becoming blind. Training
 23.25 services must provide independent living skills
 23.26 to seniors who are becoming blind to allow
 23.27 them to continue to live independently in their
 23.28 homes.

23.29	<u>Subd. 8. Paid Family and Medical Leave</u>	<u>10,549,000</u>	<u>21,975,000</u>
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23.30 (a) \$10,549,000 the first year and \$21,442,000
 23.31 the second year are for the purposes of
 23.32 Minnesota Statutes, chapter 268B.
 23.33 Unexpended funds appropriated in the first
 23.34 year are available in the second year. In fiscal

24.1 year 2022, the base amount is \$14,596,000;
24.2 in fiscal year 2023, the base amount is
24.3 \$13,681,000; in fiscal year 2024, the base
24.4 amount is \$11,520,000; and in fiscal year 2025
24.5 and beyond, the base amount is \$0.

24.6 (b) \$533,000 the second year is for the purpose
24.7 of outreach, education, and technical
24.8 assistance for employees and employers
24.9 regarding Minnesota Statutes, chapter 268B.
24.10 Of the amount appropriated, at least one-half
24.11 must be used for grants to community-based
24.12 groups providing outreach, education, and
24.13 technical assistance for employees, employers,
24.14 and self-employed individuals regarding
24.15 Minnesota Statutes, chapter 268B. This
24.16 outreach must include efforts to notify
24.17 self-employed individuals of their ability to
24.18 elect coverage under Minnesota Statutes,
24.19 section 268B.11, and provide them with
24.20 technical assistance in doing so. This is a
24.21 onetime appropriation.

24.22 Subd. 9. Dairy Assistance, Investment, Relief
24.23 Initiative (DAIRI)

10,000,000

-0-

24.24 \$10,000,000 the first year is for transfer to the
24.25 commissioner of agriculture to award need
24.26 based grants to Minnesota dairy producers
24.27 who milk herds of no more than 750 cows for
24.28 buy-in to the federal Dairy Margin Coverage
24.29 Program. The commissioner of agriculture
24.30 must develop eligibility criteria in consultation
24.31 with the chairs and ranking minority members
24.32 of the legislative committees with jurisdiction
24.33 over agriculture finance.

24.34 Sec. 3. DEPARTMENT OF LABOR AND
24.35 INDUSTRY

25.1	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>36,680,000</u>	<u>\$</u>	<u>35,032,000</u>
25.2	<u>Appropriations by Fund</u>				
25.3		<u>2020</u>	<u>2021</u>		
25.4	<u>General</u>	<u>9,056,000</u>	<u>10,410,000</u>		
25.5	<u>Workers'</u>				
25.6	<u>Compensation</u>	<u>25,088,000</u>	<u>22,088,000</u>		
25.7	<u>Workforce</u>				
25.8	<u>Development</u>	<u>2,534,000</u>	<u>2,534,000</u>		
25.9	<u>The amounts that may be spent for each</u>				
25.10	<u>purpose are specified in the following</u>				
25.11	<u>subdivisions.</u>				
25.12	<u>Subd. 2. General Support</u>		<u>8,039,000</u>		<u>8,339,000</u>
25.13	<u>Appropriations by Fund</u>				
25.14	<u>General</u>	<u>1,250,000</u>	<u>1,550,000</u>		
25.15	<u>Workers'</u>				
25.16	<u>Compensation</u>	<u>6,039,000</u>	<u>6,039,000</u>		
25.17	<u>Workforce</u>				
25.18	<u>Development Fund</u>	<u>750,000</u>	<u>750,000</u>		
25.19	<u>(a) Except as provided in paragraphs (b) and</u>				
25.20	<u>(c), this appropriation is from the workers'</u>				
25.21	<u>compensation fund.</u>				
25.22	<u>(b) \$1,250,000 the first year and \$1,550,000</u>				
25.23	<u>the second year are from the general fund for</u>				
25.24	<u>system upgrades. This is a onetime</u>				
25.25	<u>appropriation and funds are available until</u>				
25.26	<u>June 30, 2023. This appropriation includes</u>				
25.27	<u>funds for information technology project</u>				
25.28	<u>services and support subject to Minnesota</u>				
25.29	<u>Statutes, section 16E.0466. Any ongoing</u>				
25.30	<u>information technology costs must be</u>				
25.31	<u>incorporated into the service level agreement</u>				
25.32	<u>and must be paid to the Office of MN.IT</u>				
25.33	<u>Services by the commissioner of labor and</u>				
25.34	<u>industry under the rates and mechanism</u>				
25.35	<u>specified in that agreement.</u>				

- 26.1

(c) \$750,000 each year is from the workforce
- 26.2

development fund to administer the youth
- 26.3

skills training program and make grant awards
- 26.4

under Minnesota Statutes, section 175.46.
- 26.5

Subd. 3. Labor Standards and Apprenticeship

9,590,000

11,394,000
- 26.6

Appropriations by Fund
- 26.7

General

7,806,000

8,860,000
- 26.8

Workforce
- 26.9

Development

1,784,000

1,784,000
- 26.10

(a) \$2,046,000 each year is for wage theft
- 26.11

prevention.
- 26.12

(b) \$3,866,000 the first year and \$4,072,000
- 26.13

the second year are for enforcement and other
- 26.14

duties regarding earned sick and safe time
- 26.15

under Minnesota Statutes, section 181.9445
- 26.16

and chapter 177. In fiscal year 2022, the base
- 26.17

amount is \$2,874,000 and in fiscal year 2023
- 26.18

and beyond, the base amount is \$2,873,000.
- 26.19

(c) \$214,000 the first year and \$377,000 the
- 26.20

second year are for the purpose of outreach,
- 26.21

education, and technical assistance for
- 26.22

employees, employers, and self-employed
- 26.23

individuals regarding Minnesota Statutes,
- 26.24

chapter 268B. This outreach must include ,
- 26.25

efforts to notify self-employed individuals of
- 26.26

their ability to elect coverage under Minnesota
- 26.27

Statutes, section 268B.11, and provide them
- 26.28

with technical assistance in doing so.
- 26.29

Unexpended amounts appropriated the first
- 26.30

year are available in the second year. This is
- 26.31

a onetime appropriation.
- 26.32

(d) \$382,000 the first year and \$1,101,000 the
- 26.33

second year are for enforcement duties and
- 26.34

related administration under Minnesota

- 27.1 Statutes, chapter 268B. This is a onetime
27.2 appropriation.
- 27.3 (e) \$151,000 each year is from the workforce
27.4 development fund for prevailing wage
27.5 enforcement.
- 27.6 (f) \$1,133,000 each year is from the workforce
27.7 development fund for the apprenticeship
27.8 program under Minnesota Statutes, chapter
27.9 178.
- 27.10 (g) \$100,000 each year is from the workforce
27.11 development fund for labor education and
27.12 advancement program grants under Minnesota
27.13 Statutes, section 178.11, to expand and
27.14 promote registered apprenticeship training for
27.15 minorities and women.
- 27.16 (h) \$400,000 each year is from the workforce
27.17 development fund for grants to the
27.18 Construction Careers Foundation for the
27.19 Helmets to Hardhats Minnesota initiative.
27.20 Grant funds must be used to recruit, retain,
27.21 assist, and support National Guard, reserve,
27.22 and active duty military members' and
27.23 veterans' participation into apprenticeship
27.24 programs registered with the Department of
27.25 Labor and Industry and connect them with
27.26 career training and employment in the building
27.27 and construction industry. The recruitment,
27.28 selection, employment, and training must be
27.29 without discrimination due to race, color,
27.30 creed, religion, national origin, sex, sexual
27.31 orientation, marital status, physical or mental
27.32 disability, receipt of public assistance, or age.
- 27.33 (i) In fiscal years 2020 and 2021 the
27.34 commissioner of labor and industry shall

28.1	<u>utilize funds in the contractor recovery fund</u>		
28.2	<u>for a statewide consumer awareness campaign</u>		
28.3	<u>highlighting the importance of hiring licensed</u>		
28.4	<u>contractors as well as the consequences of</u>		
28.5	<u>hiring unlicensed contractors.</u>		
28.6	<u>Subd. 4. Workers' Compensation</u>	<u>14,882,000</u>	<u>11,882,000</u>
28.7	<u>\$3,000,000 the first year is from the workers'</u>		
28.8	<u>compensation fund for workers' compensation</u>		
28.9	<u>system upgrades. This amount is available</u>		
28.10	<u>until June 30, 2023. This is a onetime</u>		
28.11	<u>appropriation.</u>		
28.12	<u>This appropriation includes funds for</u>		
28.13	<u>information technology project services and</u>		
28.14	<u>support subject to the provisions of Minnesota</u>		
28.15	<u>Statutes, section 16E.0466. Any ongoing</u>		
28.16	<u>information technology costs must be</u>		
28.17	<u>incorporated into the service level agreement</u>		
28.18	<u>and must be paid to the Office of MN.IT</u>		
28.19	<u>Services by the commissioner of labor and</u>		
28.20	<u>industry under the rates and mechanism</u>		
28.21	<u>specified in that agreement.</u>		
28.22	<u>Subd. 5. Workplace Safety</u>	<u>4,167,000</u>	<u>4,167,000</u>
28.23	<u>This appropriation is from the workers'</u>		
28.24	<u>compensation fund.</u>		
28.25	<u>Sec. 4. WORKERS' COMPENSATION COURT</u>		
28.26	<u>OF APPEALS</u> \$	<u>2,222,000</u> \$	<u>2,283,000</u>
28.27	<u>This appropriation is from the workers'</u>		
28.28	<u>compensation fund.</u>		
28.29	<u>Sec. 5. BUREAU OF MEDIATION SERVICES</u> \$	<u>3,076,000</u> \$	<u>3,076,000</u>
28.30	<u>(a) \$560,000 each year is for purposes of the</u>		
28.31	<u>Public Employment Relations Board under</u>		
28.32	<u>Minnesota Statutes, section 179A.041.</u>		

29.1 (b) \$68,000 each year is from the general fund
29.2 for grants to area labor management
29.3 committees. Grants may be awarded for a
29.4 12-month period beginning July 1 each year.
29.5 Any unencumbered balance remaining at the
29.6 end of the first year does not cancel but is
29.7 available for the second year.

29.8 (c) \$394,000 each year is for the Office of
29.9 Collaboration and Dispute Resolution under
29.10 Minnesota Statutes, section 179.90. Of this
29.11 amount, \$160,000 each year is for grants under
29.12 Minnesota Statutes, section 179.91.

29.13 **Sec. 6. DEPARTMENT OF COMMERCE**

29.14	Subdivision 1. Total Appropriation	\$	25,423,000	\$	24,895,000
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29.15 Appropriations by Fund

29.16	<u>General</u>	<u>23,055,000</u>	<u>22,526,000</u>
29.17	<u>Special Revenue</u>	<u>2,060,000</u>	<u>2,060,000</u>
29.18	<u>Workers'</u>		
29.19	<u>Compensation</u>	758,000	759,000

29.20 The amounts that may be spent for each
29.21 purpose are specified in the following
29.22 subdivisions.

29.23	Subd. 2. Financial Institutions	<u>1,131,000</u>	<u>1,136,000</u>
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29.24 (a) \$400,000 each year is for a grant to Prepare
29.25 and Prosper to develop, market, evaluate, and
29.26 distribute a financial services inclusion
29.27 program that (1) assists low-income and
29.28 financially underserved populations to build
29.29 savings and strengthen credit, and (2) provides
29.30 services to assist low-income and financially
29.31 underserved populations to become more
29.32 financially stable and secure. Money
29.33 remaining after the first year is available for
29.34 the second year.

30.1 (b) \$100,000 each year is for a grant to Exodus
 30.2 Lending to assist individuals in reaching
 30.3 financial stability and resolving payday loans.
 30.4 This is a onetime appropriation and funds are
 30.5 available until June 30, 2022.

30.6 (c) \$200,000 each year is to administer the
 30.7 requirements of Minnesota Statutes, chapter
 30.8 58B. This is a onetime appropriation.

30.9 <u>Subd. 3. Administrative Services</u>	<u>9,645,000</u>	<u>8,955,000</u>
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30.10 (a) \$384,000 each year is for additional
 30.11 compliance efforts with unclaimed property.
 30.12 The commissioner may issue contracts for
 30.13 these services.

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

30.16 (c) \$33,000 each year is for rulemaking and
 30.17 administration under Minnesota Statutes,
 30.18 section 80A.461.

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

30.21 <u>Subd. 4. Telecommunications</u>	<u>3,097,000</u>	<u>3,107,000</u>
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30.22 Appropriations by Fund

30.23 <u>General</u>	<u>1,037,000</u>	<u>1,047,000</u>
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30.24 <u>Special Revenue</u>	<u>2,060,000</u>	<u>2,060,000</u>
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30.25 \$2,060,000 each year is from the
 30.26 telecommunication access Minnesota fund
 30.27 account in the special revenue fund for the
 30.28 following transfers. This appropriation is
 30.29 added to the department's base:

30.30 (1) \$1,620,000 each year is to the
 30.31 commissioner of human services to
 30.32 supplement the ongoing operational expenses

31.1 of the Commission of the Deaf, DeafBlind and
 31.2 Hard of Hearing;
 31.3 (2) \$290,000 each year is to the chief
 31.4 information officer for the purpose of
 31.5 coordinating technology accessibility and
 31.6 usability;
 31.7 (3) \$100,000 each year is to the Legislative
 31.8 Coordinating Commission for captioning of
 31.9 legislative coverage. This transfer is subject
 31.10 to Minnesota Statutes, section 16A.281; and
 31.11 (4) \$50,000 each year is to the Office of
 31.12 MN.IT Services for a consolidated access fund
 31.13 to provide grants to other state agencies related
 31.14 to accessibility of their web-based services.

31.15 Subd. 5. Enforcement

6,417,000

6,507,000

31.16 Appropriations by Fund

31.17 <u>General</u>	<u>6,217,000</u>	<u>6,307,000</u>
31.18 <u>Workers'</u>		
31.19 <u>Compensation</u>	<u>200,000</u>	<u>200,000</u>

31.20 (a) \$279,000 each year is for health care
 31.21 enforcement.
 31.22 (b) \$250,000 each year is for a statewide
 31.23 education and outreach campaign to protect
 31.24 seniors, meaning those 60 years of age or
 31.25 older, vulnerable adults, as defined in
 31.26 Minnesota Statutes, section 626.5572,
 31.27 subdivision 21, and their caregivers from
 31.28 financial fraud and exploitation. The education
 31.29 and outreach campaign must include but is not
 31.30 limited to the dissemination of information
 31.31 through television, print, or other media,
 31.32 training and outreach to senior living facilities,
 31.33 and the creation of a senior fraud toolkit. This
 31.34 is a onetime appropriation.

32.1	<u>Subd. 6. Insurance</u>		<u>5,583,000</u>	<u>5,640,000</u>
32.2	<u>Appropriations by Fund</u>			
32.3	<u>General</u>	<u>5,025,000</u>	<u>5,081,000</u>	
32.4	<u>Workers'</u>			
32.5	<u>Compensation</u>	<u>558,000</u>	<u>559,000</u>	
32.6	<u>(a) \$642,000 each year is for health insurance</u>			
32.7	<u>rate review staffing.</u>			
32.8	<u>(b) \$412,000 each year is for actuarial work</u>			
32.9	<u>to prepare for implementation of</u>			
32.10	<u>principle-based reserves.</u>			
32.11	<u>Sec. 7. MINNESOTA MANAGEMENT AND</u>			
32.12	<u>BUDGET</u>	<u>\$</u>	<u>51,000</u>	<u>\$ 106,000</u>
32.13	<u>(a) \$29,000 the first year and \$13,000 the</u>			
32.14	<u>second year are for implementation and costs</u>			
32.15	<u>associated with paid family and medical leave</u>			
32.16	<u>under Minnesota Statutes, chapter 268B.</u>			
32.17	<u>(b) \$22,000 the first year and \$93,000 the</u>			
32.18	<u>second year are for costs associated with</u>			
32.19	<u>earned sick and safe time under Minnesota</u>			
32.20	<u>Statutes, section 181.9445.</u>			
32.21	<u>Sec. 8. REVENUE DEPARTMENT</u>	<u>\$</u>	<u>-0-</u>	<u>\$ 91,000</u>
32.22	<u>\$91,000 the second year is for implementation</u>			
32.23	<u>and costs associated with paid family and</u>			
32.24	<u>medical leave under Minnesota Statutes,</u>			
32.25	<u>chapter 268B. In fiscal year 2022, the base</u>			
32.26	<u>amount is \$149,000 and in fiscal year 2023</u>			
32.27	<u>and beyond, the base amount is \$117,000.</u>			
32.28	<u>Sec. 9. SUPREME COURT</u>	<u>\$</u>	<u>-0-</u>	<u>\$ 15,000</u>
32.29	<u>\$15,000 the second year is for responsibilities</u>			
32.30	<u>related to Minnesota Statutes, chapter 268B.</u>			
32.31	<u>This is a onetime appropriation.</u>			
32.32	<u>Sec. 10. ATTORNEY GENERAL</u>	<u>\$</u>	<u>654,000</u>	<u>\$ 654,000</u>

33.1 \$654,000 each year is for wage theft
33.2 prevention.

33.3 **ARTICLE 2**

33.4 **FAMILY AND MEDICAL BENEFITS**

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

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

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

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

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

33.18 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an
33.19 employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032,
33.20 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275,
33.21 subdivision 2a, 181.722, 181.79, ~~and~~ 181.939 to 181.943, 268B.09, subdivisions 1 to 6, and
33.22 268B.12, subdivision 2, or with any rule promulgated under section 177.28. The
33.23 commissioner shall issue an order requiring an employer to comply with sections 177.41
33.24 to 177.435 if the violation is repeated. For purposes of this subdivision only, a violation is
33.25 repeated if at any time during the two years that preceded the date of violation, the
33.26 commissioner issued an order to the employer for violation of sections 177.41 to 177.435
33.27 and the order is final or the commissioner and the employer have entered into a settlement
33.28 agreement that required the employer to pay back wages that were required by sections
33.29 177.41 to 177.435. The department shall serve the order upon the employer or the employer's
33.30 authorized representative in person or by certified mail at the employer's place of business.
33.31 An employer who wishes to contest the order must file written notice of objection to the
33.32 order with the commissioner within 15 calendar days after being served with the order. A
33.33 contested case proceeding must then be held in accordance with sections 14.57 to 14.69.

34.1 If, within 15 calendar days after being served with the order, the employer fails to file a
34.2 written notice of objection with the commissioner, the order becomes a final order of the
34.3 commissioner.

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

34.5 **181.032 REQUIRED STATEMENT OF EARNINGS BY EMPLOYER.**

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

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

34.14 (1) the name of the employee;

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

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

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

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

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

34.22 ~~(6)~~ (7) the net amount of pay after all deductions are made;

34.23 ~~(7)~~ (8) the date on which the pay period ends; and

34.24 ~~(8)~~ (9) the legal name of the employer and the operating name of the employer if different
34.25 from the legal name.

34.26 (c) An employer must provide earnings statements to an employee in writing, rather
34.27 than by electronic means, if the employer has received at least 24 hours notice from an
34.28 employee that the employee would like to receive earnings statements in written form. Once
34.29 an employer has received notice from an employee that the employee would like to receive
34.30 earnings statements in written form, the employer must comply with that request on an
34.31 ongoing basis.

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

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

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

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

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

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

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

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

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

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

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

35.29 (10) local and state welfare agencies for monitoring the eligibility of the data subject
35.30 for assistance programs, or for any employment or training program administered by those
35.31 agencies, whether alone, in combination with another welfare agency, or in conjunction
35.32 with the department or to monitor and evaluate the statewide Minnesota family investment

36.1 program by providing data on recipients and former recipients of food stamps or food
36.2 support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under
36.3 chapter 119B, or medical programs under chapter 256B or 256L or formerly codified under
36.4 chapter 256D;

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

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

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

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

36.15 (15) the Department of Corrections for the purposes of case planning and internal research
36.16 for preprobation, probation, and postprobation employment tracking of offenders sentenced
36.17 to probation and preconfinement and postconfinement employment tracking of committed
36.18 offenders;

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

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

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

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

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

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

37.2 Subdivision 1. Scope. For the purposes of this chapter, the terms defined in this section
37.3 have the meanings given them.

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

37.6 Subd. 3. Applicant. "Applicant" means an individual applying for leave with benefits
37.7 under this chapter.

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

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

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

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

37.18 Subd. 8. Calendar day. "Calendar day" or "day" means a fixed 24-hour period
37.19 corresponding to a single calendar date.

37.20 Subd. 9. Calendar week. "Calendar week" means a period of seven consecutive calendar
37.21 days.

37.22 Subd. 10. Commissioner. "Commissioner" means the commissioner of employment
37.23 and economic development, unless otherwise indicated by context.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

38.28 Subd. 17. **Estimated self-employment income.** "Estimated self-employment income"
38.29 means a self-employed individual's average net earnings from self-employment in the two
38.30 most recent taxable years. For a self-employed individual who had net earnings from
38.31 self-employment in only one of the years, the individual's estimated self-employment income

39.1 equals the individual's net earnings from self-employment in the year in which the individual
39.2 had net earnings from self-employment.

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

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

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

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

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

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

39.19 (e) For the purposes of this chapter, an individual with a serious health condition is
39.20 deemed a family member of the employee if (1) a health care provider certifies in writing
39.21 that the individual requires care relating to the serious health condition, and (2) the employee
39.22 and the care recipient certify in writing that the employee will be providing the required
39.23 care.

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

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

39.32 Subd. 23. **Independent contractor.** (a) If there is an existing specific test or definition
39.33 for independent contractor in Minnesota statute or rule applicable to an occupation or sector

40.1 as of the date of enactment of this chapter, that test or definition will apply to that occupation
40.2 or sector for purposes of this chapter. If there is not an existing test or definition as described,
40.3 the definition for independent contractor shall be as provided in this subdivision.

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

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

40.9 (2) the individual:

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

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

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

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

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

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

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

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

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

40.29 (c) For the purposes of this chapter, an insurance producer, as defined in section 60K.31,
40.30 subdivision 6, is an independent contractor of an insurance company, as defined in section
40.31 60A.02, subdivision 4, unless the insurance producer and insurance company agree otherwise.

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

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

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

41.10 Subd. 27. **Net earnings from self-employment.** "Net earnings from self-employment"
41.11 has the meaning given in section 1402 of the Internal Revenue Code, as defined in section
41.12 290.01, subdivision 31.

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

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

41.17 Subd. 30. **Qualifying exigency.** (a) "Qualifying exigency" means a need arising out of
41.18 a military member's active duty service or notice of an impending call or order to active
41.19 duty in the United States armed forces, including providing for the care or other needs of
41.20 the family member's child or other dependent, making financial or legal arrangements for
41.21 the family member, attending counseling, attending military events or ceremonies, spending
41.22 time with the family member during a rest and recuperation leave or following return from
41.23 deployment, or making arrangements following the death of the military member.

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

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

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

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

42.1 (3) obtain psychological or other counseling;

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

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

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

42.10 Subd. 33. **Self-employment premium base.** "Self-employment premium base" means
42.11 the lesser of:

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

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

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

42.19 Subd. 35. **Serious health condition.** (a) "Serious health condition" means an illness,
42.20 injury, impairment, or physical or mental condition that involves inpatient care as defined
42.21 in subdivision 24 or continuing treatment by a health care provider as defined in subdivision
42.22 11.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

43.29 Subd. 3. **Seven-day qualifying event.** (a) The period for which an applicant is seeking
43.30 benefits must be or have been based on a single event of at least seven calendar days' duration

44.1 related to pregnancy, recovery from pregnancy, family care, a qualifying exigency, safety
44.2 leave, or the applicant's serious health condition. The days need not be consecutive.

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

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

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

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

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

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

44.18 Subd. 7. **Self-employed individual applicant.** To fulfill the requirements of this section,
44.19 a self-employed individual or independent contractor who has elected and been approved
44.20 for coverage under section 268B.011 must fulfill only the requirements of subdivisions 3,
44.21 4, 5, and 6.

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

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

44.31 Subd. 2. **Certification.** (a) Certification for an applicant taking leave related to the
44.32 applicant's serious health condition shall be sufficient if the certification states the date on

45.1 which the serious health condition began, the probable duration of the condition, and the
45.2 appropriate medical facts within the knowledge of the health care provider as required by
45.3 the commissioner.

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

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

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

45.17 (e) Certification for an applicant taking bonding leave because of the placement of a
45.18 child with the applicant for adoption or foster care shall be sufficient if the applicant provides
45.19 a document issued by the health care provider of the child, an adoption or foster care agency
45.20 involved in the placement, or by other individuals as determined by the commissioner that
45.21 confirms the placement and the date of placement. To the extent that the status of an applicant
45.22 as an adoptive or foster parent changes while an application for benefits is pending, or while
45.23 the covered individual is receiving benefits, the applicant must notify the department of
45.24 such change in status in writing.

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

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

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

45.29 (3) other documentation permitted by the commissioner.

45.30 (g) Certification for an applicant taking safety leave is sufficient if the certification
45.31 includes a court record or documentation signed by a volunteer or employee of a victim's
45.32 services organization, an attorney, a police officer, or an antiviolence counselor. The

46.1 commissioner must not require disclosure of details relating to an applicant's or applicant's
46.2 family member's domestic abuse, sexual assault, or stalking.

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

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

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

46.10 Upon the filing of a complete application for benefits, the commissioner shall examine
46.11 the application and on the basis of facts found by the commissioner and records maintained
46.12 by the department, the applicant shall be determined to be eligible or ineligible within two
46.13 weeks. If the application is determined to be valid, the commissioner shall promptly notify
46.14 the applicant and any other interested party as to the week when benefits commence, the
46.15 weekly benefit amount payable, and the maximum duration of those benefits. If the
46.16 application is determined to be invalid, the commissioner shall notify the applicant and any
46.17 other interested party of that determination and the reasons for it. If the processing of the
46.18 application is delayed for any reason, the commissioner shall notify the applicant, in writing,
46.19 within two weeks of the date the application for benefits is filed of the reason for the delay.
46.20 Unless the applicant or any other interested party, within 30 calendar days, requests a hearing
46.21 before a benefit judge, the determination is final. For good cause shown, the 30-day period
46.22 may be extended. At any time within one year from the date of a monetary determination,
46.23 the commissioner, upon request of the applicant or on the commissioner's own initiative,
46.24 may reconsider the determination if it is found that an error in computation or identity has
46.25 occurred in connection with the determination or that additional wages pertinent to the
46.26 applicant's status have become available, or if that determination has been made as a result
46.27 of a nondisclosure or misrepresentation of a material fact.

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

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

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

- 47.1 (1) the name of the applicant;
- 47.2 (2) that the applicant has applied for and received benefits;
- 47.3 (3) the week the benefits commence;
- 47.4 (4) the weekly benefit amount payable;
- 47.5 (5) the maximum duration of benefits; and
- 47.6 (6) descriptions of the employer's right to participate in a hearing under section 268B.05,
- 47.7 and appeal process under section 268B.07.

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

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

47.10 (b) Upon a timely appeal to a determination having been filed or upon a referral for

47.11 direct hearing, the chief benefit judge must set a time and date for a de novo due-process

47.12 hearing and send notice to an applicant and an employer, by mail or electronic transmission,

47.13 not less than ten calendar days before the date of the hearing.

47.14 (c) The commissioner may adopt rules on procedures for hearings. The rules need not

47.15 conform to common law or statutory rules of evidence and other technical rules of procedure.

47.16 (d) The chief benefit judge has discretion regarding the method by which the hearing is

47.17 conducted.

47.18 Subd. 2. **Decision.** (a) After the conclusion of the hearing, upon the evidence obtained,

47.19 the benefit judge must serve by mail or electronic transmission to all parties, the decision,

47.20 reasons for the decision, and written findings of fact.

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

47.22 Subd. 3. **Request for reconsideration.** Any party, or the commissioner, may, within

47.23 30 calendar days after service of the benefit judge's decision, file a request for reconsideration

47.24 asking the judge to reconsider that decision.

47.25 Subd. 4. **Appeal to court of appeals.** Any final determination on a request for

47.26 reconsideration may be appealed by any party directly to the Minnesota Court of Appeals.

47.27 Subd. 5. **Benefit judges.** (a) Only employees of the department who are attorneys licensed

47.28 to practice law in Minnesota may serve as a chief benefit judge, senior benefit judges who

47.29 are supervisors, or benefit judges.

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

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

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

48.7 (1) 90 percent of wages that do not exceed 50 percent of the state's average weekly wage;
48.8 plus

48.9 (2) 66 percent of wages that exceed 50 percent of the state's average weekly wage but
48.10 not 100 percent; plus

48.11 (3) 55 percent of wages that exceed 100 percent of the state's average weekly wage.

48.12 (b) The state's average weekly wage is the average wage as calculated under section
48.13 268.035, subdivision 23, at the time a benefit amount is first determined.

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

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

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

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

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

48.29 Subd. 5. **Withholding of federal tax.** If the Internal Revenue Service determines that
48.30 benefits are subject to federal income tax, and an applicant elects to have federal income
48.31 tax deducted and withheld from the applicant's benefits, the commissioner must deduct and

49.1 withhold the amount specified in the Internal Revenue Code in a manner consistent with
49.2 state law.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

51.23 (c)(1) An employee is entitled to any unconditional pay increases which may have
51.24 occurred during the leave period, such as cost of living increases. Pay increases conditioned
51.25 upon seniority, length of service, or work performed must be granted in accordance with
51.26 the employer's policy or practice with respect to other employees on an equivalent leave
51.27 status for a reason that does not qualify for leave under this chapter. An employee is entitled
51.28 to be restored to a position with the same or equivalent pay premiums, such as a shift
51.29 differential. If an employee departed from a position averaging ten hours of overtime, and
51.30 corresponding overtime pay, each week an employee is ordinarily entitled to such a position
51.31 on return from leave under this chapter.

51.32 (2) Equivalent pay includes any bonus or payment, whether it is discretionary or
51.33 nondiscretionary, made to employees consistent with the provisions of clause (1). However,
51.34 if a bonus or other payment is based on the achievement of a specified goal such as hours

52.1 worked, products sold, or perfect attendance, and the employee has not met the goal due to
52.2 leave under this chapter, the payment may be denied, unless otherwise paid to employees
52.3 on an equivalent leave status for a reason that does not qualify for leave under this chapter.

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

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

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

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

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

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

52.32 (1) The employee must be reinstated to the same or a geographically proximate worksite
52.33 from where the employee had previously been employed. If the employee's original worksite

53.1 has been closed, the employee is entitled to the same rights as if the employee had not been
53.2 on leave when the worksite closed.

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

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

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

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

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

53.20 (1) If an employee is laid off during the course of taking a leave under this chapter and
53.21 employment is terminated, the employer's responsibility to continue the leave, maintain
53.22 group health plan benefits, and restore the employee cease at the time the employee is laid
53.23 off, provided the employer has no continuing obligations under a collective bargaining
53.24 agreement or otherwise. An employer would have the burden of proving that an employee
53.25 would have been laid off during the period of leave under this chapter and, therefore, would
53.26 not be entitled to restoration. Restoration to a job slated for layoff when the employee's
53.27 original position would not meet the requirements of an equivalent position.

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

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

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

(1) damages equal to the amount of:

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

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

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

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

(1) the employees; or

(2) the employees and other employees similarly situated.

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

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

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

Subdivision 1. Application for substitution. Employers may apply to the commissioner for approval to meet their obligations under this chapter through the substitution of a private plan that provides paid family, paid medical, or paid family and medical benefits. In order to be approved as meeting an employer's obligations under this chapter, a private plan must confer all of the same rights, protections, and benefits provided to employees under this chapter, including but not limited to benefits under section 268B.08 and employment

55.1 protections under section 268B.09. An employee covered by a private plan under this section
55.2 retains all applicable rights and remedies under section 268B.09.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

56.26 Subd. 4. Use of private insurance products. Nothing in this section prohibits an
56.27 employer from meeting the requirements of a private plan through a private insurance
56.28 product. If the employer plan involves a private insurance product, that insurance product
56.29 must conform to any applicable law or rule.

56.30 Subd. 5. Private plan approval and oversight fee. An employer with an approved
56.31 private plan will not be required to pay premiums established under section 268B.12. An
56.32 employer with an approved private plan will be responsible for a private plan approval and

oversight fee equal to \$250 for employers with fewer than 50 employees, \$500 for employers with 50 to 499 employees, and \$1,000 for employers with 500 or more employees. The employer must pay this fee (1) upon initial application for private plan approval and (2) any time the employer applies to amend the private plan. The commissioner will review and report on the adequacy of this fee to cover private plan administrative costs annually beginning in 2020 as part of the annual report established in section 268B.21.

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

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

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

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

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

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

(1) that the plan, as amended, will conform to the standards set forth in this chapter; and
(2) that notice of the amendment has been delivered to all affected employees at least ten days before the submission of the amendment.

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

58.1 Subd. 11. **Successor employer.** A private plan in effect at the time a successor acquires
58.2 the employer organization, trade, or business, or substantially all the assets thereof, or a
58.3 distinct and severable portion of the organization, trade, or business, and continues its
58.4 operation without substantial reduction of personnel resulting from the acquisition, must
58.5 continue the approved private plan and must not withdraw the plan without a specific request
58.6 for withdrawal in a manner and at a time specified by the commissioner. A successor may
58.7 terminate a private plan with notice to the commissioner and within 90 days from the date
58.8 of the acquisition.

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

58.11 (1) failed to pay benefits;

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

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

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

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

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

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

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

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

58.31 (1) \$1,000 for the first violation; and

58.32 (2) \$2,000 for the second, and each successive violation.

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

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

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

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

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

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

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

59.16 Subdivision 1. **Election of coverage.** (a) A self-employed individual or independent
59.17 contractor may file with the commissioner by electronic transmission in a format prescribed
59.18 by the commissioner an application to be entitled to benefits under this chapter for a period
59.19 not less than 104 consecutive calendar weeks. Upon the approval of the commissioner, sent
59.20 by United States mail or electronic transmission, the individual is entitled to benefits under
59.21 this chapter beginning the calendar quarter after the date of approval or beginning in a later
59.22 calendar quarter if requested by the self-employed individual or independent contractor.
59.23 The individual ceases to be entitled to benefits as of the first day of January of any calendar
59.24 year only if, at least 30 calendar days before the first day of January, the individual has filed
59.25 with the commissioner by electronic transmission in a format prescribed by the commissioner
59.26 a notice to that effect.

59.27 (b) The commissioner may terminate any application approved under this section with
59.28 30 calendar days' notice sent by United States mail or electronic transmission if the
59.29 self-employed individual is delinquent on any premiums due under this chapter an election
59.30 agreement. If an approved application is terminated in this manner during the first 104
59.31 consecutive calendar weeks of election, the self-employed individual remains obligated to
59.32 pay the premium under subdivision 3 for the remainder of that 104-week period.

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

60.8 Subd. 3. **Premium.** A self-employed individual who elects to receive coverage under
60.9 this chapter must annually pay a premium equal to one-half the percentage in section
60.10 268B.12, subdivision 4, clause (1), times the lesser of:

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

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

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

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

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

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

60.29 Subd. 2. **Employee charge back.** Notwithstanding section 177.24, subdivision 4, or
60.30 181.06, subdivision 1, employers and covered business entities may deduct up to 50 percent
60.31 of annual premiums paid under this section from employee wages. Such deductions for any
60.32 given employee must be in equal proportion to the premiums paid based on the wages of
60.33 that employee, and all employees of an employer must be subject to the same percentage

deduction. Deductions under this section must not cause an employee's wage, after the deduction, to fall below the rate required to be paid to the worker by law, including any applicable statute, regulation, rule, ordinance, government resolution or policy, contract, or other legal authority, whichever rate of pay is greater.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

62.17 (1) premiums due under this chapter; then

62.18 (2) interest on past due premiums; then

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

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

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

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

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

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

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

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

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

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

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

63.12 Subd. 6. **Credit adjustments; refunds.** (a) If an employer makes an application for a
63.13 credit adjustment of any amount paid under this chapter within four years of the date that
63.14 the payment was due, in a manner and format prescribed by the commissioner, and the
63.15 commissioner determines that the payment or any portion thereof was erroneous, the
63.16 commissioner must make an adjustment and issue a credit without interest. If a credit cannot
63.17 be used, the commissioner must refund, without interest, the amount erroneously paid. The
63.18 commissioner, on the commissioner's own motion, may make a credit adjustment or refund
63.19 under this subdivision.

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

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

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

63.30 Subd. 7. **Priorities under legal dissolutions or distributions.** In the event of any
63.31 distribution of an employer's assets according to an order of any court, including any
63.32 receivership, assignment for benefit of creditors, adjudicated insolvency, or similar
63.33 proceeding, premiums then or thereafter due must be paid in full before all other claims

64.1 except claims for wages of not more than \$1,000 per former employee that are earned within
64.2 six months of the commencement of the proceedings. In the event of an employer's
64.3 adjudication in bankruptcy under federal law, premiums then or thereafter due are entitled
64.4 to the priority provided in that law for taxes due.

64.5 Sec. 19. [268B.14] ADMINISTRATIVE COSTS.

64.6 From July 1, 2021, through December 31, 2021, the commissioner may spend up to
64.7 seven percent of premiums collected under section 268B.13 for administration of this chapter.
64.8 Beginning January 1, 2022, and each calendar year thereafter, the commissioner may spend
64.9 up to seven percent of projected benefit payments for that calendar year for the administration
64.10 of this chapter. The department may enter into interagency agreements with the Department
64.11 of Labor and Industry, including agreements to transfer funds, subject to the limit in this
64.12 section, for the Department of Labor and Industry to fulfill its enforcement authority of this
64.13 chapter.

64.14 Sec. 20. [268B.15] PUBLIC OUTREACH.

64.15 Beginning in fiscal year 2022, the commissioner must use at least 0.5 percent of revenue
64.16 collected under this chapter for the purpose of outreach, education, and technical assistance
64.17 for employees, employers, and self-employed individuals eligible to elect coverage under
64.18 section 268B.11. The department may enter into interagency agreements with the Department
64.19 of Labor and Industry, including agreements to transfer funds, subject to the limit in section
64.20 268B.14, to accomplish the requirements of this section. At least one-half of the amount
64.21 spent under this section must be used for grants to community-based groups.

64.22 Sec. 21. [268B.16] APPLICANT'S FALSE REPRESENTATIONS; CONCEALMENT
64.23 OF FACTS; PENALTY.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

65.24 Sec. 23. [268B.18] RECORDS; AUDITS.

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

65.29 (b) For the purpose of administering this chapter, the commissioner has the power to
65.30 investigate, audit, examine, or cause to be supplied or copied, any books, correspondence,

66.1 papers, records, or memoranda that are the property of, or in the possession of, an employer
66.2 or any other person at any reasonable time and as often as may be necessary.

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

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

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

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

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

66.16 **Sec. 25. [268B.20] CONCILIATION SERVICES.**

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

66.20 **Sec. 26. [268B.21] ANNUAL REPORTS.**

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

66.25 (1) total revenue raised through premium collection;

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

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

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

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

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

67.5 (7) an accounting of required outreach expenditures;

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

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

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

67.11 (1) total eligible claims;

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

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

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

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

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

67.19 (7) processing times for initial claims processing, initial determinations, and final
67.20 decisions;

67.21 (8) average duration for cases completed; and

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

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

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

67.29 (b) Each employer must issue to each employee not more than 30 days from the beginning
67.30 date of the employee's employment, or 30 days before premium collection begins, which

68.1 ever is later, the following written information provided or approved by the department in
68.2 the primary language of the employee:

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

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

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

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

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

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

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

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

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

68.15 (c) Each employer shall provide to each independent contractor with whom it contracts,
68.16 at the time such contract is made or, for existing contracts, within 30 days of the effective
68.17 date of this section, the following written information provided or approved by the department
68.18 in the self-employed individual's primary language:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

70.3 (h) The commissioner may award grants under this section only up to a maximum of
70.4 \$5,000,000 per calendar year.

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

70.7 Subd. 23. **Benefits under chapter 268B.** The amount received in benefits under chapter
70.8 268B is a subtraction.

70.9 Sec. 31. **EFFECTIVE DATES.**

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

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

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

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

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

70.16 (f) Sections 7, 8, 9, 10, 11, 12, 13, 14, 16, 21, 25, 27, 28, 29, and 30 are effective January
70.17 1, 2022.

70.18 **ARTICLE 3**

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

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

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

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

70.26 Subd. 3. **Eligibility for diversionary work program.** (a) Except for the categories of
70.27 family units listed in clauses (1) to (8), all family units who apply for cash benefits and who
70.28 meet MFIP eligibility as required in sections 256J.11 to 256J.15 are eligible and must

71.1 participate in the diversionary work program. Family units or individuals that are not eligible
71.2 for the diversionary work program include:

71.3 (1) child only cases;

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

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

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

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

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

71.13 (7) family units with a caregiver who received 60 or more months of TANF assistance;
71.14 **and**

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

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

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

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

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

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

71.30 (b) A caregiver who is a member of a two-parent family that is required to participate
71.31 in DWP who would otherwise be ineligible for DWP under subdivision 3 may be allowed

72.1 to develop an employment plan under section 256J.521, subdivision 2, that may contain
72.2 alternate activities and reduced hours.

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

72.7 (d) One parent in a two-parent family unit ~~that has a natural born child under 12 months~~
72.8 ~~of age~~ is not required to have an employment plan ~~until the child reaches 12 months of age~~
72.9 ~~unless the family unit has already used the exclusion under section 256J.561, subdivision~~
72.10 ~~3, or the previously allowed child under age one exemption under section 256J.56, paragraph~~
72.11 ~~(a), clause (5).~~ if that parent:

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

72.13 (2) has a natural born child under 12 months of age until the child reaches 12 months
72.14 of age unless the family unit has already used the exclusion under section 256J.561,
72.15 subdivision 3, or the previously allowed child under age one exemption under section
72.16 256J.56, paragraph (a), clause (5).

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

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

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

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

73.1 Sec. 5. **EFFECTIVE DATES.**73.2 Sections 1 to 4 are effective January 1, 2022.73.3 **ARTICLE 4**73.4 **ECONOMIC DEVELOPMENT POLICY**73.5 Section 1. **[116J.545] GETTING TO WORK GRANT PROGRAM.**

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

73.10 Subd. 2. **Qualified grantee.** A grantee must:73.11 (1) qualify under section 501(c)(3) of the Internal Revenue Code; and

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

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

73.16 (1) provision of new or used motor vehicles by gift, sale, or lease;73.17 (2) motor vehicle repair and maintenance services; or73.18 (3) motor vehicle loans.

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

73.21 (1) financial literacy education;73.22 (2) education on budgeting for vehicle ownership;73.23 (3) car maintenance and repair instruction;73.24 (4) credit counseling; or73.25 (5) job training related to motor vehicle maintenance and repair.

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

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

- 74.1 (2) the area to be served;
- 74.2 (3) the estimated number of program participants to be served by the grant; and
- 74.3 (4) a plan for leveraging resources from partners that may include but are not limited
- 74.4 to:
- 74.5 (i) automobile dealers;
- 74.6 (ii) automobile parts dealers;
- 74.7 (iii) independent local mechanics and automobile repair facilities;
- 74.8 (iv) banks and credit unions;
- 74.9 (v) employers;
- 74.10 (vi) employment and training agencies;
- 74.11 (vii) insurance companies and agents;
- 74.12 (viii) local workforce centers; and
- 74.13 (ix) educational institutions including vocational institutions and jobs or skills training
- 74.14 programs.

74.15 Subd. 5. **Participant eligibility.** (a) To be eligible to receive program services, a person

74.16 must:

- 74.17 (1) have a household income at or below 200 percent of the federal poverty level;
- 74.18 (2) be at least 18 years of age;
- 74.19 (3) have a valid driver's license;
- 74.20 (4) provide the grantee with proof of motor vehicle insurance; and
- 74.21 (5) demonstrate to the grantee that a motor vehicle is required by the person to obtain
- 74.22 or maintain employment.

74.23 (b) This subdivision does not preclude a grantee from imposing additional requirements

74.24 consistent with paragraph (a) for the receipt of program services.

74.25 Subd. 6. **Report to legislature.** By February 15, 2021, and each January 15 in an

74.26 odd-numbered year thereafter, the commissioner shall submit a report to the chairs of the

74.27 house of representatives and senate committees with jurisdiction over workforce and

74.28 economic development on program outcomes. At a minimum, the report must include:

- 74.29 (1) the total number of program participants;

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

75.2 (i) provision of a motor vehicle;

75.3 (ii) motor vehicle repair services; and

75.4 (iii) motor vehicle loans;

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

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

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

75.12 Subd. 5. **Grant limits.** A Minnesota investment fund grant may not be approved for an
75.13 amount in excess of \$1,000,000, except that a grant of up to \$2,000,000 is allowable for
75.14 projects that have at least \$25,000,000 in capital investment and 150 new employees. This
75.15 limit covers all money paid to complete the same project, whether paid to one or more grant
75.16 recipients and whether paid in one or more fiscal years. A local community or recognized
75.17 Indian tribal government may retain 40 percent, but not more than \$100,000, of a Minnesota
75.18 investment fund grant when it is repaid to the local community or recognized Indian tribal
75.19 government by the person or entity to which it was loaned by the local community or Indian
75.20 tribal government. Money repaid to the state must be credited to a Minnesota investment
75.21 revolving loan account in the state treasury. Funds in the account are appropriated to the
75.22 commissioner and must be used in the same manner as are funds appropriated to the
75.23 Minnesota investment fund. Funds repaid to the state through existing Minnesota investment
75.24 fund agreements must be credited to the Minnesota investment revolving loan account
75.25 effective July 1, 2005. A grant or loan may not be made to a person or entity for the operation
75.26 or expansion of a casino or a store which is used solely or principally for retail sales. Persons
75.27 or entities receiving grants or loans must pay each employee total compensation, including
75.28 benefits not mandated by law, that on an annualized basis is equal to at least ~~110~~ 125 percent
75.29 of the federal poverty level for a family of four.

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

75.31 Subd. 4. **Certification; benefits.** (a) The commissioner may certify a Minnesota job
75.32 creation fund business as eligible to receive a specific value of benefit under paragraphs (b)

76.1 and (c) when the business has achieved its job creation and capital investment goals noted
76.2 in its agreement under subdivision 3.

76.3 (b) A qualified Minnesota job creation fund business may be certified eligible for the
76.4 benefits in this paragraph for up to five years for projects located in the metropolitan area
76.5 as defined in section 200.02, subdivision 24, and seven years for projects located outside
76.6 the metropolitan area, as determined by the commissioner when considering the best interests
76.7 of the state and local area. Notwithstanding section 16B.98, subdivision 5, paragraph (a),
76.8 clause (3), or 16B.98, subdivision 5, paragraph (b), grant agreements for projects located
76.9 outside the metropolitan area may be for up to seven years in length. The eligibility for the
76.10 following benefits begins the date the commissioner certifies the business as a qualified
76.11 Minnesota job creation fund business under this subdivision:

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

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

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

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

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

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

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

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

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

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

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

77.27 Subd. 6. **Job creation award.** (a) A qualified Minnesota job creation fund business is
77.28 eligible for an annual award for each new job created and maintained by the business using
77.29 the following schedule: \$1,000 for each job position paying annual wages at least ~~\$26,000~~
77.30 \$32,188 but less than \$35,000 no more than \$37,707; \$2,000 for each job position paying
77.31 at least \$35,000 more than \$37,707 but less than \$45,000 no more than \$47,965; and \$3,000
77.32 for each job position paying at least \$45,000 more than \$47,965; and as noted in the goals
77.33 under the agreement provided under subdivision 1. These awards are increased by \$1,000
77.34 if the business is located outside the metropolitan area as defined in section 200.02,

78.1 subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans,
78.2 women, or persons with a disability.

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

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

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

78.9 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
78.10 the meanings given.

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

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

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

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

78.21 Subd. 3. Grant process. (a) The commissioner shall award grants to organizations
78.22 through a competitive grant process.

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

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

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

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

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

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

79.9 (1) are federally funded or state funded;

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

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

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

79.15 (1) details of program costs;

79.16 (2) the number of staff, both within the department and any outside organization;

79.17 (3) the number of program participants;

79.18 (4) a short description of what each program does;

79.19 (5) to the extent practical, quantifiable measures of program success;

79.20 (6) any data necessary to describe the work of the program;

79.21 (7) any data necessary to describe or evaluate the success of the program; and

79.22 (8) a plan for how the program can best measure its success in a manner useful and
79.23 understandable to those responsible for funding the program in the future.

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

79.25 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
79.26 the meanings given.

79.27 (b) "Agreement" means the agreement between an employer and the commissioner for
79.28 a project.

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

- 80.1 (d) "Disability" has the meaning given under United States Code, title 42, chapter 126.
- 80.2 (e) "Employee" means the individual employed in a new job.
- 80.3 (f) "Employer" means the individual, corporation, partnership, limited liability company,
- 80.4 or association providing new jobs and entering into an agreement.
- 80.5 (g) "New job" means a job:
- 80.6 (1) that is provided by a new or expanding business in the manufacturing or technology
- 80.7 industry;
- 80.8 (2) that is located within the metropolitan area, as defined under section 473.121,
- 80.9 subdivision 2;
- 80.10 (3) that provides at least 32 hours of work per week for a minimum of nine months per
- 80.11 year and is permanent with no planned termination date;
- 80.12 (4) that is certified by the commissioner as qualifying under the program before the first
- 80.13 employee is hired to fill the job; and
- 80.14 (5) for which an employee hired was not:
- 80.15 (i) formerly employed by the employer in the state; or
- 80.16 (ii) a replacement worker, including a worker newly hired as a result of a labor dispute.
- 80.17 (h) "Program" means the project or projects established under this section.
- 80.18 (i) "Program costs" means all necessary and incidental costs of providing program
- 80.19 services, except that program costs are increased by \$1,000 per employee for an individual
- 80.20 with a disability. The term does not include the cost of purchasing equipment to be owned
- 80.21 or used by the training or educational institution or service.
- 80.22 (j) "Program services" means training and education specifically directed to new jobs
- 80.23 that are determined to be appropriate by the commissioner, including in-house training;
- 80.24 services provided by institutions of higher education and federal, state, or local agencies;
- 80.25 or private training or educational services. Administrative services and assessment and
- 80.26 testing costs are included.
- 80.27 (k) "Project" means a training arrangement that is the subject of an agreement entered
- 80.28 into between the commissioner and an employer to provide program services.
- 80.29 Subd. 2. **Service provision.** Upon request, the commissioner shall provide or coordinate
- 80.30 the provision of program services under this section to a business eligible for grants under

81.1 subdivision 8. The commissioner shall specify the form of and required information to be
81.2 provided with applications for projects to be funded with grants under this section.

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

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

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

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

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

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

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

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

81.17 (2) investigate the applicability of other training programs and determine whether the
81.18 job skills partnership grant program is a more suitable source of funding for the training
81.19 and whether the training can be completed in a timely manner that meets the needs of the
81.20 business.

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

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

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

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

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

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

- 82.10 (1) the amount of program costs specified in the agreement for the project; or
82.11 (2) the amount of program costs paid by the employer for new employees under a project.

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

- 82.15 (1) the amount of grants issued under the program;
82.16 (2) the number of individuals receiving training under the program, including the number
82.17 of new hires who are individuals with disabilities;
82.18 (3) the number of new hires attributable to the program, including the number of new
82.19 hires who are individuals with disabilities;
82.20 (4) an analysis of the effectiveness of the grant in encouraging employment; and
82.21 (5) any other information the commissioner determines appropriate.
82.22 (b) The report to the legislature must be distributed as provided in section 3.195.

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

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

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

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

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

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

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

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

83.8 Subd. 5. **Commissioner.** "Commissioner" means the commissioner of employment and
83.9 economic development.

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

83.12 (1) 50 or more employees, excluding part-time employees; or

83.13 (2) 50 or more employees who, in the aggregate, work at least 1,500 hours per week,
83.14 exclusive of hours of overtime.

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

83.18 Subd. 8. **Relocating; relocation.** "Relocating" or "relocation" means the closure of a
83.19 call center, the cessation of operations of a call center, or one or more facilities or operating
83.20 units within a call center comprising at least 30 percent of the call center's or operating unit's
83.21 total volume when measured against the previous 12-month average call volume of operations
83.22 or substantially similar operations, to a location outside of the United States.

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

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

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

83.27 (1) a call center; or

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

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

84.3 (c) An employer that violates paragraph (a) is subject to a civil penalty not to exceed
84.4 \$10,000 for each day of the violation, except that the commissioner may reduce the amount
84.5 for just cause shown.

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

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

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

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

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

84.20 (c) The commissioner of management and budget, in consultation with the commissioner
84.21 of the agency providing or administering the public subsidy, may waive the ineligibility
84.22 requirement under paragraph (a) if the employer applying for the loan or grant demonstrates
84.23 that not having the loan or grant would threaten national security, result in substantial job
84.24 loss in Minnesota, or harm the environment.

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

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

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

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

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

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

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

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

85.9 Subd. 3. **Workforce Development** \$ 31,498,000 \$ 30,231,000

85.10 Appropriations by Fund

85.11 General \$6,239,000 \$5,889,000

85.12 Workforce

85.13 Development \$25,259,000 \$24,342,000

85.14 (a) \$500,000 each year is for the
85.15 youth-at-work competitive grant program
85.16 under Minnesota Statutes, section 116L.562.

85.17 Of this amount, up to five percent is for
85.18 administration and monitoring of the youth
85.19 workforce development competitive grant
85.20 program. All grant awards shall be for two
85.21 consecutive years. Grants shall be awarded in
85.22 the first year. In fiscal year 2020 and beyond,
85.23 the base amount is \$750,000.

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

85.27 (c) \$500,000 each year is for rural career
85.28 counseling coordinator positions in the
85.29 workforce service areas and for the purposes
85.30 specified in Minnesota Statutes, section
85.31 116L.667. The commissioner of employment
85.32 and economic development, in consultation
85.33 with local workforce investment boards and

86.1 local elected officials in each of the service
86.2 areas receiving funds, shall develop a method
86.3 of distributing funds to provide equitable
86.4 services across workforce service areas.

86.5 (d) \$1,000,000 each year is for a grant to the
86.6 Construction Careers Foundation for the
86.7 construction career pathway initiative to
86.8 provide year-round educational and
86.9 experiential learning opportunities for teens
86.10 and young adults under the age of 21 that lead
86.11 to careers in the construction industry. This is
86.12 a onetime appropriation. Grant funds must be
86.13 used to:

86.14 (1) increase construction industry exposure
86.15 activities for middle school and high school
86.16 youth, parents, and counselors to reach a more
86.17 diverse demographic and broader statewide
86.18 audience. This requirement includes, but is
86.19 not limited to, an expansion of programs to
86.20 provide experience in different crafts to youth
86.21 and young adults throughout the state;

86.22 (2) increase the number of high schools in
86.23 Minnesota offering construction classes during
86.24 the academic year that utilize a multicraft
86.25 curriculum;

86.26 (3) increase the number of summer internship
86.27 opportunities;

86.28 (4) enhance activities to support graduating
86.29 seniors in their efforts to obtain employment
86.30 in the construction industry;

86.31 (5) increase the number of young adults
86.32 employed in the construction industry and
86.33 ensure that they reflect Minnesota's diverse
86.34 workforce; and

87.1 (6) enhance an industrywide marketing
87.2 campaign targeted to youth and young adults
87.3 about the depth and breadth of careers within
87.4 the construction industry.

87.5 Programs and services supported by grant
87.6 funds must give priority to individuals and
87.7 groups that are economically disadvantaged
87.8 or historically underrepresented in the
87.9 construction industry, including but not limited
87.10 to women, veterans, and members of minority
87.11 and immigrant groups.

87.12 (e) \$1,539,000 each year from the general fund
87.13 and \$4,604,000 each year from the workforce
87.14 development fund are for the Pathways to
87.15 Prosperity adult workforce development
87.16 competitive grant program. Of this amount,
87.17 up to four percent is for administration and
87.18 monitoring of the program. When awarding
87.19 grants under this paragraph, the commissioner
87.20 of employment and economic development
87.21 may give preference to any previous grantee
87.22 with demonstrated success in job training and
87.23 placement for hard-to-train individuals. In
87.24 fiscal year 2020 and beyond, the general fund
87.25 base amount for this program is \$4,039,000.

87.26 (f) \$750,000 each year is for a competitive
87.27 grant program to provide grants to
87.28 organizations that provide support services for
87.29 individuals, such as job training, employment
87.30 preparation, internships, job assistance to
87.31 fathers, financial literacy, academic and
87.32 behavioral interventions for low-performing
87.33 students, and youth intervention. Grants made
87.34 under this section must focus on low-income
87.35 communities, young adults from families with

88.1 a history of intergenerational poverty, and
88.2 communities of color. Of this amount, up to
88.3 four percent is for administration and
88.4 monitoring of the program. In fiscal year 2020
88.5 and beyond, the base amount is \$1,000,000.

88.6 (g) \$500,000 each year is for the women and
88.7 high-wage, high-demand, nontraditional jobs
88.8 grant program under Minnesota Statutes,
88.9 section 116L.99. Of this amount, up to five
88.10 percent is for administration and monitoring
88.11 of the program. In fiscal year 2020 and
88.12 beyond, the base amount is \$750,000.

88.13 (h) \$500,000 each year is for a competitive
88.14 grant program for grants to organizations
88.15 providing services to relieve economic
88.16 disparities in the Southeast Asian community
88.17 through workforce recruitment, development,
88.18 job creation, assistance of smaller
88.19 organizations to increase capacity, and
88.20 outreach. Of this amount, up to five percent
88.21 is for administration and monitoring of the
88.22 program. In fiscal year 2020 and beyond, the
88.23 base amount is \$1,000,000.

88.24 (i) \$250,000 each year is for a grant to the
88.25 American Indian Opportunities and
88.26 Industrialization Center, in collaboration with
88.27 the Northwest Indian Community
88.28 Development Center, to reduce academic
88.29 disparities for American Indian students and
88.30 adults. This is a onetime appropriation. The
88.31 grant funds may be used to provide:

88.32 (1) student tutoring and testing support
88.33 services;

88.34 (2) training in information technology;

- 89.1 (3) assistance in obtaining a GED;
- 89.2 (4) remedial training leading to enrollment in
- 89.3 a postsecondary higher education institution;
- 89.4 (5) real-time work experience in information
- 89.5 technology fields; and
- 89.6 (6) contextualized adult basic education.
- 89.7 After notification to the legislature, the
- 89.8 commissioner may transfer this appropriation
- 89.9 to the commissioner of education.
- 89.10 (j) \$100,000 each year is for the getting to
- 89.11 work grant program. This is a onetime
- 89.12 appropriation and is available until June 30,
- 89.13 2021.
- 89.14 (k) \$525,000 each year is from the workforce
- 89.15 development fund for a grant to the YWCA
- 89.16 of Minneapolis to provide economically
- 89.17 challenged individuals the job skills training,
- 89.18 career counseling, and job placement
- 89.19 assistance necessary to secure a child
- 89.20 development associate credential and to have
- 89.21 a career path in early childhood education.
- 89.22 This is a onetime appropriation.
- 89.23 (l) \$1,350,000 each year is from the workforce
- 89.24 development fund for a grant to the Minnesota
- 89.25 High Tech Association to support
- 89.26 SciTechsperience, a program that supports
- 89.27 science, technology, engineering, and math
- 89.28 (STEM) internship opportunities for two- and
- 89.29 four-year college students and graduate
- 89.30 students in their field of study. The internship
- 89.31 opportunities must match students with paid
- 89.32 internships within STEM disciplines at small,
- 89.33 for-profit companies located in Minnesota,
- 89.34 having fewer than 250 employees worldwide.

90.1 At least 300 students must be matched in the
90.2 first year and at least 350 students must be
90.3 matched in the second year. No more than 15
90.4 percent of the hires may be graduate students.
90.5 Selected hiring companies shall receive from
90.6 the grant 50 percent of the wages paid to the
90.7 intern, capped at \$2,500 per intern. The
90.8 program must work toward increasing the
90.9 participation of women or other underserved
90.10 populations. This is a onetime appropriation.

90.11 (m) \$450,000 each year is from the workforce
90.12 development fund for grants to Minnesota
90.13 Diversified Industries, Inc. to provide
90.14 progressive development and employment
90.15 opportunities for people with disabilities. This
90.16 is a onetime appropriation.

90.17 (n) \$500,000 each year is from the workforce
90.18 development fund for a grant to Resource, Inc.
90.19 to provide low-income individuals career
90.20 education and job skills training that are fully
90.21 integrated with chemical and mental health
90.22 services. This is a onetime appropriation.

90.23 (o) \$750,000 each year is from the workforce
90.24 development fund for a grant to the Minnesota
90.25 Alliance of Boys and Girls Clubs to administer
90.26 a statewide project of youth job skills and
90.27 career development. This project, which may
90.28 have career guidance components including
90.29 health and life skills, is designed to encourage,
90.30 train, and assist youth in early access to
90.31 education and job-seeking skills, work-based
90.32 learning experience including career pathways
90.33 in STEM learning, career exploration and
90.34 matching, and first job placement through
90.35 local community partnerships and on-site job

91.1 opportunities. This grant requires a 25 percent
91.2 match from nonstate resources. This is a
91.3 onetime appropriation.

91.4 (p) \$215,000 each year is from the workforce
91.5 development fund for grants to Big Brothers,
91.6 Big Sisters of the Greater Twin Cities for
91.7 workforce readiness, employment exploration,
91.8 and skills development for youth ages 12 to
91.9 21. The grant must serve youth in the Twin
91.10 Cities, Central Minnesota, and Southern
91.11 Minnesota Big Brothers, Big Sisters chapters.
91.12 This is a onetime appropriation.

91.13 (q) \$250,000 each year is from the workforce
91.14 development fund for a grant to YWCA St.
91.15 Paul to provide job training services and
91.16 workforce development programs and
91.17 services, including job skills training and
91.18 counseling. This is a onetime appropriation.

91.19 (r) \$1,000,000 each year is from the workforce
91.20 development fund for a grant to EMERGE
91.21 Community Development, in collaboration
91.22 with community partners, for services
91.23 targeting Minnesota communities with the
91.24 highest concentrations of African and
91.25 African-American joblessness, based on the
91.26 most recent census tract data, to provide
91.27 employment readiness training, credentialed
91.28 training placement, job placement and
91.29 retention services, supportive services for
91.30 hard-to-employ individuals, and a general
91.31 education development fast track and adult
91.32 diploma program. This is a onetime
91.33 appropriation.

91.34 (s) \$1,000,000 each year is from the workforce
91.35 development fund for a grant to the

92.1 Minneapolis Foundation for a strategic
92.2 intervention program designed to target and
92.3 connect program participants to meaningful,
92.4 sustainable living-wage employment. This is
92.5 a onetime appropriation.

92.6 (t) \$750,000 each year is from the workforce
92.7 development fund for a grant to Latino
92.8 Communities United in Service (CLUES) to
92.9 expand culturally tailored programs that
92.10 address employment and education skill gaps
92.11 for working parents and underserved youth by
92.12 providing new job skills training to stimulate
92.13 higher wages for low-income people, family
92.14 support systems designed to reduce
92.15 intergenerational poverty, and youth
92.16 programming to promote educational
92.17 advancement and career pathways. At least
92.18 50 percent of this amount must be used for
92.19 programming targeted at greater Minnesota.
92.20 This is a onetime appropriation.

92.21 (u) \$600,000 each year is from the workforce
92.22 development fund for a grant to Ujamaa Place
92.23 for job training, employment preparation,
92.24 internships, education, training in the
92.25 construction trades, housing, and
92.26 organizational capacity building. This is a
92.27 onetime appropriation.

92.28 (v) \$1,297,000 in the first year and \$800,000
92.29 in the second year are from the workforce
92.30 development fund for performance grants
92.31 under Minnesota Statutes, section 116J.8747,
92.32 to Twin Cities R!SE to provide training to
92.33 hard-to-train individuals. Of the amounts
92.34 appropriated, \$497,000 in fiscal year 2018 is
92.35 for a grant to Twin Cities R!SE, in

93.1 collaboration with Metro Transit and Hennepin
93.2 Technical College for the Metro Transit
93.3 technician training program. This is a onetime
93.4 appropriation and funds are available until
93.5 June 30, 2020.

93.6 (w) \$230,000 in fiscal year 2018 is from the
93.7 workforce development fund for a grant to the
93.8 Bois Forte Tribal Employment Rights Office
93.9 (TERO) for an American Indian workforce
93.10 development training pilot project. This is a
93.11 onetime appropriation and is available until
93.12 June 30, 2019. Funds appropriated the first
93.13 year are available for use in the second year
93.14 of the biennium.

93.15 (x) \$40,000 in fiscal year 2018 is from the
93.16 workforce development fund for a grant to the
93.17 Cook County Higher Education Board to
93.18 provide educational programming and
93.19 academic support services to remote regions
93.20 in northeastern Minnesota. This appropriation
93.21 is in addition to other funds previously
93.22 appropriated to the board.

93.23 (y) \$250,000 each year is from the workforce
93.24 development fund for a grant to Bridges to
93.25 Healthcare to provide career education,
93.26 wraparound support services, and job skills
93.27 training in high-demand health care fields to
93.28 low-income parents, nonnative speakers of
93.29 English, and other hard-to-train individuals,
93.30 helping families build secure pathways out of
93.31 poverty while also addressing worker
93.32 shortages in one of Minnesota's most
93.33 innovative industries. Funds may be used for
93.34 program expenses, including, but not limited
93.35 to, hiring instructors and navigators; space

94.1 rental; and supportive services to help
94.2 participants attend classes, including assistance
94.3 with course fees, child care, transportation,
94.4 and safe and stable housing. In addition, up to
94.5 five percent of grant funds may be used for
94.6 Bridges to Healthcare's administrative costs.
94.7 This is a onetime appropriation and is
94.8 available until June 30, 2020.

94.9 (z) \$500,000 each year is from the workforce
94.10 development fund for a grant to the Nonprofits
94.11 Assistance Fund to provide capacity-building
94.12 grants to small, culturally specific
94.13 organizations that primarily serve historically
94.14 underserved cultural communities. Grants may
94.15 only be awarded to nonprofit organizations
94.16 that have an annual organizational budget of
94.17 less than \$500,000 and are culturally specific
94.18 organizations that primarily serve historically
94.19 underserved cultural communities. Grant funds
94.20 awarded must be used for:

94.21 (1) organizational infrastructure improvement,
94.22 including developing database management
94.23 systems and financial systems, or other
94.24 administrative needs that increase the
94.25 organization's ability to access new funding
94.26 sources;

94.27 (2) organizational workforce development,
94.28 including hiring culturally competent staff,
94.29 training and skills development, and other
94.30 methods of increasing staff capacity; or

94.31 (3) creation or expansion of partnerships with
94.32 existing organizations that have specialized
94.33 expertise in order to increase the capacity of
94.34 the grantee organization to improve services
94.35 for the community. Of this amount, up to five

95.1 percent may be used by the Nonprofits
95.2 Assistance Fund for administration costs and
95.3 providing technical assistance to potential
95.4 grantees. This is a onetime appropriation.

95.5 (aa) \$4,050,000 each year is from the
95.6 workforce development fund for the
95.7 Minnesota youth program under Minnesota
95.8 Statutes, sections 116L.56 and 116L.561.

95.9 (bb) \$1,000,000 each year is from the
95.10 workforce development fund for the
95.11 youthbuild program under Minnesota Statutes,
95.12 sections 116L.361 to 116L.366.

95.13 (cc) \$3,348,000 each year is from the
95.14 workforce development fund for the "Youth
95.15 at Work" youth workforce development
95.16 competitive grant program. Of this amount,
95.17 up to five percent is for administration and
95.18 monitoring of the youth workforce
95.19 development competitive grant program. All
95.20 grant awards shall be for two consecutive
95.21 years. Grants shall be awarded in the first year.

95.22 (dd) \$500,000 each year is from the workforce
95.23 development fund for the Opportunities
95.24 Industrialization Center programs.

95.25 (ee) \$750,000 each year is from the workforce
95.26 development fund for a grant to Summit
95.27 Academy OIC to expand its contextualized
95.28 GED and employment placement program.
95.29 This is a onetime appropriation.

95.30 (ff) \$500,000 each year is from the workforce
95.31 development fund for a grant to
95.32 Goodwill-Easter Seals Minnesota and its
95.33 partners. The grant shall be used to continue
95.34 the FATHER Project in Rochester, Park

96.1 Rapids, St. Cloud, Minneapolis, and the
96.2 surrounding areas to assist fathers in
96.3 overcoming barriers that prevent fathers from
96.4 supporting their children economically and
96.5 emotionally. This is a onetime appropriation.

96.6 (gg) \$150,000 each year is from the workforce
96.7 development fund for displaced homemaker
96.8 programs under Minnesota Statutes, section
96.9 116L.96. The commissioner shall distribute
96.10 the funds to existing nonprofit and state
96.11 displaced homemaker programs. This is a
96.12 onetime appropriation.

96.13 (hh)(1) \$150,000 in fiscal year 2018 is from
96.14 the workforce development fund for a grant
96.15 to Anoka County to develop and implement
96.16 a pilot program to increase competitive
96.17 employment opportunities for transition-age
96.18 youth ages 18 to 21.

96.19 (2) The competitive employment for
96.20 transition-age youth pilot program shall
96.21 include career guidance components, including
96.22 health and life skills, to encourage, train, and
96.23 assist transition-age youth in job-seeking
96.24 skills, workplace orientation, and job site
96.25 knowledge.

96.26 (3) In operating the pilot program, Anoka
96.27 County shall collaborate with schools,
96.28 disability providers, jobs and training
96.29 organizations, vocational rehabilitation
96.30 providers, and employers to build upon
96.31 opportunities and services, to prepare
96.32 transition-age youth for competitive
96.33 employment, and to enhance employer
96.34 connections that lead to employment for the
96.35 individuals served.

97.1 (4) Grant funds may be used to create an
97.2 on-the-job training incentive to encourage
97.3 employers to hire and train qualifying
97.4 individuals. A participating employer may
97.5 receive up to 50 percent of the wages paid to
97.6 the employee as a cost reimbursement for
97.7 on-the-job training provided.

97.8 (ii) \$500,000 each year is from the workforce
97.9 development fund for rural career counseling
97.10 coordinator positions in the workforce service
97.11 areas and for the purposes specified in
97.12 Minnesota Statutes, section 116L.667. The
97.13 commissioner of employment and economic
97.14 development, in consultation with local
97.15 workforce investment boards and local elected
97.16 officials in each of the service areas receiving
97.17 funds, shall develop a method of distributing
97.18 funds to provide equitable services across
97.19 workforce service areas.

97.20 (jj) In calendar year 2017, the public utility
97.21 subject to Minnesota Statutes, section
97.22 116C.779, must withhold \$1,000,000 from the
97.23 funds required to fulfill its financial
97.24 commitments under Minnesota Statutes,
97.25 section 116C.779, subdivision 1, and pay such
97.26 amounts to the commissioner of employment
97.27 and economic development for deposit in the
97.28 Minnesota 21st century fund under Minnesota
97.29 Statutes, section 116J.423.

97.30 (kk) \$350,000 in fiscal year 2018 is for a grant
97.31 to AccessAbility Incorporated to provide job
97.32 skills training to individuals who have been
97.33 released from incarceration for a felony-level
97.34 offense and are no more than 12 months from
97.35 the date of release. AccessAbility Incorporated

98.1 shall annually report to the commissioner on
98.2 how the money was spent and the results
98.3 achieved. The report must include, at a
98.4 minimum, information and data about the
98.5 number of participants; participant
98.6 homelessness, employment, recidivism, and
98.7 child support compliance; and training
98.8 provided to program participants.

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

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

98.11 The commissioner of employment and economic development must consult with the
98.12 commissioners of health and human services and stakeholders in order to identify the barriers
98.13 that people with mental illness face in obtaining employment and all current programs that
98.14 assist people with mental illness in obtaining employment. Stakeholders shall include people
98.15 with mental illness and their families, mental health advocates, mental health providers,
98.16 and employers. The commissioner of employment and economic development shall submit
98.17 a detailed plan to the legislative committees with jurisdiction over employment and human
98.18 services before February 1, 2020, identifying the barriers to employment and making
98.19 recommendations on how to best improve the employment rate among people with mental
98.20 illness.

98.21 Sec. 16. **INNOVATIONS IN SPECIAL EDUCATION EMPLOYMENT (ISEE)**
98.22 **PILOT PROJECT.**

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

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

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

98.28 (d) "Eligible student" means:

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

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

99.4 (e) "Pilot" means the innovations in special education employment (ISEE) pilot project
99.5 established under this section.

99.6 Subd. 2. **Establishment.** The commissioner shall establish an innovations in special
99.7 education employment (ISEE) pilot project designed to transition special education graduates
99.8 into competitive wage employment in integrated community settings.

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

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

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

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

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

99.25 (1) \$1,000 for each eligible student certified to have completed the services under
99.26 subdivision 3, clause (1);

99.27 (2) \$1,000 for each eligible student certified to have completed the services under
99.28 subdivision 3, clause (2); and

99.29 (3) \$3,000 for each eligible student certified to have completed 90 days of employment
99.30 after receiving the services under subdivision 3, clause (3).

99.31 Subd. 5. **Forms.** By October 1, 2019, the commissioner must make available the forms
99.32 necessary for eligible providers to participate in the pilot. These must include:

100.1 (1) a form to notify the commissioner of the intent to provide an eligible student with a
100.2 service under subdivision 3; and

100.3 (2) a form to certify to the commissioner that an eligible student from clause (1) was
100.4 provided the service under subdivision 3, and to apply for payment for performance of that
100.5 service under subdivision 4.

100.6 **Sec. 17. MINNESOTA INNOVATION COLLABORATIVE.**

100.7 Subdivision 1. **Establishment.** The Minnesota Innovation Collaborative is established
100.8 within the Business and Community Development Division of the Department of
100.9 Employment and Economic Development to encourage and support the development of
100.10 new private sector technologies and support the science and technology policies under
100.11 Minnesota Statutes, section 3.222. The Minnesota Innovation Collaborative must provide
100.12 entrepreneurs and emerging technology-based companies business development assistance
100.13 and financial assistance to spur growth.

100.14 Subd. 2. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision
100.15 have the meanings given.

100.16 (b) "Advisory board" means the board established under subdivision 11.

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

100.18 (d) "Department" means the Department of Employment and Economic Development.

100.19 (e) "Entrepreneur" means a Minnesota resident who is involved in establishing a business
100.20 entity and secures resources directed to its growth while bearing the risk of loss.

100.21 (f) "Greater Minnesota" means the area of Minnesota located outside of the metropolitan
100.22 area as defined in section 473.121, subdivision 2.

100.23 (g) "High technology" includes aerospace, agricultural processing, renewable energy,
100.24 energy efficiency and conservation, environmental engineering, food technology, cellulosic
100.25 ethanol, information technology, materials science technology, nanotechnology,
100.26 telecommunications, biotechnology, medical device products, pharmaceuticals, diagnostics,
100.27 biologicals, chemistry, veterinary science, and similar fields.

100.28 (h) "Institution of higher education" has the meaning given in Minnesota Statutes, section
100.29 136A.28, subdivision 6.

100.30 (i) "Minority group member" means a United States citizen who is Asian, Pacific Islander,
100.31 Black, Hispanic, or Native American.

101.1 (j) "Minority-owned business" means a business for which one or more minority group
101.2 members:

101.3 (1) own at least 50 percent of the business or, in the case of a publicly owned business,
101.4 own at least 51 percent of the stock; and

101.5 (2) manage the business and control the daily business operations.

101.6 (k) "Research and development" means any activity that is:

101.7 (1) a systematic, intensive study directed toward greater knowledge or understanding
101.8 of the subject studies;

101.9 (2) a systematic study directed specifically toward applying new knowledge to meet a
101.10 recognized need; or

101.11 (3) a systematic application of knowledge toward the production of useful materials,
101.12 devices, systems and methods, including design, development and improvement of prototypes
101.13 and new processes to meet specific requirements.

101.14 (l) "Start-up" means a business entity that has been in operation for less than ten years,
101.15 has operations in Minnesota, and is in the development stage defined as devoting substantially
101.16 all of its efforts to establishing a new business and either of the following conditions exists:

101.17 (1) planned principal operations have not commenced; or

101.18 (2) planned principal operations have commenced, but have generated less than
101.19 \$1,000,000 in revenue.

101.20 (m) "Technology-related assistance" means the application and utilization of
101.21 technological-information and technologies to assist in the development and production of
101.22 new technology-related products or services or to increase the productivity or otherwise
101.23 enhance the production or delivery of existing products or services.

101.24 (n) "Trade association" means a nonprofit membership organization organized to promote
101.25 businesses and business conditions and having an election under Internal Revenue Code
101.26 section 501(c)(3) or 501(c)(6).

101.27 (o) "Women" means persons of the female gender.

101.28 (p) "Women-owned business" means a business for which one or more women:

101.29 (1) own at least 50 percent of the business or, in the case of a publicly owned business,
101.30 own at least 51 percent of the stock; and

101.31 (2) manage the business and control the daily business operations.

102.1 Subd. 3. **Duties.** The Minnesota Innovation Collaborative shall:

102.2 (1) support innovation and initiatives designed to accelerate the growth of high-technology
102.3 start-ups in Minnesota;

102.4 (2) offer classes and instructional sessions on how to start a high-tech and innovative
102.5 start-up;

102.6 (3) promote activities for entrepreneurs and investors regarding the state's growing
102.7 innovation economy;

102.8 (4) hold events and meetings that gather key stakeholders in the state's innovation sector;

102.9 (5) conduct outreach and education on innovation activities and related financial programs
102.10 available from the department and other organizations, particularly for underserved
102.11 communities;

102.12 (6) interact and collaborate with statewide partners including but not limited to businesses,
102.13 nonprofits, trade associations, and higher education institutions;

102.14 (7) administer an advisory board to assist with direction, grant application review,
102.15 program evaluation, report development, and partnerships;

102.16 (8) commission research in partnership with the University of Minnesota and Minnesota
102.17 State Colleges and Universities to study innovation and its impacts on the state's economy
102.18 with emphasis on the state's labor market;

102.19 (9) accept grant applications under subdivisions 5 and 6 and work with the advisory
102.20 board to evaluate the applications and provide funding recommendations to the commissioner;
102.21 and

102.22 (10) perform other duties at the commissioner's discretion.

102.23 Subd. 4. **Administration.** (a) The department shall employ an executive director in the
102.24 unclassified service. The executive director shall:

102.25 (1) hire no more than two staff;

102.26 (2) assist the commissioner and the advisory board in performing the duties of the
102.27 Minnesota Innovation Collaborative; and

102.28 (3) comply with all state and federal program requirements, and all state and federal
102.29 securities and tax laws and regulations.

102.30 (b) To the extent possible, the space that the Minnesota Innovation Collaborative shall
102.31 occupy and lease must be a private coworking facility that includes office space for staff

103.1 and space for community engagement for training entrepreneurs. The space leased under
103.2 this paragraph is exempt from the requirements in Minnesota Statutes, section 16B.24,
103.3 subdivision 6.

103.4 (c) Except for grants under subdivision 7, the Minnesota Innovation Collaborative must
103.5 accept grant applications under this section and provide funding recommendations to the
103.6 commissioner, who shall distribute grants based in part on the recommendations.

103.7 Subd. 5. **Application process.** (a) The commissioner shall establish the application form
103.8 and procedures for innovation grants.

103.9 (b) Upon receiving recommendations from the Minnesota Innovation Collaborative
103.10 under subdivision 4, paragraph (c), the department is responsible for evaluating all
103.11 applications using evaluation criteria developed by the Minnesota Innovation Collaborative,
103.12 the advisory board, and the commissioner. Priority shall be given if the applicant is:

103.13 (1) a business or entrepreneur located in greater Minnesota; or

103.14 (2) a business owner or entrepreneur who is a woman or minority group member.

103.15 (c) The department staff, and not the Minnesota Innovation Collaborative staff, is
103.16 responsible for awarding funding, disbursing funds, and monitoring grantee performance
103.17 for all grants awarded under this section.

103.18 (d) Grantees must provide matching funds by equal expenditures and grant payments
103.19 must be provided on a reimbursement basis after review of submitted receipts by the
103.20 department.

103.21 (e) Grant applications must be accepted on a regular periodic basis by the Minnesota
103.22 Innovation Collaborative and must be reviewed by the collaborative and the advisory board
103.23 before being submitted to the commissioner with their recommendations.

103.24 Subd. 6. **Innovation grants.** (a) The commissioner shall distribute innovation grants
103.25 under this subdivision.

103.26 (b) The commissioner shall provide a grant of up to \$50,000 to an eligible business or
103.27 entrepreneur for research and development expenses. Research and development expenditures
103.28 may be related but not limited to proof of concept activities, intellectual property protection,
103.29 prototype designs and production, and commercial feasibility. Expenditures funded under
103.30 this subdivision are not eligible for the research and development tax credit under Minnesota
103.31 Statutes, section 290.068. Each business or entrepreneur may receive only one grant under
103.32 this paragraph.

104.1 (c) The commissioner shall provide a grant of up to \$25,000 to an eligible start-up or
104.2 entrepreneur for direct business expenses including but not limited to rent, equipment
104.3 purchases, supplier invoices, and staffing. Taxes imposed by the federal, state, or local
104.4 government entities may be not be reimbursed under this paragraph. Each start-up or
104.5 entrepreneur may receive only one grant under this paragraph.

104.6 (d) The commissioner shall provide a grant of up to \$7,500 to reimburse an entrepreneur
104.7 for health care, housing, or child care expenses for the entrepreneur, spouse, or children 26
104.8 years of age or younger. Each entrepreneur may receive only one grant under this paragraph.

104.9 (e) The commissioner shall provide a grant of up to \$50,000 to an eligible business or
104.10 entrepreneur that, as a registered client of the Small Business Innovation Research (SBIR)
104.11 program, has been awarded a Phase 2 award pursuant to the SBIR or Small Business
104.12 Technology Transfer (STTR) programs after July 1, 2019. Each business or entrepreneur
104.13 may receive only one grant under this paragraph. Grants under this paragraph are not subject
104.14 to the requirements of subdivision 2, paragraph (l), and are awarded without the review or
104.15 recommendation of the Minnesota Innovation Collaborative.

104.16 (f) The commissioner shall provide a grant of up to \$25,000 to provide financing to
104.17 start-ups to purchase technical assistance and services from public higher education
104.18 institutions and nonprofit entities to assist in the development or commercialization of
104.19 innovative new products or services.

104.20 Subd. 7. **Entrepreneur education grants.** (a) The commissioner shall make entrepreneur
104.21 education grants to institutions of higher education and other organizations to provide
104.22 educational programming to entrepreneurs and provide outreach to and collaboration with
104.23 businesses, federal and state agencies, institutions of higher education, trade associations,
104.24 and other organizations working to advance innovative, high technology businesses
104.25 throughout Minnesota.

104.26 (b) Applications for entrepreneur education grants under this subdivision must be
104.27 submitted to the commissioner and evaluated by department staff other than the Minnesota
104.28 Innovation Collaborative. The evaluation criteria must be developed by the Minnesota
104.29 Innovation Collaborative, the advisory board, and the commissioner with priority given to
104.30 an applicant who demonstrates activity assisting businesses or entrepreneurs residing in
104.31 greater Minnesota or who are women or minority group members.

104.32 (c) Department staff other than the Minnesota Innovation Collaborative staff is responsible
104.33 for awarding funding, disbursing funds, and monitoring grantee performance under this
104.34 subdivision.

105.1 (d) Grantees may use the grant funds to deliver the following services:

105.2 (1) development and delivery to high technology businesses of industry specific or
105.3 innovative product or process specific counseling on issues of business formation, market
105.4 structure, market research and strategies, securing first mover advantage or overcoming
105.5 barriers to entry, protecting intellectual property, and securing debt or equity capital. This
105.6 counseling is to be delivered in a classroom setting or using distance media presentations;

105.7 (2) outreach and education to businesses and organizations on the small business
105.8 investment tax credit program under Minnesota Statutes, section 116J.8737, the MNvest
105.9 crowd-funding program under Minnesota Statutes, section 80A.461, and other state programs
105.10 that support high technology business creation especially in underserved communities;

105.11 (3) collaboration with institutions of higher education, local organizations, federal and
105.12 state agencies, the Small Business Development Center, and the Small Business Assistance
105.13 Office to create and offer educational programming and ongoing counseling in greater
105.14 Minnesota that is consistent with those services offered in the metropolitan area; and

105.15 (4) events and meetings with other innovation-related organizations to inform
105.16 entrepreneurs and potential investors about Minnesota's growing information economy.

105.17 Subd. 8. **Report.** The Minnesota Innovation Collaborative shall report by February 1,
105.18 2020, and again on February 1, 2021, to the chairs and ranking minority members of the
105.19 committees of the house of representatives and senate having jurisdiction over economic
105.20 development policy and finance issues on the work completed, including awards made by
105.21 the department under this section.

105.22 Subd. 9. **Advisory board.** (a) The commissioner shall establish an advisory board to
105.23 advise the executive director regarding the activities of the Minnesota Innovation
105.24 Collaborative and to perform the recommendations described in this section.

105.25 (b) The advisory board shall consist of ten members and is governed by Minnesota
105.26 Statutes, section 15.059. A minimum of six members must be from the private sector
105.27 representing business and at least two members but no more than four members from
105.28 government and higher education. Appointees shall represent a range of interests, including
105.29 entrepreneurs, large businesses, industry organizations, investors, and both public and private
105.30 small business service providers.

105.31 (c) The advisory board shall select a chair from its private sector members. The executive
105.32 director shall provide administrative support to the committee.

106.1 Sec. 18. **CHILD CARE ECONOMIC DEVELOPMENT GRANT PROGRAM.**

106.2 Subdivision 1. **Establishment.** A grant program is established under the Department of
106.3 Employment and Economic Development to award grants to eligible local communities to
106.4 increase the availability of child care in order to reduce the child care shortage in the
106.5 community, and support increased workforce participation, business expansion and retention,
106.6 and new business location.

106.7 Subd. 2. **Definitions.** For the purposes of this section, the following terms have the
106.8 meanings given them:

106.9 (1) "commissioner" means the commissioner of employment and economic development;

106.10 (2) "child care" has the meaning given in section 119B.011;

106.11 (3) "political subdivision" means a county, statutory or home rule charter city, or school
106.12 district; and

106.13 (4) "Indian tribe" means one of the federally recognized Minnesota tribes listed in section
106.14 3.922, subdivision 1, clause (1).

106.15 Subd. 3. **Eligible expenditures.** The commissioner may make grants under this section
106.16 to implement solutions to reduce the child care shortage in the state including but not limited
106.17 to funding for child care business start-ups or expansions, training, facility modifications
106.18 or improvements required for licensing, and assistance with licensing and other regulatory
106.19 requirements.

106.20 Subd. 4. **Eligible applicants.** Eligible applicants for grants awarded under this section
106.21 include:

106.22 (1) a political subdivision;

106.23 (2) an Indian tribe;

106.24 (3) a Minnesota nonprofit organization organized under chapter 317 having experience
106.25 in one or more of the following: the operation of, planning for, financing of, advocacy for,
106.26 or advancement of the delivery of child care services in a defined service area spanning the
106.27 boundaries of one or more political subdivisions.

106.28 Subd. 5. **Application process.** (a) An eligible applicant must submit an application to
106.29 the commissioner on a form prescribed by the commissioner. The commissioner shall
106.30 develop procedures governing the application and grant award process. The commissioner
106.31 shall act as fiscal agent for the grant program and shall be responsible for receiving and
106.32 reviewing grant applications and awarding grants under this section.

107.1 (b) At least 30 days prior to the first day applications may be submitted each fiscal year,
107.2 the commissioner must publish on the department's website the specific criteria and any
107.3 quantitative weighting scheme or scoring system the commissioner will use to evaluate or
107.4 rank applications and award grants under subdivision 6.

107.5 Subd. 6. **Application contents.** An applicant for a grant under this section shall provide
107.6 the following information on the application:

107.7 (1) the service area of the project;

107.8 (2) the project budget;

107.9 (3) evidence of the child care shortage in the community in which the project is to be
107.10 located;

107.11 (4) the number of licensed child care slots that will be created as a result of the project;

107.12 (5) the number of families with children under age six that will have access to child care
107.13 as a result of the project;

107.14 (6) community employers and businesses that will benefit from the proposed project;

107.15 (7) evidence of community support for the project;

107.16 (8) the total cost of the project;

107.17 (9) sources of funding or in-kind contributions for the project that will supplement any
107.18 grant award; and

107.19 (10) any additional information requested by the commissioner.

107.20 Subd. 7. **Awarding grants.** (a) In evaluating applications and awarding grants, the
107.21 commissioner may give priority to applications that:

107.22 (1) are in areas that have a documented shortage of affordable quality child care;

107.23 (2) demonstrate programmatic or financial collaborations and partnering among private
107.24 sector employers, public and nonprofit organizations within geographic areas;

107.25 (3) serve areas of the state experiencing worker shortages, low prime age workforce
107.26 participation rates, or prime age worker population loss that is significantly greater than the
107.27 statewide average;

107.28 (4) provide evidence of strong support for the project from citizens, government,
107.29 businesses, and institutions in the community;

108.1 (5) leverage greater amounts of funding for the project from private and nonstate public
108.2 sources.

108.3 (b) The commissioner shall endeavor to award grants under this section to qualified
108.4 applicants in all regions of the state.

108.5 Subd. 8. **Limitation.** (a) No grant awarded under this section may fund more than 50
108.6 percent of the total cost of a project.

108.7 (b) Grants awarded to a single project under this section must not exceed \$100,000.

108.8 Sec. 19. **COMMUNITY PROSPERITY GRANT PROGRAM.**

108.9 Subdivision 1. **Establishment; purpose.** The community prosperity grant program is
108.10 established to provide grants to public or 501(c)(3) nonprofit entities to implement innovative
108.11 economic development projects that will support economic growth in their community.

108.12 Subd. 2. **Definitions.** For the purposes of this section, the following terms have the
108.13 meanings given them:

108.14 (1) "economic development" means activities, services, investments, and infrastructure
108.15 that support the economic success of individuals, businesses, and communities by facilitating
108.16 an economic environment that produces net new jobs;

108.17 (2) "innovative project" means the provision of a public service or good that was absent
108.18 in the community or of insufficient quantity or quality;

108.19 (3) "local governmental unit" means a county, city, town, special district, public higher
108.20 education institution, or other political subdivision or public corporation; and

108.21 (4) "community" means any geographic area defined by one or more census tracts.

108.22 Subd. 3. **Community prosperity grants.** The commissioner of employment and
108.23 economic development shall:

108.24 (1) develop and implement a community prosperity grant program that will provide
108.25 matching grants up to 85 percent of total project cost up to \$100,000 to implement innovative
108.26 economic development projects that will induce economic growth in their community;

108.27 (2) develop a request for proposals;

108.28 (3) review responses to requests for proposals and award grants under this section;

108.29 (4) establish a transparent and objective accountability process focused on outcomes
108.30 that grantees agree to achieve; and

109.1 (5) maintain data on outcomes reported by grantees.

109.2 Subd. 4. **Eligible grantees.** Organizations eligible to receive grant funding under this
109.3 section include:

109.4 (1) local government units; and

109.5 (2) nonprofit 501(c)(3) organizations that have established partnerships with one or more
109.6 local government units to implement economic development projects or activities.

109.7 Subd. 5. **Priority of proposals; grant awards.** The commissioner shall prioritize the
109.8 award of grants to proposals that demonstrate that the project:

109.9 (1) will serve communities with a population of 5,000 or less;

109.10 (2) will support community groups or neighborhood organizations within one of the 128
109.11 federally designated opportunity zones;

109.12 (3) will support the economic success of individuals, businesses, and communities by
109.13 facilitating an economic environment that produces net new jobs;

109.14 (4) will provide public services or goods that was absent in the community or of
109.15 insufficient quantity or quality;

109.16 (5) serves a defined geographic area; racial, ethnic, or minority community; or American
109.17 Indian community experiencing any the following: below state average wages, above state
109.18 average unemployment rate, or below state average labor force participation rate;

109.19 (6) will be sustainable or continue to have impact beyond the one-time funding from
109.20 this program;

109.21 (7) will be successfully implemented based on the qualifications of the lead organization;
109.22 and

109.23 (8) will serve two or more local government units.

109.24 Subd. 6. **Geographic distribution of grants.** The commissioner shall ensure that a
109.25 minimum of 50 percent of grants are awarded to communities outside the seven-county
109.26 metropolitan area.

109.27 Subd. 7. **Report.** Grantees must report grant program outcomes to the commissioner on
109.28 the forms and according to the timelines established by the commissioner.

110.1 Sec. 20. **ONETIME EXCEPTION TO RESTRICTIONS ON USE OF MINNESOTA**
110.2 **INVESTMENT FUND LOCAL GOVERNMENT LOAN REPAYMENT FUNDS.**

110.3 (a) Notwithstanding Minnesota Statutes, section 116J.8731, a home rule charter or
110.4 statutory city, county, or town that has uncommitted money received from repayment of
110.5 funds awarded under Minnesota Statutes, section 116J.8731, may choose to transfer 20
110.6 percent of the balance of that money to the state general fund before June 30, 2020. Any
110.7 local entity that does so may then use the remaining 80 percent of the uncommitted money
110.8 as a general purpose aid for any lawful expenditure.

110.9 (b) By February 15, 2021, a home rule charter or statutory city, county, or town that
110.10 exercises the option under paragraph (a) shall submit to the chairs and ranking minority
110.11 members of the legislative committees with jurisdiction over economic development policy
110.12 and finance an accounting and explanation of the use and distribution of the funds.

110.13 **ARTICLE 5**
110.14 **WAGE THEFT**

110.15 Section 1. Minnesota Statutes 2018, section 16C.285, subdivision 3, is amended to read:

110.16 Subd. 3. **Minimum criteria.** "Responsible contractor" means a contractor that conforms
110.17 to the responsibility requirements in the solicitation document for its portion of the work
110.18 on the project and verifies that it meets the following minimum criteria:

110.19 (1) the contractor:

110.20 (i) is in compliance with workers' compensation and unemployment insurance
110.21 requirements;

110.22 (ii) is in compliance with Department of Revenue and Department of Employment and
110.23 Economic Development registration requirements if it has employees;

110.24 (iii) has a valid federal tax identification number or a valid Social Security number if
110.25 an individual; and

110.26 (iv) has filed a certificate of authority to transact business in Minnesota with the secretary
110.27 of state if a foreign corporation or cooperative;

110.28 (2) the contractor or related entity is in compliance with and, during the three-year period
110.29 before submitting the verification, has not violated section 177.24, 177.25, 177.41 to 177.44,
110.30 181.03, 181.101, 181.13, 181.14, or 181.722, and has not violated United States Code, title
110.31 29, sections 201 to 219, or United States Code, title 40, sections 3141 to 3148. For purposes
110.32 of this clause, a violation occurs when a contractor or related entity:

111.1 (i) repeatedly fails to pay statutorily required wages or penalties on one or more separate
111.2 projects for a total underpayment of \$25,000 or more within the three-year period, provided
111.3 that a failure to pay is "repeated" only if it involves two or more separate and distinct
111.4 occurrences of underpayment during the three-year period;

111.5 (ii) has been issued an order to comply by the commissioner of labor and industry that
111.6 has become final;

111.7 (iii) has been issued at least two determination letters within the three-year period by
111.8 the Department of Transportation finding an underpayment by the contractor or related
111.9 entity to its own employees;

111.10 (iv) has been found by the commissioner of labor and industry to have repeatedly or
111.11 willfully violated any of the sections referenced in this clause pursuant to section 177.27;

111.12 (v) has been issued a ruling or findings of underpayment by the administrator of the
111.13 Wage and Hour Division of the United States Department of Labor that have become final
111.14 or have been upheld by an administrative law judge or the Administrative Review Board;
111.15 ~~or~~

111.16 (vi) has been found liable for underpayment of wages or penalties or misrepresenting a
111.17 construction worker as an independent contractor in an action brought in a court having
111.18 jurisdiction; or

111.19 (vii) has been convicted of a violation of section 609.52, subdivision 2, clause (19).

111.20 Provided that, if the contractor or related entity contests a determination of underpayment
111.21 by the Department of Transportation in a contested case proceeding, a violation does not
111.22 occur until the contested case proceeding has concluded with a determination that the
111.23 contractor or related entity underpaid wages or penalties;

111.24 (3) the contractor or related entity is in compliance with and, during the three-year period
111.25 before submitting the verification, has not violated section 181.723 or chapter 326B. For
111.26 purposes of this clause, a violation occurs when a contractor or related entity has been issued
111.27 a final administrative or licensing order;

111.28 (4) the contractor or related entity has not, more than twice during the three-year period
111.29 before submitting the verification, had a certificate of compliance under section 363A.36
111.30 revoked or suspended based on the provisions of section 363A.36, with the revocation or
111.31 suspension becoming final because it was upheld by the Office of Administrative Hearings
111.32 or was not appealed to the office;

112.1 (5) the contractor or related entity has not received a final determination assessing a
112.2 monetary sanction from the Department of Administration or Transportation for failure to
112.3 meet targeted group business, disadvantaged business enterprise, or veteran-owned business
112.4 goals, due to a lack of good faith effort, more than once during the three-year period before
112.5 submitting the verification;

112.6 (6) the contractor or related entity is not currently suspended or debarred by the federal
112.7 government or the state of Minnesota or any of its departments, commissions, agencies, or
112.8 political subdivisions that have authority to debar a contractor; and

112.9 (7) all subcontractors and motor carriers that the contractor intends to use to perform
112.10 project work have verified to the contractor through a signed statement under oath by an
112.11 owner or officer that they meet the minimum criteria listed in clauses (1) to (6).

112.12 Any violations, suspensions, revocations, or sanctions, as defined in clauses (2) to (5),
112.13 occurring prior to July 1, 2014, shall not be considered in determining whether a contractor
112.14 or related entity meets the minimum criteria.

112.15 Sec. 2. Minnesota Statutes 2018, section 177.27, is amended by adding a subdivision to
112.16 read:

112.17 Subd. 1a. Authority to investigate. To carry out the purposes of this chapter and chapters
112.18 181, 181A, and 184, and utilizing the enforcement authority of section 175.20, the
112.19 commissioner is authorized to enter the places of business and employment of any employer
112.20 in the state to investigate wages, hours, and other conditions and practices of work, collect
112.21 evidence, and conduct interviews. The commissioner is authorized to enter the places of
112.22 business and employment during working hours and without delay. The commissioner may
112.23 use investigation methods that include but are not limited to examination, surveillance,
112.24 transcription, copying, scanning, photographing, audio or video recording, testing, and
112.25 sampling along with taking custody of evidence. Evidence that may be collected includes
112.26 but is not limited to documents, records, books, registers, payrolls, electronically and digitally
112.27 stored information, machinery, equipment, tools, and other tangible items that in any way
112.28 relate to wages, hours, and other conditions and practices of work. The commissioner may
112.29 privately interview any individual, including owners, employers, operators, agents, workers,
112.30 and other individuals who may have knowledge of the conditions and practices of work
112.31 under investigation.

113.1 Sec. 3. Minnesota Statutes 2018, section 177.27, subdivision 2, is amended to read:

113.2 Subd. 2. **Submission of records; penalty.** The commissioner may require the employer
113.3 of employees working in the state to submit to the commissioner photocopies, certified
113.4 copies, or, if necessary, the originals of employment records which the commissioner deems
113.5 necessary or appropriate. The records which may be required include full and correct
113.6 statements in writing, including sworn statements by the employer, containing information
113.7 relating to wages, hours, names, addresses, and any other information pertaining to the
113.8 employer's employees and the conditions of their employment as the commissioner deems
113.9 necessary or appropriate.

113.10 The commissioner may require the records to be submitted by certified mail delivery
113.11 or, if necessary, by personal delivery by the employer or a representative of the employer,
113.12 as authorized by the employer in writing.

113.13 The commissioner may fine the employer up to \$1,000 for each failure to submit or
113.14 deliver records as required by this section, and up to \$10,000 for each repeated failure. This
113.15 penalty is in addition to any penalties provided under section 177.32, subdivision 1. In
113.16 determining the amount of a civil penalty under this subdivision, the appropriateness of
113.17 such penalty to the size of the employer's business and the gravity of the violation shall be
113.18 considered.

113.19 Sec. 4. Minnesota Statutes 2018, section 177.27, is amended by adding a subdivision to
113.20 read:

113.21 Subd. 11. **Subpoenas.** In order to carry out the purposes of this chapter and chapter 181,
113.22 181A, or 184, the commissioner may issue subpoenas to compel persons to appear before
113.23 the commissioner to give testimony and produce and permit inspection, copying, testing,
113.24 or sampling of documents, electronically stored information, tangible items, or other items
113.25 in the possession, custody, or control of that person that are deemed necessary or appropriate
113.26 by the commissioner. A subpoena may specify the form or format in which electronically
113.27 stored information is to be produced. Upon the application of the commissioner, a district
113.28 court shall treat the failure of any person to obey a subpoena lawfully issued by the
113.29 commissioner under this subdivision as a contempt of court.

113.30 Sec. 5. Minnesota Statutes 2018, section 177.27, is amended by adding a subdivision to
113.31 read:

113.32 Subd. 12. **Court orders for entrance and inspection.** To carry out the purposes of this
113.33 chapter and chapters 181, 181A, and 184, and utilizing the enforcement authority of section

114.1 175.20, the commissioner is authorized to enter places of business and employment of any
114.2 employer in the state to investigate wages, hours, and other conditions and practices of
114.3 work, collect evidence, and conduct interviews. The commissioner is authorized to enter
114.4 the places of business and employment during working hours and without delay. Upon the
114.5 anticipated refusal based on a refusal to permit entrance on a prior occasion or actual refusal
114.6 of an employer, owner, operator, or agent in charge of an employer's place of business or
114.7 employment, the commissioner may apply for an order in the district court in the county in
114.8 which the place of business or employment is located, to compel an employer, owner,
114.9 operator, or agent in charge of the place of business or employment to permit the
114.10 commissioner entry to investigate wages, hours, and other conditions and practices of work,
114.11 collect evidence, and interview witnesses.

114.12 Sec. 6. Minnesota Statutes 2018, section 177.27, is amended by adding a subdivision to
114.13 read:

114.14 Subd. 13. **State licensing or regulatory power.** In the case of an employer which is
114.15 subject to the licensing or regulatory power of the state or any political subdivision or agency
114.16 thereof, if the commissioner issues an order to comply under subdivision 4, the commissioner
114.17 may provide the licensing or regulatory agency a copy of the order to comply. Unless the
114.18 order to comply is reversed in the course of administrative or judicial review, the order to
114.19 comply is binding on the agency and the agency may take appropriate action, including
114.20 action related to the eligibility, renewal, suspension, or revocation of a license or certificate
114.21 of public convenience and necessity if the agency is otherwise authorized to take such action.

114.22 Sec. 7. Minnesota Statutes 2018, section 177.27, is amended by adding a subdivision to
114.23 read:

114.24 Subd. 14. **Public contracts.** In the case of an employer that is a party to a public contract,
114.25 if the commissioner issues an order to comply under subdivision 4, the commissioner may
114.26 provide a copy of the order to comply to the contract letting agency. Unless the order to
114.27 comply is reversed in the course of administrative or judicial review, an order to comply is
114.28 binding on the contract letting agency and the agency may take appropriate administrative
114.29 action, including the imposition of financial penalties and eligibility for, termination or
114.30 nonrenewal of a contract, in whole or in part, if the agency is otherwise authorized to take
114.31 the action.

115.1 Sec. 8. Minnesota Statutes 2018, section 177.27, is amended by adding a subdivision to
115.2 read:

115.3 Subd. 15. Notice to employees of compliance orders and citations. In a compliance
115.4 order or citation issued under this chapter and chapters 181, 181A, and 184, the commissioner
115.5 may require that the provisions of a compliance order or citation setting out the violations
115.6 found by the commissioner and any subsequent document setting out the resolution of the
115.7 compliance order or citation through settlement agreement or other final disposition, upon
115.8 receipt by the employer, be made available for review by the employees of the employer
115.9 using the means the employer uses to provide other work-related notices to the employer's
115.10 employees. The means used by the employer must be at least as effective as the following
115.11 options for providing notice: (1) posting a copy of the compliance order or citation at each
115.12 location where employees perform work and where the notice must be readily observed and
115.13 easily reviewed by all employees performing work; or (2) providing a paper or electronic
115.14 copy of the compliance order or citation to employees. Each citation and proposed penalty
115.15 shall be posted or made available to employees for a minimum period of 20 days. Upon
115.16 issuance of a compliance order or citation to an employer, the commissioner may also
115.17 provide the provisions of the compliance order or citation setting out the violations found
115.18 by the commissioner and any resolution of a compliance order or citation through settlement
115.19 agreement or other final disposition to the employer's employees who may be affected by
115.20 the order or citation and how the order or citation and resolution may affect their interests.

115.21 Sec. 9. Minnesota Statutes 2018, section 177.30, is amended to read:

115.22 **177.30 KEEPING RECORDS; PENALTY.**

115.23 (a) Every employer subject to sections 177.21 to 177.44 must make and keep a record
115.24 of:

115.25 (1) the name, address, and occupation of each employee;

115.26 (2) the rate of pay, and the amount paid each pay period to each employee, including
115.27 whether each employee is paid by the hour, shift, day, week, salary, piece, commission, or
115.28 other;

115.29 (3) the hours worked each day and each workweek by the employee, including for all
115.30 employees paid at piece rate, the number of pieces completed at each piece rate;

115.31 (4) any personnel policies provided to employees;

115.32 (5) a copy of the notice provided to each employee as required by section 181.032,
115.33 paragraph (d);

116.1 (6) for each employer subject to sections 177.41 to 177.44, and while performing work
116.2 on public works projects funded in whole or in part with state funds, the employer shall
116.3 furnish under oath signed by an owner or officer of an employer to the contracting authority
116.4 and the project owner every two weeks, a certified payroll report with respect to the wages
116.5 and benefits paid each employee during the preceding weeks specifying for each employee:
116.6 name; identifying number; prevailing wage master job classification; hours worked each
116.7 day; total hours; rate of pay; gross amount earned; each deduction for taxes; total deductions;
116.8 net pay for week; dollars contributed per hour for each benefit, including name and address
116.9 of administrator; benefit account number; and telephone number for health and welfare,
116.10 vacation or holiday, apprenticeship training, pension, and other benefit programs; and
116.11 ~~(5)~~ (7) other information the commissioner finds necessary and appropriate to enforce
116.12 sections 177.21 to 177.435. The records must be kept for three years in ~~or near~~ the premises
116.13 where an employee works except each employer subject to sections 177.41 to 177.44, and
116.14 while performing work on public works projects funded in whole or in part with state funds,
116.15 the records must be kept for three years after the contracting authority has made final payment
116.16 on the public works project.

116.17 (b) All records required to be kept under paragraph (a) must be readily available for
116.18 inspection by the commissioner upon demand. The records must be either kept at the place
116.19 where employees are working or kept in a manner that allows the employer to comply with
116.20 this paragraph within 24 hours.

116.21 (c) The commissioner may fine an employer up to \$1,000 for each failure to maintain
116.22 records as required by this section, and up to \$10,000 for each repeated failure. This penalty
116.23 is in addition to any penalties provided under section 177.32, subdivision 1. In determining
116.24 the amount of a civil penalty under this subdivision, the appropriateness of such penalty to
116.25 the size of the employer's business and the gravity of the violation shall be considered.

116.26 (d) If the records maintained by the employer do not provide sufficient information to
116.27 determine the exact amount of back wages due an employee, the commissioner may make
116.28 a determination of wages due based on available evidence.

116.29 Sec. 10. Minnesota Statutes 2018, section 177.32, subdivision 1, is amended to read:

116.30 Subdivision 1. **Misdemeanors.** (a) An employer who does any of the following is guilty
116.31 of a misdemeanor:

116.32 (1) hinders or delays the commissioner in the performance of duties required under
116.33 sections 177.21 to 177.435, or chapter 181;

- 117.1 (2) refuses to admit the commissioner to the place of business or employment of the
117.2 employer, as required by section 177.27, subdivision 1;
- 117.3 (3) repeatedly fails to make, keep, and preserve records as required by section 177.30;
- 117.4 (4) falsifies any record;
- 117.5 (5) refuses to make any record available, or to furnish a sworn statement of the record
117.6 or any other information as required by section 177.27;
- 117.7 (6) repeatedly fails to post a summary of sections 177.21 to 177.44 or a copy or summary
117.8 of the applicable rules as required by section 177.31;
- 117.9 (7) pays or agrees to pay wages at a rate less than the rate required under sections 177.21
117.10 to 177.44, or described and provided by an employer to its employees under section 181.032;
- 117.11 (8) refuses to allow adequate time from work as required by section 177.253; or
- 117.12 (9) otherwise violates any provision of sections 177.21 to 177.44, or commits wage theft
117.13 as described in section 181.03, subdivision 1.

117.14 Intent is not an element of a misdemeanor under this paragraph.

117.15 (b) An employer is guilty of a gross misdemeanor if the employer is found to have
117.16 intentionally retaliated against an employee for asserting rights or remedies under sections
117.17 177.21 to 177.44 or section 181.03.

117.18 Sec. 11. **[177.45] ENFORCEMENT; REMEDIES.**

117.19 Subdivision 1. Public enforcement. In addition to the enforcement of this chapter by
117.20 the department, the attorney general may enforce this chapter under section 8.31.

117.21 Subd. 2. Remedies cumulative. The remedies provided in this chapter are cumulative
117.22 and do not restrict any remedy that is otherwise available, including remedies provided
117.23 under section 8.31. The remedies available under this section are not exclusive and are in
117.24 addition to any other requirements, rights, remedies, and penalties provided by law.

117.25 Sec. 12. Minnesota Statutes 2018, section 181.03, subdivision 1, is amended to read:

117.26 Subdivision 1. Prohibited practices. An employer may not, directly or indirectly and
117.27 with intent to defraud: (a) No employer shall commit wage theft.

117.28 (b) For purposes of this section, wage theft is committed if:

117.29 (1) cause an employer has failed to pay an employee all wages, salary, gratuities, earnings,
117.30 or commissions at the employee's rate or rates of pay or at the rate or rates required by law,

118.1 including any applicable statute, regulation, rule, ordinance, government resolution or policy,
118.2 contract, or other legal authority, whichever rate of pay is greater;

118.3 (2) an employer directly or indirectly causes any employee to give a receipt for wages
118.4 for a greater amount than that actually paid to the employee for services rendered;

118.5 (2) (3) an employer directly or indirectly demand demands or receive receives from any
118.6 employee any rebate or refund from the wages owed the employee under contract of
118.7 employment with the employer; or

118.8 (3) (4) an employer in any manner make makes or attempt attempts to make it appear
118.9 that the wages paid to any employee were greater than the amount actually paid to the
118.10 employee.

118.11 Sec. 13. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to
118.12 read:

118.13 Subd. 4. **Enforcement.** The use of an enforcement provision in this section shall not
118.14 preclude the use of any other enforcement provision provided by law.

118.15 Sec. 14. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to
118.16 read:

118.17 Subd. 5. **Citations.** (a) In addition to other remedies and penalties provided by this
118.18 chapter and chapter 177, the commissioner may issue a citation for a civil penalty of up to
118.19 \$1,000 for any wage theft of up to \$1,000 by serving the citation on the employer. The
118.20 citation may direct the employer to pay employees in a manner prescribed by the
118.21 commissioner any wages, salary, gratuities, earnings, or commissions owed to the employee
118.22 within 15 days of service of the citation on the employer. The commissioner shall serve the
118.23 citation upon the employer or the employer's authorized representative in person or by
118.24 certified mail at the employer's place of business or registered office address with the
118.25 secretary of state. The citation shall require the employer to correct the violation and cease
118.26 and desist from committing the violation.

118.27 (b) In determining the amount of the civil penalty, the commissioner shall consider the
118.28 size of the employer's business and the gravity of the violation as provided in section 14.045,
118.29 subdivision 3, paragraph (a). If the citation includes a penalty assessment, the penalty is
118.30 due and payable on the date the citation becomes final. The commissioner may vacate the
118.31 citation if the employer pays the amount of wages, salaries, commissions, earnings, and
118.32 gratuities due in the citation within five days after the citation is served on the employer.

119.1 Sec. 15. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to
119.2 read:

119.3 Subd. 6. **Administrative review.** Within 15 days after the commissioner of labor and
119.4 industry issues a citation under subdivision 5, the employer to whom the citation is issued
119.5 may request an expedited hearing to review the citation. The request for hearing must be
119.6 in writing and must be served on the commissioner at the address specified in the citation.
119.7 If the employer does not request a hearing or if the employer's written request for hearing
119.8 is not served on the commissioner by the 15th day after the commissioner issues the citation,
119.9 the citation becomes a final order of the commissioner and is not subject to review by any
119.10 court or agency. The hearing request must state the reasons for seeking review of the citation.
119.11 The employer to whom the citation is issued and the commissioner are the parties to the
119.12 expedited hearing. The commissioner must notify the employer to whom the citation is
119.13 issued of the time and place of the hearing at least 15 days before the hearing. The hearing
119.14 shall be conducted under Minnesota Rules, parts 1400.8510 to 1400.8612, as modified by
119.15 this section. If a hearing has been held, the commissioner shall not issue a final order until
119.16 at least five days after the date of the administrative law judge's report. Any person aggrieved
119.17 by the administrative law judge's report may, within those five days, serve written comments
119.18 to the commissioner on the report and the commissioner shall consider and enter the
119.19 comments in the record. The commissioner's final order shall comply with sections 14.61,
119.20 subdivision 2, and 14.62, subdivisions 1 and 2a, and may be appealed in the manner provided
119.21 in sections 14.63 to 14.69.

119.22 Sec. 16. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to
119.23 read:

119.24 Subd. 7. **Effect on other laws.** Nothing in this section shall be construed to limit the
119.25 application of other state or federal laws.

119.26 Sec. 17. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to
119.27 read:

119.28 Subd. 8. **Retaliation.** An employer must not retaliate against an employee for asserting
119.29 rights or remedies under this section, including but not limited to filing a complaint with
119.30 the Department of Labor and Industry or telling the employer of intention to file a complaint.
119.31 A rebuttable presumption of unlawful retaliation under this section exists whenever an
119.32 employer takes adverse action against an employee within 90 days of the employee asserting
119.33 rights or remedies under this section.

120.1 Sec. 18. Minnesota Statutes 2018, section 181.032, is amended to read:

120.2 **181.032 REQUIRED STATEMENT OF EARNINGS BY EMPLOYER; NOTICE**
120.3 **TO EMPLOYEE.**

120.4 (a) At the end of each pay period, the employer shall provide each employee an earnings
120.5 statement, either in writing or by electronic means, covering that pay period. An employer
120.6 who chooses to provide an earnings statement by electronic means must provide employee
120.7 access to an employer-owned computer during an employee's regular working hours to
120.8 review and print earnings statements.

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

120.11 (1) the name of the employee;

120.12 (2) the hourly rate or rates of pay (if applicable) and basis thereof, including whether
120.13 the employee is paid by hour, shift, day, week, salary, piece, commission, or other method;

120.14 (3) allowances, if any, claimed pursuant to permitted meals and lodging;

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

120.16 ~~(4)~~ (5) the total amount of gross pay earned by the employee during that period;

120.17 ~~(5)~~ (6) a list of deductions made from the employee's pay;

120.18 ~~(6)~~ (7) the net amount of pay after all deductions are made;

120.19 ~~(7)~~ (8) the date on which the pay period ends; and

120.20 ~~(8)~~ (9) the legal name of the employer and the operating name of the employer if different
120.21 from the legal name;

120.22 (10) the physical address of the employer's main office or principal place of business,
120.23 and a mailing address if different; and

120.24 (11) the telephone number of the employer.

120.25 (c) An employer must provide earnings statements to an employee in writing, rather
120.26 than by electronic means, if the employer has received at least 24 hours notice from an
120.27 employee that the employee would like to receive earnings statements in written form. Once
120.28 an employer has received notice from an employee that the employee would like to receive
120.29 earnings statements in written form, the employer must comply with that request on an
120.30 ongoing basis.

121.1 (d) At the start of employment, an employer shall provide each employee a written notice
121.2 containing the following information:

121.3 (1) the rate or rates of pay and basis thereof, including whether the employee is paid by
121.4 the hour, shift, day, week, salary, piece, commission, or other method, and the specific
121.5 application of any additional rates;

121.6 (2) allowances, if any, claimed pursuant to permitted meals and lodging;

121.7 (3) paid vacation, sick time, or other paid time off accruals and terms of use;

121.8 (4) the employee's employment status and whether the employee is exempt from minimum
121.9 wage, overtime, and other provisions of chapter 177, and on what basis;

121.10 (5) a list of deductions that may be made from the employee's pay;

121.11 (6) the dates on which the pay periods start and end and the regularly scheduled payday;

121.12 (7) the legal name of the employer and the operating name of the employer if different
121.13 from the legal name;

121.14 (8) the physical address of the employer's main office or principal place of business, and
121.15 a mailing address if different; and

121.16 (9) the telephone number of the employer.

121.17 (e) The employer must keep a copy of the notice under paragraph (d) signed by each
121.18 employee acknowledging receipt of the notice. The notice must be provided to each employee
121.19 in English and in the employee's native language.

121.20 (f) An employer must provide the employee any written changes to the information
121.21 contained in the notice under paragraph (d) at least seven calendar days prior to the time
121.22 the changes take effect. The changes must be signed by the employee before the changes
121.23 go into effect. The employer must keep a signed copy of all notice of changes as well as
121.24 the initial notices under paragraph (d).

121.25 Sec. 19. Minnesota Statutes 2018, section 181.101, is amended to read:

121.26 **181.101 WAGES; HOW OFTEN PAID.**

121.27 (a) Except as provided in paragraph (b), every employer must pay all wages earned by
121.28 an employee at least once every ~~31~~ 16 days on a regular payday designated in advance by
121.29 the employer regardless of whether the employee requests payment at longer intervals.

121.30 ~~Unless paid earlier, the wages earned during the first half of the first 31-day pay period~~
121.31 ~~become due on the first regular payday following the first day of work. An employer's pay~~

122.1 period must be no longer than 16 days. All wages earned in a pay period must be paid to
122.2 an employee within 16 days of the end of that pay period. If wages earned are not paid, the
122.3 commissioner of labor and industry or the commissioner's representative may serve a demand
122.4 for payment on behalf of an employee. If payment is not made within ten five days of service
122.5 of the demand, the commissioner may charge and collect the wages earned and a penalty
122.6 liquidated damages in the amount of the employee's average daily earnings at the employee's
122.7 rate agreed upon in the contract of employment or rates of pay or at the rate or rates required
122.8 by law, including any applicable statute, regulation, rule, ordinance, government resolution
122.9 or policy, contract, or other legal authority, whichever rate of pay is greater, not exceeding
122.10 15 days in all, for each day beyond the ten-day five-day limit following the demand. Money
122.11 collected by the commissioner must be paid to the employee concerned. This section does
122.12 not prevent an employee from prosecuting a claim for wages. This section does not prevent
122.13 a school district, other public school entity, or other school, as defined under section 120A.22,
122.14 from paying any wages earned by its employees during a school year on regular paydays
122.15 in the manner provided by an applicable contract or collective bargaining agreement, or a
122.16 personnel policy adopted by the governing board. For purposes of this section, "employee"
122.17 includes a person who performs agricultural labor as defined in section 181.85, subdivision
122.18 2. For purposes of this section, wages are earned on the day an employee works.

122.19 (b) An employer of a volunteer firefighter, as defined in section 424A.001, subdivision
122.20 10, a member of an organized first responder squad that is formally recognized by a political
122.21 subdivision in the state, or a volunteer ambulance driver or attendant must pay all wages
122.22 earned by the volunteer firefighter, first responder, or volunteer ambulance driver or attendant
122.23 at least once every 31 days, unless the employer and the employee mutually agree upon
122.24 payment at longer intervals.

122.25 **Sec. 20. [181.1721] ENFORCEMENT; REMEDIES.**

122.26 **Subdivision 1. Public enforcement.** In addition to the enforcement of this chapter by
122.27 the department, the attorney general may enforce this chapter under section 8.31.

122.28 **Subd. 2. Remedies cumulative.** The remedies provided in this chapter are cumulative
122.29 and do not restrict any remedy that is otherwise available, including remedies provided
122.30 under section 8.31. The remedies available under this section are not exclusive and are in
122.31 addition to any other requirements, rights, remedies, and penalties provided by law.

122.32 **Sec. 21. Minnesota Statutes 2018, section 609.52, subdivision 1, is amended to read:**

122.33 **Subdivision 1. Definitions.** In this section:

123.1 (1) "Property" means all forms of tangible property, whether real or personal, without
123.2 limitation including documents of value, electricity, gas, water, corpses, domestic animals,
123.3 dogs, pets, fowl, and heat supplied by pipe or conduit by municipalities or public utility
123.4 companies and articles, as defined in clause (4), representing trade secrets, which articles
123.5 shall be deemed for the purposes of Extra Session Laws 1967, chapter 15 to include any
123.6 trade secret represented by the article.

123.7 (2) "Movable property" is property whose physical location can be changed, including
123.8 without limitation things growing on, affixed to, or found in land.

123.9 (3) "Value" means the retail market value at the time of the theft, or if the retail market
123.10 value cannot be ascertained, the cost of replacement of the property within a reasonable
123.11 time after the theft, or in the case of a theft or the making of a copy of an article representing
123.12 a trade secret, where the retail market value or replacement cost cannot be ascertained, any
123.13 reasonable value representing the damage to the owner which the owner has suffered by
123.14 reason of losing an advantage over those who do not know of or use the trade secret. For a
123.15 check, draft, or other order for the payment of money, "value" means the amount of money
123.16 promised or ordered to be paid under the terms of the check, draft, or other order. For a
123.17 theft committed within the meaning of subdivision 2, clause (5), items (i) and (ii), if the
123.18 property has been restored to the owner, "value" means the value of the use of the property
123.19 or the damage which it sustained, whichever is greater, while the owner was deprived of
123.20 its possession, but not exceeding the value otherwise provided herein. For a theft committed
123.21 within the meaning of subdivision 2, clause (9), if the property has been restored to the
123.22 owner, "value" means the rental value of the property, determined at the rental rate contracted
123.23 by the defendant or, if no rental rate was contracted, the rental rate customarily charged by
123.24 the owner for use of the property, plus any damage that occurred to the property while the
123.25 owner was deprived of its possession, but not exceeding the total retail value of the property
123.26 at the time of rental. For a theft committed within the meaning of subdivision 2, clause (19),
123.27 "value" means the difference between wages legally required to be reported or paid to an
123.28 employee and the amount actually reported or paid to the employee.

123.29 (4) "Article" means any object, material, device or substance, including any writing,
123.30 record, recording, drawing, sample specimen, prototype, model, photograph, microorganism,
123.31 blueprint or map, or any copy of any of the foregoing.

123.32 (5) "Representing" means describing, depicting, containing, constituting, reflecting or
123.33 recording.

124.1 (6) "Trade secret" means information, including a formula, pattern, compilation, program,
124.2 device, method, technique, or process, that:

124.3 (i) derives independent economic value, actual or potential, from not being generally
124.4 known to, and not being readily ascertainable by proper means by, other persons who can
124.5 obtain economic value from its disclosure or use, and

124.6 (ii) is the subject of efforts that are reasonable under the circumstances to maintain its
124.7 secrecy.

124.8 (7) "Copy" means any facsimile, replica, photograph or other reproduction of an article,
124.9 and any note, drawing, or sketch made of or from an article while in the presence of the
124.10 article.

124.11 (8) "Property of another" includes property in which the actor is co-owner or has a lien,
124.12 pledge, bailment, or lease or other subordinate interest, property transferred by the actor in
124.13 circumstances which are known to the actor and which make the transfer fraudulent as
124.14 defined in section 513.44, property possessed pursuant to a short-term rental contract, and
124.15 property of a partnership of which the actor is a member, unless the actor and the victim
124.16 are husband and wife. It does not include property in which the actor asserts in good faith
124.17 a claim as a collection fee or commission out of property or funds recovered, or by virtue
124.18 of a lien, setoff, or counterclaim.

124.19 (9) "Services" include but are not limited to labor, professional services, transportation
124.20 services, electronic computer services, the supplying of hotel accommodations, restaurant
124.21 services, entertainment services, advertising services, telecommunication services, and the
124.22 supplying of equipment for use including rental of personal property or equipment.

124.23 (10) "Motor vehicle" means a self-propelled device for moving persons or property or
124.24 pulling implements from one place to another, whether the device is operated on land, rails,
124.25 water, or in the air.

124.26 (11) "Motor fuel" has the meaning given in section 604.15, subdivision 1.

124.27 (12) "Retailer" has the meaning given in section 604.15, subdivision 1.

124.28 Sec. 22. Minnesota Statutes 2018, section 609.52, subdivision 2, is amended to read:

124.29 Subd. 2. **Acts constituting theft.** (a) Whoever does any of the following commits theft
124.30 and may be sentenced as provided in subdivision 3:

- 125.1 (1) intentionally and without claim of right takes, uses, transfers, conceals or retains
125.2 possession of movable property of another without the other's consent and with intent to
125.3 deprive the owner permanently of possession of the property; or
- 125.4 (2) with or without having a legal interest in movable property, intentionally and without
125.5 consent, takes the property out of the possession of a pledgee or other person having a
125.6 superior right of possession, with intent thereby to deprive the pledgee or other person
125.7 permanently of the possession of the property; or
- 125.8 (3) obtains for the actor or another the possession, custody, or title to property of or
125.9 performance of services by a third person by intentionally deceiving the third person with
125.10 a false representation which is known to be false, made with intent to defraud, and which
125.11 does defraud the person to whom it is made. "False representation" includes without
125.12 limitation:
- 125.13 (i) the issuance of a check, draft, or order for the payment of money, except a forged
125.14 check as defined in section 609.631, or the delivery of property knowing that the actor is
125.15 not entitled to draw upon the drawee therefor or to order the payment or delivery thereof;
125.16 or
- 125.17 (ii) a promise made with intent not to perform. Failure to perform is not evidence of
125.18 intent not to perform unless corroborated by other substantial evidence; or
- 125.19 (iii) the preparation or filing of a claim for reimbursement, a rate application, or a cost
125.20 report used to establish a rate or claim for payment for medical care provided to a recipient
125.21 of medical assistance under chapter 256B, which intentionally and falsely states the costs
125.22 of or actual services provided by a vendor of medical care; or
- 125.23 (iv) the preparation or filing of a claim for reimbursement for providing treatment or
125.24 supplies required to be furnished to an employee under section 176.135 which intentionally
125.25 and falsely states the costs of or actual treatment or supplies provided; or
- 125.26 (v) the preparation or filing of a claim for reimbursement for providing treatment or
125.27 supplies required to be furnished to an employee under section 176.135 for treatment or
125.28 supplies that the provider knew were medically unnecessary, inappropriate, or excessive;
125.29 or
- 125.30 (4) by swindling, whether by artifice, trick, device, or any other means, obtains property
125.31 or services from another person; or
- 125.32 (5) intentionally commits any of the acts listed in this subdivision but with intent to
125.33 exercise temporary control only and:

- 126.1 (i) the control exercised manifests an indifference to the rights of the owner or the
126.2 restoration of the property to the owner; or
- 126.3 (ii) the actor pledges or otherwise attempts to subject the property to an adverse claim;
126.4 or
- 126.5 (iii) the actor intends to restore the property only on condition that the owner pay a
126.6 reward or buy back or make other compensation; or
- 126.7 (6) finds lost property and, knowing or having reasonable means of ascertaining the true
126.8 owner, appropriates it to the finder's own use or to that of another not entitled thereto without
126.9 first having made reasonable effort to find the owner and offer and surrender the property
126.10 to the owner; or
- 126.11 (7) intentionally obtains property or services, offered upon the deposit of a sum of money
126.12 or tokens in a coin or token operated machine or other receptacle, without making the
126.13 required deposit or otherwise obtaining the consent of the owner; or
- 126.14 (8) intentionally and without claim of right converts any article representing a trade
126.15 secret, knowing it to be such, to the actor's own use or that of another person or makes a
126.16 copy of an article representing a trade secret, knowing it to be such, and intentionally and
126.17 without claim of right converts the same to the actor's own use or that of another person. It
126.18 shall be a complete defense to any prosecution under this clause for the defendant to show
126.19 that information comprising the trade secret was rightfully known or available to the
126.20 defendant from a source other than the owner of the trade secret; or
- 126.21 (9) leases or rents personal property under a written instrument and who:
- 126.22 (i) with intent to place the property beyond the control of the lessor conceals or aids or
126.23 abets the concealment of the property or any part thereof; or
- 126.24 (ii) sells, conveys, or encumbers the property or any part thereof without the written
126.25 consent of the lessor, without informing the person to whom the lessee sells, conveys, or
126.26 encumbers that the same is subject to such lease or rental contract with intent to deprive the
126.27 lessor of possession thereof; or
- 126.28 (iii) does not return the property to the lessor at the end of the lease or rental term, plus
126.29 agreed-upon extensions, with intent to wrongfully deprive the lessor of possession of the
126.30 property; or
- 126.31 (iv) returns the property to the lessor at the end of the lease or rental term, plus
126.32 agreed-upon extensions, but does not pay the lease or rental charges agreed upon in the
126.33 written instrument, with intent to wrongfully deprive the lessor of the agreed-upon charges.

127.1 For the purposes of items (iii) and (iv), the value of the property must be at least \$100.

127.2 Evidence that a lessee used a false, fictitious, or not current name, address, or place of
127.3 employment in obtaining the property or fails or refuses to return the property or pay the
127.4 rental contract charges to lessor within five days after written demand for the return has
127.5 been served personally in the manner provided for service of process of a civil action or
127.6 sent by certified mail to the last known address of the lessee, whichever shall occur later,
127.7 shall be evidence of intent to violate this clause. Service by certified mail shall be deemed
127.8 to be complete upon deposit in the United States mail of such demand, postpaid and addressed
127.9 to the person at the address for the person set forth in the lease or rental agreement, or, in
127.10 the absence of the address, to the person's last known place of residence; or

127.11 (10) alters, removes, or obliterates numbers or symbols placed on movable property for
127.12 purpose of identification by the owner or person who has legal custody or right to possession
127.13 thereof with the intent to prevent identification, if the person who alters, removes, or
127.14 obliterates the numbers or symbols is not the owner and does not have the permission of
127.15 the owner to make the alteration, removal, or obliteration; or

127.16 (11) with the intent to prevent the identification of property involved, so as to deprive
127.17 the rightful owner of possession thereof, alters or removes any permanent serial number,
127.18 permanent distinguishing number or manufacturer's identification number on personal
127.19 property or possesses, sells or buys any personal property knowing or having reason to
127.20 know that the permanent serial number, permanent distinguishing number or manufacturer's
127.21 identification number has been removed or altered; or

127.22 (12) intentionally deprives another of a lawful charge for cable television service by:

127.23 (i) making or using or attempting to make or use an unauthorized external connection
127.24 outside the individual dwelling unit whether physical, electrical, acoustical, inductive, or
127.25 other connection; or by

127.26 (ii) attaching any unauthorized device to any cable, wire, microwave, or other component
127.27 of a licensed cable communications system as defined in chapter 238. Nothing herein shall
127.28 be construed to prohibit the electronic video rerecording of program material transmitted
127.29 on the cable communications system by a subscriber for fair use as defined by Public Law
127.30 94-553, section 107; or

127.31 (13) except as provided in clauses (12) and (14), obtains the services of another with
127.32 the intention of receiving those services without making the agreed or reasonably expected
127.33 payment of money or other consideration; or

128.1 (14) intentionally deprives another of a lawful charge for telecommunications service
128.2 by:

128.3 (i) making, using, or attempting to make or use an unauthorized connection whether
128.4 physical, electrical, by wire, microwave, radio, or other means to a component of a local
128.5 telecommunication system as provided in chapter 237; or

128.6 (ii) attaching an unauthorized device to a cable, wire, microwave, radio, or other
128.7 component of a local telecommunication system as provided in chapter 237.

128.8 The existence of an unauthorized connection is prima facie evidence that the occupier
128.9 of the premises:

128.10 (A) made or was aware of the connection; and

128.11 (B) was aware that the connection was unauthorized;

128.12 (15) with intent to defraud, diverts corporate property other than in accordance with
128.13 general business purposes or for purposes other than those specified in the corporation's
128.14 articles of incorporation; or

128.15 (16) with intent to defraud, authorizes or causes a corporation to make a distribution in
128.16 violation of section 302A.551, or any other state law in conformity with it; or

128.17 (17) takes or drives a motor vehicle without the consent of the owner or an authorized
128.18 agent of the owner, knowing or having reason to know that the owner or an authorized agent
128.19 of the owner did not give consent; or

128.20 (18) intentionally, and without claim of right, takes motor fuel from a retailer without
128.21 the retailer's consent and with intent to deprive the retailer permanently of possession of
128.22 the fuel by driving a motor vehicle from the premises of the retailer without having paid
128.23 for the fuel dispensed into the vehicle; or

128.24 (19) intentionally engages in or authorizes a prohibited practice of wage theft as described
128.25 in section 181.03, subdivision 1.

128.26 (b) Proof that the driver of a motor vehicle into which motor fuel was dispensed drove
128.27 the vehicle from the premises of the retailer without having paid for the fuel permits the
128.28 factfinder to infer that the driver acted intentionally and without claim of right, and that the
128.29 driver intended to deprive the retailer permanently of possession of the fuel. This paragraph
128.30 does not apply if: (1) payment has been made to the retailer within 30 days of the receipt
128.31 of notice of nonpayment under section 604.15; or (2) a written notice as described in section
128.32 604.15, subdivision 4, disputing the retailer's claim, has been sent. This paragraph does not

129.1 apply to the owner of a motor vehicle if the vehicle or the vehicle's license plate has been
129.2 reported stolen before the theft of the fuel.

129.3 Sec. 23. Minnesota Statutes 2018, section 609.52, subdivision 3, is amended to read:

129.4 Subd. 3. **Sentence.** Whoever commits theft may be sentenced as follows:

129.5 (1) to imprisonment for not more than 20 years or to payment of a fine of not more than
129.6 \$100,000, or both, if the property is a firearm, or the value of the property or services stolen
129.7 is more than \$35,000 and the conviction is for a violation of subdivision 2, clause (3), (4),
129.8 (15), ~~or (16),~~ or (19), or section 609.2335, subdivision 1, clause (1) or (2), item (i); or

129.9 (2) to imprisonment for not more than ten years or to payment of a fine of not more than
129.10 \$20,000, or both, if the value of the property or services stolen exceeds \$5,000, or if the
129.11 property stolen was an article representing a trade secret, an explosive or incendiary device,
129.12 or a controlled substance listed in Schedule I or II pursuant to section 152.02 with the
129.13 exception of marijuana; or

129.14 (3) to imprisonment for not more than five years or to payment of a fine of not more
129.15 than \$10,000, or both, if any of the following circumstances exist:

129.16 (a) the value of the property or services stolen is more than \$1,000 but not more than
129.17 \$5,000; or

129.18 (b) the property stolen was a controlled substance listed in Schedule III, IV, or V pursuant
129.19 to section 152.02; or

129.20 (c) the value of the property or services stolen is more than \$500 but not more than
129.21 \$1,000 and the person has been convicted within the preceding five years for an offense
129.22 under this section, section 256.98; 268.182; 609.24; 609.245; 609.53; 609.582, subdivision
129.23 1, 2, or 3; 609.625; 609.63; 609.631; or 609.821, or a statute from another state, the United
129.24 States, or a foreign jurisdiction, in conformity with any of those sections, and the person
129.25 received a felony or gross misdemeanor sentence for the offense, or a sentence that was
129.26 stayed under section 609.135 if the offense to which a plea was entered would allow
129.27 imposition of a felony or gross misdemeanor sentence; or

129.28 (d) the value of the property or services stolen is not more than \$1,000, and any of the
129.29 following circumstances exist:

129.30 (i) the property is taken from the person of another or from a corpse, or grave or coffin
129.31 containing a corpse; or

130.1 (ii) the property is a record of a court or officer, or a writing, instrument or record kept,
130.2 filed or deposited according to law with or in the keeping of any public officer or office; or

130.3 (iii) the property is taken from a burning, abandoned, or vacant building or upon its
130.4 removal therefrom, or from an area of destruction caused by civil disaster, riot, bombing,
130.5 or the proximity of battle; or

130.6 (iv) the property consists of public funds belonging to the state or to any political
130.7 subdivision or agency thereof; or

130.8 (v) the property stolen is a motor vehicle; or

130.9 (4) to imprisonment for not more than one year or to payment of a fine of not more than
130.10 \$3,000, or both, if the value of the property or services stolen is more than \$500 but not
130.11 more than \$1,000; or

130.12 (5) in all other cases where the value of the property or services stolen is \$500 or less,
130.13 to imprisonment for not more than 90 days or to payment of a fine of not more than \$1,000,
130.14 or both, provided, however, in any prosecution under subdivision 2, clauses (1), (2), (3),
130.15 (4), and (13), the value of the money or property or services received by the defendant in
130.16 violation of any one or more of the above provisions within any six-month period may be
130.17 aggregated and the defendant charged accordingly in applying the provisions of this
130.18 subdivision; provided that when two or more offenses are committed by the same person
130.19 in two or more counties, the accused may be prosecuted in any county in which one of the
130.20 offenses was committed for all of the offenses aggregated under this paragraph.

130.21 ARTICLE 6

130.22 EARNED SICK AND SAFE TIME

130.23 Section 1. Minnesota Statutes 2018, section 181.942, subdivision 1, is amended to read:

130.24 Subdivision 1. **Comparable position.** (a) An employee returning from a leave of absence
130.25 under section 181.941 is entitled to return to employment in the employee's former position
130.26 or in a position of comparable duties, number of hours, and pay. An employee returning
130.27 from a leave of absence longer than one month must notify a supervisor at least two weeks
130.28 prior to return from leave. An employee returning from a leave under section 181.9412 or
130.29 ~~181.9413~~ 181.9445 is entitled to return to employment in the employee's former position.

130.30 (b) If, during a leave under sections 181.940 to 181.944, the employer experiences a
130.31 layoff and the employee would have lost a position had the employee not been on leave,
130.32 pursuant to the good faith operation of a bona fide layoff and recall system, including a

131.1 system under a collective bargaining agreement, the employee is not entitled to reinstatement
131.2 in the former or comparable position. In such circumstances, the employee retains all rights
131.3 under the layoff and recall system, including a system under a collective bargaining
131.4 agreement, as if the employee had not taken the leave.

131.5 Sec. 2. **[181.9445] EARNED SICK AND SAFE TIME.**

131.6 Subdivision 1. **Definitions.** (a) For the purposes of this section and section 177.50, the
131.7 terms defined in this subdivision have the meanings given them.

131.8 (b) "Commissioner" means the commissioner of labor and industry or authorized designee
131.9 or representative.

131.10 (c) "Domestic abuse" has the meaning given in section 518B.01.

131.11 (d) "Earned sick and safe time" means leave, including paid time off and other paid leave
131.12 systems, that is paid at the same hourly rate as an employee earns from employment that
131.13 may be used for the same purposes and under the same conditions as provided under
131.14 subdivision 3.

131.15 (e) "Employee" means any person who is employed by an employer, including temporary
131.16 and part-time employees, who performs work for at least 80 hours in a year for that employer
131.17 in Minnesota. Employee does not include an independent contractor.

131.18 (f) "Employer" means a person who has one or more employees. Employer includes an
131.19 individual, a corporation, a partnership, an association, a business trust, a nonprofit
131.20 organization, a group of persons, a state, county, town, city, school district, or other
131.21 governmental subdivision. In the event that a temporary employee is supplied by a staffing
131.22 agency, absent a contractual agreement stating otherwise, that individual shall be an employee
131.23 of the staffing agency for all purposes of this section and section 177.50.

131.24 (g) "Family member" means:

131.25 (1) an employee's:

131.26 (i) child, foster child, adult child, legal ward, or child for whom the employee is legal
131.27 guardian;

131.28 (ii) spouse or registered domestic partner;

131.29 (iii) sibling, stepsibling, or foster sibling;

131.30 (iv) parent or stepparent;

131.31 (v) grandchild, foster grandchild, or stepgrandchild; or

132.1 (vi) grandparent or stepgrandparent;

132.2 (2) any of the family members listed in clause (1) of a spouse or registered domestic
132.3 partner;

132.4 (3) any individual related by blood or affinity whose close association with the employee
132.5 is the equivalent of a family relationship; and

132.6 (4) up to one individual annually designated by the employee.

132.7 (h) "Health care professional" means any person licensed under federal or state law to
132.8 provide medical or emergency services, including doctors, physician assistants, nurses, and
132.9 emergency room personnel.

132.10 (i) "Prevailing wage rate" has the meaning given in section 177.42 and as calculated by
132.11 the Department of Labor and Industry.

132.12 (j) "Retaliatory personnel action" means:

132.13 (1) any form of intimidation, threat, reprisal, harassment, discrimination, or adverse
132.14 employment action, including discipline, discharge, suspension, transfer, or reassignment
132.15 to a lesser position in terms of job classification, job security, or other condition of
132.16 employment; reduction in pay or hours or denial of additional hours; the accumulation of
132.17 points under an attendance point system; informing another employer that the person has
132.18 engaged in activities protected by this chapter; or reporting or threatening to report the actual
132.19 or suspected citizenship or immigration status of an employee, former employee, or family
132.20 member of an employee to a federal, state, or local agency; and

132.21 (2) interference with or punishment for participating in any manner in an investigation,
132.22 proceeding, or hearing under this chapter.

132.23 (k) "Sexual assault" means an act that constitutes a violation under sections 609.342 to
132.24 609.3453 or 609.352.

132.25 (l) "Stalking" has the meaning given in section 609.749.

132.26 (m) "Year" means a regular and consecutive 12-month period, as determined by an
132.27 employer and clearly communicated to each employee of that employer.

132.28 **Subd. 2. Accrual of earned sick and safe time.** (a) An employee accrues a minimum
132.29 of one hour of earned sick and safe time for every 30 hours worked up to a maximum of 48
132.30 hours of earned sick and safe time in a year. Employees may not accrue more than 48 hours
132.31 of earned sick and safe time in a year unless the employer agrees to a higher amount.

133.1 (b) Employers must permit an employee to carry over accrued but unused sick and safe
133.2 time into the following year. The total amount of accrued but unused earned sick and safe
133.3 time for an employee may not exceed 80 hours at any time, unless an employer agrees to a
133.4 higher amount.

133.5 (c) Employees who are exempt from overtime requirements under United States Code,
133.6 title 29, section 213(a)(1), as amended through the effective date of this section, are deemed
133.7 to work 40 hours in each workweek for purposes of accruing earned sick and safe time,
133.8 except that an employee whose normal workweek is less than 40 hours will accrue earned
133.9 sick and safe time based on the normal workweek.

133.10 (d) Earned sick and safe time under this section begins to accrue at the commencement
133.11 of employment of the employee.

133.12 (e) Employees may use accrued earned sick and safe time beginning 90 calendar days
133.13 after the day their employment commenced. After 90 days from the day employment
133.14 commenced, employees may use earned sick and safe time as it is accrued. The
133.15 90-calendar-day period under this paragraph includes both days worked and days not worked.

133.16 Subd. 3. Use of earned sick and safe time. (a) An employee may use accrued earned
133.17 sick and safe time for:

133.18 (1) an employee's:

133.19 (i) mental or physical illness, injury, or other health condition;

133.20 (ii) need for medical diagnosis, care, or treatment of a mental or physical illness, injury,
133.21 or health condition; or

133.22 (iii) need for preventive medical or health care;

133.23 (2) care of a family member:

133.24 (i) with a mental or physical illness, injury, or other health condition;

133.25 (ii) who needs medical diagnosis, care, or treatment of a mental or physical illness,
133.26 injury, or other health condition; or

133.27 (iii) who needs preventive medical or health care;

133.28 (3) absence due to domestic abuse, sexual assault, or stalking of the employee or
133.29 employee's family member, provided the absence is to:

133.30 (i) seek medical attention related to physical or psychological injury or disability caused
133.31 by domestic abuse, sexual assault, or stalking;

- 134.1 (ii) obtain services from a victim services organization;
- 134.2 (iii) obtain psychological or other counseling;
- 134.3 (iv) seek relocation due to domestic abuse, sexual assault, or stalking; or
- 134.4 (v) seek legal advice or take legal action, including preparing for or participating in any
- 134.5 civil or criminal legal proceeding related to or resulting from domestic abuse, sexual assault,
- 134.6 or stalking;
- 134.7 (4) closure of the employee's place of business due to weather or other public emergency
- 134.8 or an employee's need to care for a family member whose school or place of care has been
- 134.9 closed due to weather or other public emergency; and
- 134.10 (5) when it has been determined by the health authorities having jurisdiction or by a
- 134.11 health care professional that the presence of the employee or family member of the employee
- 134.12 in the community would jeopardize the health of others because of the exposure of the
- 134.13 employee or family member of the employee to a communicable disease, whether or not
- 134.14 the employee or family member has actually contracted the communicable disease.
- 134.15 (b) An employer may require notice of the need for use of earned sick and safe time as
- 134.16 provided in this paragraph. If the need for use is foreseeable, an employer may require
- 134.17 advance notice of the intention to use earned sick and safe time but must not require more
- 134.18 than seven days' advance notice. If the need is unforeseeable, an employer may require an
- 134.19 employee to give notice of the need for earned sick and safe time as soon as practicable.
- 134.20 (c) When an employee uses earned sick and safe time for more than three consecutive
- 134.21 days, an employer may require reasonable documentation that the earned sick and safe time
- 134.22 is covered by paragraph (a). For earned sick and safe time under paragraph (a), clauses (1)
- 134.23 and (2), reasonable documentation may include a signed statement by a health care
- 134.24 professional indicating the need for use of earned sick and safe time. For earned sick and
- 134.25 safe time under paragraph (a), clause (3), an employer must accept a court record or
- 134.26 documentation signed by a volunteer or employee of a victims services organization, an
- 134.27 attorney, a police officer, or an antiviolence counselor as reasonable documentation. An
- 134.28 employer must not require disclosure of details relating to domestic abuse, sexual assault,
- 134.29 or stalking or the details of an employee's or an employee's family member's medical
- 134.30 condition as related to an employee's request to use earned sick and safe time under this
- 134.31 section.

135.1 (d) An employer may not require, as a condition of an employee using earned sick and
135.2 safe time, that the employee seek or find a replacement worker to cover the hours the
135.3 employee uses as earned sick and safe time.

135.4 (e) Earned sick and safe time may be used in the smallest increment of time tracked by
135.5 the employer's payroll system, provided such increment is not more than four hours.

135.6 Subd. 4. **Retaliation prohibited.** An employer shall not take retaliatory personnel action
135.7 against an employee because the employee has requested earned sick and safe time, used
135.8 earned sick and safe time, requested a statement of accrued sick and safe time, or made a
135.9 complaint or filed an action to enforce a right to earned sick and safe time under this section.

135.10 Subd. 5. **Reinstatement to comparable position after leave.** An employee returning
135.11 from a leave under this section is entitled to return to employment in a comparable position.
135.12 If, during a leave under this section, the employer experiences a layoff and the employee
135.13 would have lost a position had the employee not been on leave, pursuant to the good faith
135.14 operation of a bona fide layoff and recall system, including a system under a collective
135.15 bargaining agreement, the employee is not entitled to reinstatement in the former or
135.16 comparable position. In such circumstances, the employee retains all rights under the layoff
135.17 and recall system, including a system under a collective bargaining agreement, as if the
135.18 employee had not taken the leave.

135.19 Subd. 6. **Pay and benefits after leave.** An employee returning from a leave under this
135.20 section is entitled to return to employment at the same rate of pay the employee had been
135.21 receiving when the leave commenced, plus any automatic adjustments in the employee's
135.22 pay scale that occurred during leave period. The employee returning from a leave is entitled
135.23 to retain all accrued preleave benefits of employment and seniority as if there had been no
135.24 interruption in service, provided that nothing under this section prevents the accrual of
135.25 benefits or seniority during the leave pursuant to a collective bargaining or other agreement
135.26 between the employer and employees.

135.27 Subd. 7. **Part-time return from leave.** An employee, by agreement with the employer,
135.28 may return to work part time during the leave period without forfeiting the right to return
135.29 to employment at the end of the leave, as provided under this section.

135.30 Subd. 8. **Notice and posting by employer.** (a) Employers must give notice to all
135.31 employees that they are entitled to earned sick and safe time, including the amount of earned
135.32 sick and safe time, the accrual year for the employee, and the terms of its use under this
135.33 section; that retaliation against employees who request or use earned sick and safe time is
135.34 prohibited; and that each employee has the right to file a complaint or bring a civil action

136.1 if earned sick and safe time is denied by the employer or the employee is retaliated against
136.2 for requesting or using earned sick and safe time.

136.3 (b) Employers must supply employees with a notice in English and other appropriate
136.4 languages that contains the information required in paragraph (a) at commencement of
136.5 employment or the effective date of this section, whichever is later.

136.6 (c) The means used by the employer must be at least as effective as the following options
136.7 for providing notice:

136.8 (1) posting a copy of the notice at each location where employees perform work and
136.9 where the notice must be readily observed and easily reviewed by all employees performing
136.10 work; or

136.11 (2) providing a paper or electronic copy of the notice to employees.

136.12 The notice must contain all information required under paragraph (a). The commissioner
136.13 shall create and make available to employers a poster and a model notice that contains the
136.14 information required under paragraph (a) for their use in complying with this section.

136.15 (d) An employer that provides an employee handbook to its employees must include in
136.16 the handbook notice of employee rights and remedies under this section.

136.17 Subd. 9. **Required statement to employee.** (a) Upon request of the employee, the
136.18 employer must provide, in writing or electronically, current information stating the
136.19 employee's amount of:

136.20 (1) earned sick and safe time available to the employee; and

136.21 (2) used earned sick and safe time.

136.22 (b) Employers may choose a reasonable system for providing the information in paragraph
136.23 (a), including but not limited to listing information on each pay stub or developing an online
136.24 system where employees can access their own information.

136.25 Subd. 10. **Employer records.** (a) Employers shall retain accurate records documenting
136.26 hours worked by employees and earned sick and safe time taken and comply with all
136.27 requirements under section 177.30.

136.28 (b) An employer must allow an employee to inspect records required by this section and
136.29 relating to that employee at a reasonable time and place.

136.30 Subd. 11. **Confidentiality and nondisclosure.** (a) If, in conjunction with this section,
136.31 an employer possesses (1) health or medical information regarding an employee or an
136.32 employee's family member; (2) information pertaining to domestic abuse, sexual assault,

137.1 or stalking; (3) information that the employee has requested or obtained leave under this
137.2 section; or (4) any written or oral statement, documentation, record, or corroborating evidence
137.3 provided by the employee or an employee's family member, the employer must treat such
137.4 information as confidential. Information given by an employee may only be disclosed by
137.5 an employer if the disclosure is requested or consented to by the employee, when ordered
137.6 by a court or administrative agency, or when otherwise required by federal or state law.

137.7 (b) Records and documents relating to medical certifications, recertifications, or medical
137.8 histories of employees or family members of employees created for purposes of this section
137.9 or section 177.50 must be maintained as confidential medical records separate from the
137.10 usual personnel files. At the request of the employee, the employer must destroy or return
137.11 the records required by this section that are older than three years prior to the current calendar
137.12 year.

137.13 (c) Employers may not discriminate against any employee based on records created for
137.14 the purposes of this section or section 177.50.

137.15 Subd. 12. **No effect on more generous sick and safe time policies.** (a) Nothing in this
137.16 section shall be construed to discourage employers from adopting or retaining earned sick
137.17 and safe time policies that meet or exceed, and do not otherwise conflict with, the minimum
137.18 standards and requirements provided in this section.

137.19 (b) Nothing in this section shall be construed to limit the right of parties to a collective
137.20 bargaining agreement to bargain and agree with respect to earned sick and safe time policies
137.21 or to diminish the obligation of an employer to comply with any contract, collective
137.22 bargaining agreement, or any employment benefit program or plan that meets or exceeds,
137.23 and does not otherwise conflict with, the minimum standards and requirements provided in
137.24 this section.

137.25 (c) Employers who provide earned sick and safe time to their employees under a paid
137.26 time off policy or other paid leave policy that meets or exceeds, and does not otherwise
137.27 conflict with, the minimum standards and requirements provided in this section are not
137.28 required to provide additional earned sick and safe time.

137.29 (d) An employer may opt to satisfy the requirements of this section for construction
137.30 industry employees by:

137.31 (1) paying at least the prevailing wage rate as defined by section 177.42 and as calculated
137.32 by the Department of Labor and Industry; or

138.1 (2) paying at least the required rate established in a registered apprenticeship agreement
138.2 for apprentices registered with the Department of Labor and Industry.

138.3 An employer electing this option is deemed to be in compliance with this section for
138.4 construction industry employees who receive either at least the prevailing wage rate or the
138.5 rate required in the applicable apprenticeship agreement regardless of whether the employees
138.6 are working on private or public projects.

138.7 (e) This section does not prohibit an employer from establishing a policy whereby
138.8 employees may donate unused accrued sick and safe time to another employee.

138.9 (f) This section does not prohibit an employer from advancing sick and safe time to an
138.10 employee before accrual by the employee.

138.11 Subd. 13. **Termination; separation; transfer.** This section does not require financial
138.12 or other reimbursement to an employee from an employer upon the employee's termination,
138.13 resignation, retirement, or other separation from employment for accrued earned sick and
138.14 safe time that has not been used. If an employee is transferred to a separate division, entity,
138.15 or location, but remains employed by the same employer, the employee is entitled to all
138.16 earned sick and safe time accrued at the prior division, entity, or location and is entitled to
138.17 use all earned sick and safe time as provided in this section. When there is a separation from
138.18 employment and the employee is rehired within 180 days of separation by the same employer,
138.19 previously accrued earned sick and safe time that had not been used must be reinstated. An
138.20 employee is entitled to use accrued earned sick and safe time and accrue additional earned
138.21 sick and safe time at the commencement of reemployment.

138.22 Subd. 14. **Employer succession.** (a) When a different employer succeeds or takes the
138.23 place of an existing employer, all employees of the original employer who remain employed
138.24 by the successor employer are entitled to all earned sick and safe time accrued but not used
138.25 when employed by the original employer, and are entitled to use all earned sick and safe
138.26 time previously accrued but not used.

138.27 (b) If, at the time of transfer of the business, employees are terminated by the original
138.28 employer and hired within 30 days by the successor employer following the transfer, those
138.29 employees are entitled to all earned sick and safe time accrued but not used when employed
138.30 by the original employer, and are entitled to use all earned sick and safe time previously
138.31 accrued but not used.

138.32 Sec. 3. **REPEALER.**

138.33 Minnesota Statutes 2018, section 181.9413, is repealed.

139.1 Sec. 4. **EFFECTIVE DATE.**

139.2 Sections 1 to 3 are effective 180 days following final enactment.

139.3 **ARTICLE 7**

139.4 **EARNED SICK AND SAFE TIME ENFORCEMENT**

139.5 Section 1. Minnesota Statutes 2018, section 177.27, subdivision 2, is amended to read:

139.6 Subd. 2. **Submission of records; penalty.** The commissioner may require the employer
139.7 of employees working in the state to submit to the commissioner photocopies, certified
139.8 copies, or, if necessary, the originals of employment records which the commissioner deems
139.9 necessary or appropriate. The records which may be required include full and correct
139.10 statements in writing, including sworn statements by the employer, containing information
139.11 relating to wages, hours, names, addresses, and any other information pertaining to the
139.12 employer's employees and the conditions of their employment as the commissioner deems
139.13 necessary or appropriate.

139.14 The commissioner may require the records to be submitted by certified mail delivery
139.15 or, if necessary, by personal delivery by the employer or a representative of the employer,
139.16 as authorized by the employer in writing.

139.17 The commissioner may fine the employer up to ~~\$1,000~~ \$10,000 for each failure to submit
139.18 or deliver records as required by this section. This penalty is in addition to any penalties
139.19 provided under section 177.32, subdivision 1. In determining the amount of a civil penalty
139.20 under this subdivision, the appropriateness of such penalty to the size of the employer's
139.21 business and the gravity of the violation shall be considered.

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

139.23 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an
139.24 employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032,
139.25 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275,
139.26 subdivision 2a, 181.722, 181.79, ~~and~~ 181.939 to 181.943, and 181.9445, or with any rule
139.27 promulgated under section 177.28. The commissioner shall issue an order requiring an
139.28 employer to comply with sections 177.41 to 177.435 if the violation is repeated. For purposes
139.29 of this subdivision only, a violation is repeated if at any time during the two years that
139.30 preceded the date of violation, the commissioner issued an order to the employer for violation
139.31 of sections 177.41 to 177.435 and the order is final or the commissioner and the employer
139.32 have entered into a settlement agreement that required the employer to pay back wages that

140.1 were required by sections 177.41 to 177.435. The department shall serve the order upon the
140.2 employer or the employer's authorized representative in person or by certified mail at the
140.3 employer's place of business. An employer who wishes to contest the order must file written
140.4 notice of objection to the order with the commissioner within 15 calendar days after being
140.5 served with the order. A contested case proceeding must then be held in accordance with
140.6 sections 14.57 to 14.69. If, within 15 calendar days after being served with the order, the
140.7 employer fails to file a written notice of objection with the commissioner, the order becomes
140.8 a final order of the commissioner.

140.9 Sec. 3. Minnesota Statutes 2018, section 177.27, subdivision 7, is amended to read:

140.10 Subd. 7. **Employer liability.** If an employer is found by the commissioner to have
140.11 violated a section identified in subdivision 4, or any rule adopted under section 177.28, and
140.12 the commissioner issues an order to comply, the commissioner shall order the employer to
140.13 cease and desist from engaging in the violative practice and to take such affirmative steps
140.14 that in the judgment of the commissioner will effectuate the purposes of the section or rule
140.15 violated. The commissioner shall order the employer to pay to the aggrieved parties back
140.16 pay, gratuities, and compensatory damages, less any amount actually paid to the employee
140.17 by the employer, and for an additional equal amount as liquidated damages. Any employer
140.18 who is found by the commissioner to have repeatedly or willfully violated a section or
140.19 sections identified in subdivision 4 shall be subject to a civil penalty of up to ~~\$1,000~~ \$10,000
140.20 for each violation for each employee. In determining the amount of a civil penalty under
140.21 this subdivision, the appropriateness of such penalty to the size of the employer's business
140.22 and the gravity of the violation shall be considered. In addition, the commissioner may order
140.23 the employer to reimburse the department and the attorney general for all appropriate
140.24 litigation and hearing costs expended in preparation for and in conducting the contested
140.25 case proceeding, unless payment of costs would impose extreme financial hardship on the
140.26 employer. If the employer is able to establish extreme financial hardship, then the
140.27 commissioner may order the employer to pay a percentage of the total costs that will not
140.28 cause extreme financial hardship. Costs include but are not limited to the costs of services
140.29 rendered by the attorney general, private attorneys if engaged by the department,
140.30 administrative law judges, court reporters, and expert witnesses as well as the cost of
140.31 transcripts. Interest shall accrue on, and be added to, the unpaid balance of a commissioner's
140.32 order from the date the order is signed by the commissioner until it is paid, at an annual rate
140.33 provided in section 549.09, subdivision 1, paragraph (c). The commissioner may establish
140.34 escrow accounts for purposes of distributing damages.

141.1 Sec. 4. **[177.50] EARNED SICK AND SAFE TIME ENFORCEMENT.**

141.2 Subdivision 1. **Definitions.** The definitions in section 181.9445, subdivision 1, apply to
141.3 this section.

141.4 Subd. 2. **Rulemaking authority.** The commissioner may adopt rules to carry out the
141.5 purposes of this section and section 181.9445.

141.6 Subd. 3. **Individual remedies.** In addition to any other remedies provided by law, a
141.7 person injured by a violation of section 181.9445 may bring a civil action to recover general
141.8 and special damages, along with costs, fees, and reasonable attorney fees, and may receive
141.9 injunctive and other equitable relief as determined by a court. An action to recover damages
141.10 under this subdivision must be commenced within three years of the violation of section
141.11 181.9445 that caused the injury to the employee.

141.12 Subd. 4. **Grants to community organizations.** The commissioner may make grants to
141.13 community organizations for the purpose of outreach to and education for employees
141.14 regarding their rights under section 181.9445. The community-based organizations must
141.15 be selected based on their experience, capacity, and relationships in high-violation industries.
141.16 The work under such a grant may include the creation and administration of a statewide
141.17 worker hotline.

141.18 Subd. 5. **Report to legislature.** (a) The commissioner must submit an annual report to
141.19 the legislature, including to the chairs and ranking minority members of any relevant
141.20 legislative committee. The report must include, but is not limited to:

141.21 (1) a list of all violations of section 181.9445, including the employer involved, and the
141.22 nature of any violations; and

141.23 (2) an analysis of noncompliance with section 181.9445, including any patterns by
141.24 employer, industry, or county.

141.25 (b) A report under this section must not include an employee's name or other identifying
141.26 information, any health or medical information regarding an employee or an employee's
141.27 family member, or any information pertaining to domestic abuse, sexual assault, or stalking
141.28 of an employee or an employee's family member.

141.29 Subd. 6. **Contract for labor or services.** It is the responsibility of all employers to not
141.30 enter into any contract or agreement for labor or services where the employer has any actual
141.31 knowledge or knowledge arising from familiarity with the normal facts and circumstances
141.32 of the business activity engaged in, or has any additional facts or information that, taken
141.33 together, would make a reasonably prudent person undertake to inquire whether, taken

together, the contractor is not complying or has failed to comply with this section. For purposes of this subdivision, "actual knowledge" means information obtained by the employer that the contractor has violated this section within the past two years and has failed to present the employer with credible evidence that such noncompliance has been cured going forward.

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

ARTICLE 8

LABOR AND INDUSTRY POLICY

Section 1. Minnesota Statutes 2018, section 15.72, subdivision 2, is amended to read:

Subd. 2. Retainage. (a) A public contracting agency may reserve as retainage from any progress payment on a public contract for a public improvement an amount not to exceed five percent of the payment. A The public contracting agency may reduce the amount of the retainage and may eliminate retainage on any monthly contract payment if, in the agency's opinion, the work is progressing satisfactorily.

(b) For all construction contracts greater than \$5,000,000, the public contracting agency must reduce retainage to no more than 2.5 percent if the public contracting agency determines the work is 75 percent or more complete, that work is progressing satisfactorily, and all contract requirements are being met.

(c) The public contracting agency must release any remaining retainage no later than 60 days after substantial completion.

(d) A contractor on a public contract for a public improvement must pay out any remaining retainage to its subcontractors no later than ten days after receiving payment of retainage from the public contracting agency, unless there is a dispute about the work under a subcontract. If there is a dispute about the work under a subcontract, the contractor must pay out retainage to any subcontractor whose work is not involved in the dispute, and must provide a written statement detailing the amount and reason for the withholding to the affected subcontractor and the public agency.

(e) A contractor may not reserve as retainage from a subcontractor an amount that exceeds the amount reserved by the public contracting agency under this subdivision. Upon written request of a subcontractor who has not been paid for work in accordance with section 16A.1245 or 471.425, subdivision 4a, the public contracting agency shall notify the subcontractor of a progress payment, retainage payment, or final payment made to the contractor. A contractor must include in any contract with a subcontractor the name, address,

143.1 and telephone number of a responsible official at the public contracting agency that may
143.2 be contacted for purposes of making a request under this paragraph.

143.3 (f) After substantial completion, a public contracting agency may withhold no more
143.4 than:

143.5 (1) 250 percent of the value of incomplete or defective work; and

143.6 (2) one percent of the value of the contract or \$500, whichever is greater, pending
143.7 completion and submission of all final paperwork by the contractor, provided that an amount
143.8 withheld under this clause may not exceed \$10,000.

143.9 If the public contracting agency withholds payment under this paragraph, the public
143.10 contracting agency must promptly provide a written statement detailing the amount and
143.11 basis of withholding to the contractor. The public contracting agency must provide a copy
143.12 of this statement to any subcontractor that requests it. Any amounts withheld for incomplete
143.13 or defective work shall be paid within 45 days after the completion of the work. Any amounts
143.14 withheld under clause (1) must be paid within 45 days after completion of the work. Any
143.15 amounts withheld under clause (2) must be paid within 45 days after submission of all final
143.16 paperwork.

143.17 (g) As used in this subdivision, "substantial completion" shall be determined as provided
143.18 in section 541.051, subdivision 1, paragraph (a). For construction, reconstruction, or
143.19 improvement of streets and highways, including bridges, substantial completion means the
143.20 date when construction-related traffic devices and ongoing inspections are no longer required.

143.21 (h) The maximum retainage percentage allowed for a building and construction contract
143.22 is the retainage percentage withheld by the public contracting agency from the contractor.

143.23 (i) Withholding retainage for warranties or warranty work is prohibited.

143.24 **EFFECTIVE DATE.** This section applies to agreements entered into on or after August
143.25 1, 2019.

143.26 Sec. 2. Minnesota Statutes 2018, section 175.46, subdivision 3, is amended to read:

143.27 Subd. 3. **Duties.** (a) The commissioner shall:

143.28 (1) approve youth skills training programs that train student learners for careers in
143.29 high-growth, high-demand occupations that provide:

143.30 (i) that the work of the student learner in the occupations declared particularly hazardous
143.31 shall be incidental to the training;

144.1 (ii) that the work shall be intermittent and for short periods of time, and under the direct
144.2 and close supervision of a qualified and experienced person;

144.3 (iii) that safety instruction shall be provided to the student learner and may be given by
144.4 the school and correlated by the employer with on-the-job training;

144.5 (iv) a schedule of organized and progressive work processes to be performed on the job;

144.6 (v) a schedule of wage rates in compliance with section 177.24; and

144.7 (vi) whether the student learner will obtain secondary school academic credit,
144.8 postsecondary credit, or both, for the training program;

144.9 (2) approve occupations and maintain a list of approved occupations for programs under
144.10 this section;

144.11 (3) issue requests for proposals for grants;

144.12 (4) work with individuals representing industry and labor to develop new youth skills
144.13 training programs;

144.14 (5) develop model program guides;

144.15 (6) monitor youth skills training programs;

144.16 (7) provide technical assistance to local partnership grantees;

144.17 (8) work with providers to identify paths for receiving postsecondary credit for
144.18 participation in the youth skills training program; and

144.19 (9) approve other activities as necessary to implement the program.

144.20 (b) The commissioner shall collaborate with stakeholders, including, but not limited to,
144.21 representatives of secondary school institutions, career and technical education instructors,
144.22 postsecondary institutions, businesses, and labor, in developing youth skills training
144.23 programs, and identifying and approving occupations and competencies for youth skills
144.24 training programs.

144.25 Sec. 3. Minnesota Statutes 2018, section 175.46, subdivision 13, is amended to read:

144.26 Subd. 13. **Grant awards.** (a) The commissioner shall award grants to local partnerships
144.27 for youth skills training programs that train student learners for careers in high-growth,
144.28 high-demand occupations. Grant awards may not exceed \$100,000 per local partnership
144.29 grant.

145.1 (b) A local partnership awarded a grant under this section must use the grant award for
145.2 any of the following implementation and coordination activities:

145.3 (1) recruiting additional employers to provide on-the-job training and supervision for
145.4 student learners and providing technical assistance to those employers;

145.5 (2) recruiting students to participate in the local youth skills training program, monitoring
145.6 the progress of student learners participating in the program, and monitoring program
145.7 outcomes;

145.8 (3) coordinating youth skills training activities within participating school districts and
145.9 among participating school districts, postsecondary institutions, and employers;

145.10 (4) coordinating academic, vocational and occupational learning, school-based and
145.11 work-based learning, and secondary and postsecondary education for participants in the
145.12 local youth skills training program;

145.13 (5) coordinating transportation for student learners participating in the local youth skills
145.14 training program; and

145.15 (6) any other implementation or coordination activity that the commissioner may direct
145.16 or permit the local partnership to perform.

145.17 ~~(b)~~ (c) Grant awards may not be used to directly or indirectly pay the wages of a student
145.18 learner.

145.19 Sec. 4. Minnesota Statutes 2018, section 176.1812, subdivision 2, is amended to read:

145.20 Subd. 2. **Filing and review.** (a) A copy of the agreement and the approximate number
145.21 of employees who will be covered under it must be filed with the commissioner. Within 21
145.22 days of receipt of an agreement, the commissioner shall review the agreement for compliance
145.23 with this section and the benefit provisions of this chapter and notify the parties of any
145.24 additional information required or any recommended modification that would bring the
145.25 agreement into compliance. Upon receipt of any requested information or modification, the
145.26 commissioner must notify the parties within 21 days whether the agreement is in compliance
145.27 with this section and the benefit provisions of this chapter.

145.28 (b) After an agreement is approved by the commissioner under paragraph (a), a qualified
145.29 employer may join or withdraw from a qualified group of employers without commissioner
145.30 review or approval. The commissioner must be notified within 30 days when a qualified
145.31 employer joins or withdraws from a qualified group of employers.

(c) In order for any agreement to remain in effect, it must provide for a timely and accurate method of reporting to the commissioner ~~necessary information regarding service cost and utilization~~ the individual claims covered by the agreement and claim-specific dispute resolution data, in the form and manner prescribed by the commissioner. Dispute resolution data includes information about facilitation, mediation, and arbitration and shall be provided annually to the commissioner to enable the commissioner to annually report aggregate dispute data to the legislature. The information provided to the commissioner must include aggregate data on the:

(i) ~~person hours and payroll covered by agreements filed;~~

(ii) ~~number of claims filed;~~

(iii) ~~average cost per claim;~~

(iv) ~~number of litigated claims, including the number of claims submitted to arbitration, the Workers' Compensation Court of Appeals, the Office of Administrative Hearings, the district court, the Minnesota Court of Appeals or the supreme court;~~

(v) ~~number of contested claims resolved prior to arbitration;~~

(vi) ~~projected incurred costs and actual costs of claims;~~

(vii) ~~employer's safety history;~~

(viii) ~~number of workers participating in vocational rehabilitation; and~~

(ix) ~~number of workers participating in light-duty programs.~~

EFFECTIVE DATE. Paragraphs (a) and (b) are effective June 1, 2019. Paragraph (c) is effective August 1, 2020.

Sec. 5. Minnesota Statutes 2018, section 176.231, subdivision 1, is amended to read:

Subdivision 1. **Time limitation.** (a) Where death or serious injury occurs to an employee during the course of employment, the employer shall report the injury or death to the commissioner and insurer within 48 hours after its occurrence. Where any other injury occurs which wholly or partly incapacitates the employee from performing labor or service for more than three calendar days, the employer shall report the injury to the insurer on a form prescribed by the commissioner within ten days from its occurrence. An insurer and self-insured employer shall report the injury to the commissioner no later than 14 days from its occurrence. Where an injury has once been reported but subsequently death ensues, the employer shall report the death to the commissioner and insurer within 48 hours after the employer receives notice of this fact. An employer who provides notice to the Occupational

147.1 Safety and Health Division of the Department of Labor and Industry of a fatality within the
147.2 eight-hour time frame required by law, or of an inpatient hospitalization within the 24-hour
147.3 time frame required by law, has satisfied the employer's obligation under this section.

147.4 (b) At the time an injury is required to be reported to the commissioner, the insurer or
147.5 self-insured employer must also specify whether the injury is covered by a collective
147.6 bargaining agreement approved by the commissioner under section 176.1812. Notice must
147.7 be provided in the format and manner prescribed by the commissioner.

147.8 **EFFECTIVE DATE.** This section is effective August 1, 2020.

147.9 Sec. 6. Minnesota Statutes 2018, section 179.86, subdivision 1, is amended to read:

147.10 Subdivision 1. **Definition.** For the purpose of this section, "employer" means:

147.11 (1) an employer in the meatpacking industry whose employees routinely pack, can, or
147.12 otherwise process poultry or meat for human consumption; or

147.13 (2) an employer whose employees routinely clean or sterilize meat processing or poultry
147.14 processing equipment used by an employer as defined in clause (1).

147.15 Sec. 7. Minnesota Statutes 2018, section 179.86, subdivision 3, is amended to read:

147.16 Subd. 3. **Information provided to employee by employer.** (a) An employer must
147.17 provide an explanation ~~in an employee's native language~~ of the employee's rights and duties
147.18 as an employee either person to person or through written materials that, at a minimum,
147.19 include:

147.20 (1) a complete description of the salary and benefits plans as they relate to the employee;

147.21 (2) a job description for the employee's position;

147.22 (3) a description of leave policies;

147.23 (4) a description of the work hours and work hours policy; and

147.24 (5) a description of the occupational hazards known to exist for the position.

147.25 (b) The explanation must also include information on the following employee rights as
147.26 protected by state or federal law and a description of where additional information about
147.27 those rights may be obtained:

147.28 (1) the right to organize and bargain collectively and refrain from organizing and
147.29 bargaining collectively;

147.30 (2) the right to a safe workplace; and

148.1 (3) the right to be free from discrimination.

148.2 (c) The explanation must be provided in a language the employee speaks fluently.

148.3 Sec. 8. Minnesota Statutes 2018, section 181.635, subdivision 2, is amended to read:

148.4 Subd. 2. **Recruiting; required disclosure.** An employer shall provide written disclosure
148.5 of the terms and conditions of employment to a person at the time it recruits the person to
148.6 relocate to work in the food processing industry. The disclosure requirement does not apply
148.7 to an exempt employee as defined in United States Code, title 29, section 213(a)(1). The
148.8 disclosure must be written in ~~English and Spanish,~~ a language the employee speaks fluently
148.9 in addition to any other languages preferred by the employer. The disclosure must be dated
148.10 and signed by the employer and the person recruited, and maintained by the employer for
148.11 two years. If the employer has any reason to doubt the employee's ability to read, the
148.12 employer must read the disclosure out loud to the employee in a language the employee
148.13 speaks fluently before the disclosure is signed. A copy of the signed and completed disclosure
148.14 must be delivered immediately to the recruited person. The disclosure may not be construed
148.15 as an employment contract.

148.16 Sec. 9. Minnesota Statutes 2018, section 182.659, subdivision 8, is amended to read:

148.17 Subd. 8. **Protection from subpoena; data.** Neither the commissioner nor any employee
148.18 of the department, ~~including those employees of the Department of Health providing services~~
148.19 ~~to the Department of Labor and Industry, pursuant to section 182.67, subdivision 1,~~ is subject
148.20 to subpoena for purposes of inquiry into any occupational safety and health inspection
148.21 except in enforcement proceedings brought under this chapter. Data that identify individuals
148.22 who provide data to the department as part of an investigation conducted under this chapter
148.23 shall be private.

148.24 Sec. 10. Minnesota Statutes 2018, section 182.666, subdivision 1, is amended to read:

148.25 Subdivision 1. **Willful or repeated violations.** Any employer who willfully or repeatedly
148.26 violates the requirements of section 182.653, or any standard, rule, or order adopted under
148.27 the authority of the commissioner as provided in this chapter, may be assessed a fine not to
148.28 exceed ~~\$70,000~~ \$129,335 for each violation. The minimum fine for a willful violation is
148.29 ~~\$5,000~~ \$9,240.

148.30 **EFFECTIVE DATE.** This section is effective July 1, 2019.

149.1 Sec. 11. Minnesota Statutes 2018, section 182.666, subdivision 2, is amended to read:

149.2 Subd. 2. **Serious violations.** Any employer who has received a citation for a serious
149.3 violation of its duties under section 182.653, or any standard, rule, or order adopted under
149.4 the authority of the commissioner as provided in this chapter, shall be assessed a fine not
149.5 to exceed ~~\$7,000~~ \$12,935 for each violation. If a serious violation under section 182.653,
149.6 subdivision 2, causes or contributes to the death of an employee, the employer shall be
149.7 assessed a fine of up to \$25,000 for each violation.

149.8 **EFFECTIVE DATE.** This section is effective July 1, 2019.

149.9 Sec. 12. Minnesota Statutes 2018, section 182.666, subdivision 3, is amended to read:

149.10 Subd. 3. **Nonserious violations.** Any employer who has received a citation for a violation
149.11 of its duties under section 182.653, subdivisions 2 to 4, where the violation is specifically
149.12 determined not to be of a serious nature as provided in section 182.651, subdivision 12,
149.13 may be assessed a fine of up to ~~\$7,000~~ \$12,935 for each violation.

149.14 **EFFECTIVE DATE.** This section is effective July 1, 2019.

149.15 Sec. 13. Minnesota Statutes 2018, section 182.666, subdivision 4, is amended to read:

149.16 Subd. 4. **Failure to correct a violation.** Any employer who fails to correct a violation
149.17 for which a citation has been issued under section 182.66 within the period permitted for
149.18 its correction, which period shall not begin to run until the date of the final order of the
149.19 commissioner in the case of any review proceedings under this chapter initiated by the
149.20 employer in good faith and not solely for delay or avoidance of penalties, may be assessed
149.21 a fine of not more than ~~\$7,000~~ \$12,935 for each day during which the failure or violation
149.22 continues.

149.23 **EFFECTIVE DATE.** This section is effective July 1, 2019.

149.24 Sec. 14. Minnesota Statutes 2018, section 182.666, subdivision 5, is amended to read:

149.25 Subd. 5. **Posting violations.** Any employer who violates any of the posting requirements,
149.26 as prescribed under this chapter, except those prescribed under section 182.661, subdivision
149.27 3a, shall be assessed a fine of up to ~~\$7,000~~ \$12,935 for each violation.

149.28 **EFFECTIVE DATE.** This section is effective July 1, 2019.

150.1 Sec. 15. Minnesota Statutes 2018, section 182.666, is amended by adding a subdivision
150.2 to read:

150.3 Subd. 6a. **Increases for inflation.** (a) No later than August 31 of each year, beginning
150.4 in 2019, the commissioner shall determine the percentage increase in the rate of inflation,
150.5 as measured by the implicit price deflator, national data for personal consumption
150.6 expenditures as determined by the United States Department of Commerce, Bureau of
150.7 Economic Analysis during the 12-month period immediately preceding that August or, if
150.8 that data is unavailable, during the most recent 12-month period for which data is available.
150.9 The fines in subdivisions 1, 2, 3, 4, and 5, except for the fine for a serious violation under
150.10 section 182.653, subdivision 2, that causes or contributes to the death of an employee, are
150.11 increased by the lesser of (1) 2.5 percent, rounded to the nearest dollar amount evenly
150.12 divisible by ten, or (2) the percentage calculated by the commissioner, rounded to the nearest
150.13 dollar amount evenly divisible by ten.

150.14 (b) The fines increased under paragraph (a) shall not be increased to an amount greater
150.15 than the corresponding federal penalties for the specified violations promulgated in United
150.16 States Code, title 29, section, 666, subsections (a)-(d), (i), as amended through November
150.17 5, 1990, and adjusted according to United States Code, title 28, section 2461, note (Federal
150.18 Civil Penalties Inflation Adjustment), as amended through November 2, 2015.

150.19 (c) A fine must not be reduced under this subdivision. A fine increased under this
150.20 subdivision takes effect on the next January 1.

150.21 **EFFECTIVE DATE.** This section is effective July 1, 2019.

150.22 Sec. 16. Minnesota Statutes 2018, section 326B.082, subdivision 6, is amended to read:

150.23 Subd. 6. **Notices of violation.** (a) The commissioner may issue a notice of violation to
150.24 any person who the commissioner determines has committed a violation of the applicable
150.25 law. The notice of violation must state a summary of the facts that constitute the violation
150.26 and the applicable law violated. The notice of violation may require the person to correct
150.27 the violation. If correction is required, the notice of violation must state the deadline by
150.28 which the violation must be corrected.

150.29 (b) The commissioner shall issue the notice of violation by:

150.30 (1) serving the notice of violation on the property owner or on the person who committed
150.31 the violation; or

150.32 (2) posting the notice of violation at the location where the violation occurred.

151.1 (c) If the person to whom the commissioner has issued the notice of violation believes
151.2 the notice was issued in error, then the person may request reconsideration of the parts of
151.3 the notice that the person believes are in error. The request for reconsideration must be in
151.4 writing and must be served on or, faxed, or e-mailed to the commissioner at the address or,
151.5 fax number, or e-mail address specified in the notice of violation by the tenth day after the
151.6 commissioner issued the notice of violation. The date on which a request for reconsideration
151.7 is served by mail shall be the postmark date on the envelope in which the request for
151.8 reconsideration is mailed. If the person does not serve or, fax, or e-mail a written request
151.9 for reconsideration or if the person's written request for reconsideration is not served on or
151.10 faxed to the commissioner by the tenth day after the commissioner issued the notice of
151.11 violation, the notice of violation shall become a final order of the commissioner and will
151.12 not be subject to review by any court or agency. The request for reconsideration must:

151.13 (1) specify which parts of the notice of violation the person believes are in error;

151.14 (2) explain why the person believes the parts are in error; and

151.15 (3) provide documentation to support the request for reconsideration.

151.16 The commissioner shall respond in writing to requests for reconsideration made under
151.17 this paragraph within 15 days after receiving the request. A request for reconsideration does
151.18 not stay a requirement to correct a violation as set forth in the notice of violation. After
151.19 reviewing the request for reconsideration, the commissioner may affirm, modify, or rescind
151.20 the notice of violation. The commissioner's response to a request for reconsideration is final
151.21 and shall not be reviewed by any court or agency.

151.22 Sec. 17. Minnesota Statutes 2018, section 326B.082, subdivision 8, is amended to read:

151.23 Subd. 8. **Hearings related to administrative orders.** (a) Within 30 days after the
151.24 commissioner issues an administrative order or within 20 days after the commissioner issues
151.25 the notice under section 326B.083, subdivision 3, paragraph (b), clause (3), the person to
151.26 whom the administrative order or notice is issued may request an expedited hearing to
151.27 review the commissioner's order or notice. The request for hearing must be in writing and
151.28 must be served on or, faxed, or e-mailed to the commissioner at the address or, fax number,
151.29 or e-mail address specified in the order or notice. If the person does not request a hearing
151.30 or if the person's written request for hearing is not served on or, faxed, or e-mailed to the
151.31 commissioner by the 30th day after the commissioner issues the administrative order or the
151.32 20th day after the commissioner issues the notice under section 326B.083, subdivision 3,
151.33 paragraph (b), clause (3), the order will become a final order of the commissioner and will
151.34 not be subject to review by any court or agency. The date on which a request for hearing is

152.1 served by mail shall be the postmark date on the envelope in which the request for hearing
152.2 is mailed. The hearing request must specifically state the reasons for seeking review of the
152.3 order or notice. The person to whom the order or notice is issued and the commissioner are
152.4 the parties to the expedited hearing. The commissioner must notify the person to whom the
152.5 order or notice is issued of the time and place of the hearing at least 15 days before the
152.6 hearing. The expedited hearing must be held within 45 days after a request for hearing has
152.7 been received by the commissioner unless the parties agree to a later date.

152.8 (b) Parties may submit written arguments if permitted by the administrative law judge.
152.9 All written arguments must be submitted within ten days following the completion of the
152.10 hearing or the receipt of any late-filed exhibits that the parties and the administrative law
152.11 judge have agreed should be received into the record, whichever is later. The hearing shall
152.12 be conducted under Minnesota Rules, parts 1400.8510 to 1400.8612, as modified by this
152.13 subdivision. The Office of Administrative Hearings may, in consultation with the agency,
152.14 adopt rules specifically applicable to cases under this section.

152.15 (c) The administrative law judge shall issue a report making findings of fact, conclusions
152.16 of law, and a recommended order to the commissioner within 30 days following the
152.17 completion of the hearing, the receipt of late-filed exhibits, or the submission of written
152.18 arguments, whichever is later.

152.19 (d) If the administrative law judge makes a finding that the hearing was requested solely
152.20 for purposes of delay or that the hearing request was frivolous, the commissioner may add
152.21 to the amount of the penalty the costs charged to the department by the Office of
152.22 Administrative Hearings for the hearing.

152.23 (e) If a hearing has been held, the commissioner shall not issue a final order until at least
152.24 five days after the date of the administrative law judge's report. Any person aggrieved by
152.25 the administrative law judge's report may, within those five days, serve written comments
152.26 to the commissioner on the report and the commissioner shall consider and enter the
152.27 comments in the record. The commissioner's final order shall comply with sections 14.61,
152.28 subdivision 2, and 14.62, subdivisions 1 and 2a, and may be appealed in the manner provided
152.29 in sections 14.63 to 14.69.

152.30 Sec. 18. Minnesota Statutes 2018, section 326B.082, subdivision 12, is amended to read:

152.31 Subd. 12. **Issuance of licensing orders; hearings related to licensing orders.** (a) If
152.32 the commissioner determines that a permit, license, registration, or certificate should be
152.33 conditioned, limited, suspended, revoked, or denied under subdivision 11, or that the permit
152.34 holder, licensee, registrant, or certificate holder should be censured under subdivision 11,

153.1 then the commissioner shall issue to the person an order denying, conditioning, limiting,
153.2 suspending, or revoking the person's permit, license, registration, or certificate, or censuring
153.3 the permit holder, licensee, registrant, or certificate holder.

153.4 (b) Any order issued under paragraph (a) may include an assessment of monetary penalties
153.5 and may require the person to cease and desist from committing the violation or committing
153.6 the act, conduct, or practice set out in subdivision 11, paragraph (b). The monetary penalty
153.7 may be up to \$10,000 for each violation or act, conduct, or practice committed by the person.
153.8 The procedures in section 326B.083 must be followed when issuing orders under paragraph
153.9 (a).

153.10 (c) The permit holder, licensee, registrant, certificate holder, or applicant to whom the
153.11 commissioner issues an order under paragraph (a) shall have 30 days after issuance of the
153.12 order to request a hearing. The request for hearing must be in writing and must be served
153.13 on ~~or~~, faxed, or e-mailed to the commissioner at the address ~~or~~, fax number, or e-mail address
153.14 specified in the order by the 30th day after issuance of the order. If the person does not
153.15 request a hearing or if the person's written request for hearing is not served on ~~or~~, faxed, or
153.16 e-mailed to the commissioner by the 30th day after issuance of the order, the order shall
153.17 become a final order of the commissioner and will not be subject to review by any court or
153.18 agency. The date on which a request for hearing is served by mail shall be the postmark
153.19 date on the envelope in which the request for hearing is mailed. If the person submits to the
153.20 commissioner a timely request for hearing, the order is stayed unless the commissioner
153.21 summarily suspends the license, registration, certificate, or permit under subdivision 13,
153.22 and a contested case hearing shall be held in accordance with chapter 14.

153.23 Sec. 19. Minnesota Statutes 2018, section 326B.103, subdivision 11, is amended to read:

153.24 Subd. 11. **Public building.** "Public building" means a building and its grounds the cost
153.25 of which is paid for by the state or a state agency regardless of its cost, and a ~~school district~~
153.26 building project for a school district or charter school ~~building project~~ the cost of which is
153.27 \$100,000 or more.

153.28 Sec. 20. Minnesota Statutes 2018, section 326B.106, subdivision 9, is amended to read:

153.29 Subd. 9. **Accessibility.** (a) **Public buildings.** The code must ~~provide for making~~ require
153.30 new public buildings constructed or remodeled after July 1, 1963, and remodeled portions
153.31 of existing public buildings to be accessible to and usable by persons with disabilities;
153.32 ~~although this does not require the remodeling of public buildings solely to provide~~

154.1 ~~accessibility and usability to persons with disabilities when remodeling would not otherwise~~
154.2 ~~be undertaken.~~

154.3 (b) **Leased space.** No agency of the state may lease space for agency operations in a
154.4 non-state-owned building unless the building satisfies the requirements of the State Building
154.5 Code for accessibility by persons with disabilities, or is eligible to display the state symbol
154.6 of accessibility. This limitation applies to leases of 30 days or more for space of at least
154.7 1,000 square feet.

154.8 (c) **Meetings or conferences.** Meetings or conferences for the public or for state
154.9 employees which are sponsored in whole or in part by a state agency must be held in
154.10 buildings that meet the State Building Code requirements relating to accessibility for persons
154.11 with disabilities. This subdivision does not apply to any classes, seminars, or training
154.12 programs offered by the Minnesota State Colleges and Universities or the University of
154.13 Minnesota. Meetings or conferences intended for specific individuals none of whom need
154.14 the accessibility features for persons with disabilities specified in the State Building Code
154.15 need not comply with this subdivision unless a person with a disability gives reasonable
154.16 advance notice of an intent to attend the meeting or conference. When sign language
154.17 interpreters will be provided, meetings or conference sites must be chosen which allow
154.18 participants who are deaf or hard-of-hearing to see the sign language interpreters clearly.

154.19 (d) **Exemptions.** The commissioner may grant an exemption from the requirements of
154.20 paragraphs (b) and (c) in advance if an agency has demonstrated that reasonable efforts
154.21 were made to secure facilities which complied with those requirements and if the selected
154.22 facilities are the best available for access for persons with disabilities. Exemptions shall be
154.23 granted using criteria developed by the commissioner in consultation with the Council on
154.24 Disability.

154.25 (e) **Symbol indicating access.** The wheelchair symbol adopted by Rehabilitation
154.26 International's Eleventh World Congress is the state symbol indicating buildings, facilities,
154.27 and grounds which are accessible to and usable by persons with disabilities. In the interests
154.28 of uniformity, this symbol is the sole symbol for display in or on all public or private
154.29 buildings, facilities, and grounds which qualify for its use. The secretary of state shall obtain
154.30 the symbol and keep it on file. No building, facility, or grounds may display the symbol
154.31 unless it is in compliance with the rules adopted by the commissioner under subdivision 1.
154.32 Before any rules are proposed for adoption under this paragraph, the commissioner shall
154.33 consult with the Council on Disability. Rules adopted under this paragraph must be enforced
154.34 in the same way as other accessibility rules of the State Building Code.

155.1 Sec. 21. Minnesota Statutes 2018, section 326B.46, is amended by adding a subdivision
155.2 to read:

155.3 Subd. 7. **License number to be displayed.** Any vehicle used by a plumbing contractor
155.4 or restricted plumbing contractor while performing plumbing work for which a contractor's
155.5 license is required shall have the contractor's name and license number as it appears on the
155.6 contractor's license in contrasting color with characters at least three inches high and one-half
155.7 inch in width affixed to each side of the vehicle.

155.8 Sec. 22. Minnesota Statutes 2018, section 326B.475, subdivision 4, is amended to read:

155.9 Subd. 4. **Renewal; use period for license.** (a) A restricted master plumber and restricted
155.10 journeyworker plumber license must be renewed for as long as that licensee engages in the
155.11 plumbing trade. Notwithstanding section 326B.094, failure to renew a restricted master
155.12 plumber and restricted journeyworker plumber license within 12 months after the expiration
155.13 date will result in permanent forfeiture of the restricted master plumber and restricted
155.14 journeyworker plumber license.

155.15 ~~(b) The commissioner shall in a manner determined by the commissioner, without the~~
155.16 ~~need for any rulemaking under chapter 14, phase in the renewal of restricted master plumber~~
155.17 ~~and restricted journeyworker plumber licenses from one year to two years. By June 30,~~
155.18 ~~2011, all restricted master plumber and restricted journeyworker plumber licenses shall be~~
155.19 ~~two-year licenses.~~

155.20 Sec. 23. Minnesota Statutes 2018, section 326B.802, subdivision 15, is amended to read:

155.21 Subd. 15. **Special skill.** "Special skill" means one of the following eight categories:

155.22 (a) **Excavation.** Excavation includes work in any of the following areas:

155.23 (1) excavation;

155.24 (2) trenching;

155.25 (3) grading; and

155.26 (4) site grading.

155.27 (b) **Masonry and concrete.** Masonry and concrete includes work in any of the following
155.28 areas:

155.29 (1) drain systems;

155.30 (2) poured walls;

- 156.1 (3) slabs and poured-in-place footings;
- 156.2 (4) masonry walls;
- 156.3 (5) masonry fireplaces;
- 156.4 (6) masonry veneer; and
- 156.5 (7) water resistance and waterproofing.
- 156.6 (c) **Carpentry.** Carpentry includes work in any of the following areas:
 - 156.7 (1) rough framing;
 - 156.8 (2) finish carpentry;
 - 156.9 (3) doors, windows, and skylights;
 - 156.10 (4) porches and decks, excluding footings;
 - 156.11 (5) wood foundations; and
 - 156.12 (6) drywall installation, excluding taping and finishing.
- 156.13 (d) **Interior finishing.** Interior finishing includes work in any of the following areas:
 - 156.14 (1) floor covering;
 - 156.15 (2) wood floors;
 - 156.16 (3) cabinet and counter top installation;
 - 156.17 (4) insulation and vapor barriers;
 - 156.18 (5) interior or exterior painting;
 - 156.19 (6) ceramic, marble, and quarry tile;
 - 156.20 (7) ornamental guardrail and installation of prefabricated stairs; and
 - 156.21 (8) wallpapering.
- 156.22 (e) **Exterior finishing.** Exterior finishing includes work in any of the following areas:
 - 156.23 (1) siding;
 - 156.24 (2) soffit, fascia, and trim;
 - 156.25 (3) exterior plaster and stucco;
 - 156.26 (4) painting; and
 - 156.27 (5) rain carrying systems, including gutters and down spouts.

157.1 (f) **Drywall and plaster.** Drywall and plaster includes work in any of the following
157.2 areas:

- 157.3 (1) installation;
- 157.4 (2) taping;
- 157.5 (3) finishing;
- 157.6 (4) interior plaster;
- 157.7 (5) painting; and
- 157.8 (6) wallpapering.

157.9 (g) **Residential roofing.** Residential roofing includes work in any of the following areas:

- 157.10 (1) roof coverings;
- 157.11 (2) roof sheathing;
- 157.12 (3) roof weatherproofing and insulation; and
- 157.13 (4) repair of roof support system, but not construction of new roof support system; and
- 157.14 (5) penetration of roof covering for purposes of attaching a solar photovoltaic system.

157.15 (h) **General installation specialties.** Installation includes work in any of the following
157.16 areas:

- 157.17 (1) garage doors and openers;
- 157.18 (2) pools, spas, and hot tubs;
- 157.19 (3) fireplaces and wood stoves;
- 157.20 (4) asphalt paving and seal coating; and
- 157.21 (5) ornamental guardrail and prefabricated stairs; and
- 157.22 (6) assembly of the support system for a solar photovoltaic system.

157.23 Sec. 24. Minnesota Statutes 2018, section 326B.815, subdivision 1, is amended to read:

157.24 Subdivision 1. **Fees.** (a) For the purposes of calculating fees under section 326B.092,
157.25 an initial or renewed residential contractor, residential remodeler, or residential roofer license
157.26 is a business license. Notwithstanding section 326B.092, the licensing fee for manufactured
157.27 home installers under section 327B.041 is ~~\$300~~ \$180 for a three-year period.

158.1 (b) All initial and renewal licenses, except for manufactured home installer licenses,
158.2 shall be effective for two years and shall expire on March 31 of the year after the year in
158.3 which the application is made.

158.4 (c) The commissioner shall in a manner determined by the commissioner, without the
158.5 need for any rulemaking under chapter 14, phase in the renewal of residential contractor,
158.6 residential remodeler, and residential roofer licenses from one year to two years. By June
158.7 30, 2011, all renewed residential contractor, residential remodeler, and residential roofer
158.8 licenses shall be two-year licenses.

158.9 Sec. 25. Minnesota Statutes 2018, section 326B.821, subdivision 21, is amended to read:

158.10 Subd. 21. **Residential building contractor, remodeler, and roofer education.** (a) Each
158.11 licensee must, during each continuing education reporting period, complete and report one
158.12 hour of continuing education relating to energy codes or energy conservation measures
158.13 applicable to residential buildings and one hour of business management strategies applicable
158.14 to residential construction businesses.

158.15 (b) Immediately following the adoption date of a new residential code, the commissioner
158.16 may prescribe that up to seven of the required 14 hours of continuing education credit per
158.17 licensure period include education hours specifically designated to instruct licensees on
158.18 new or existing State Building Code provisions.

158.19 Sec. 26. Minnesota Statutes 2018, section 326B.84, is amended to read:

158.20 **326B.84 GROUNDS FOR SANCTIONS.**

158.21 The commissioner may use any enforcement provision in section 326B.082 against an
158.22 applicant for, qualifying person of, or holder of a license or certificate of exemption, or any
158.23 individual or entity who is required by law to hold a license or certificate of exemption, if
158.24 the individual, entity, applicant, licensee, certificate of exemption holder, qualifying person,
158.25 or owner, officer, member, managing employee, or affiliate of the applicant, licensee, or
158.26 certificate of exemption holder:

158.27 (1) has filed an application for licensure or a certificate of exemption which is incomplete
158.28 in any material respect or contains any statement which, in light of the circumstances under
158.29 which it is made, is false or misleading with respect to any material fact;

158.30 (2) has engaged in a fraudulent, deceptive, or dishonest practice;

158.31 (3) is permanently or temporarily enjoined by any court of competent jurisdiction from
158.32 engaging in or continuing any conduct or practice involving any aspect of the business;

159.1 (4) has failed to reasonably supervise employees, agents, subcontractors, or salespersons,
159.2 or has performed negligently or in breach of contract, so as to cause injury or harm to the
159.3 public;

159.4 (5) has violated or failed to comply with any provision of sections 326B.802 to 326B.885,
159.5 any rule or order under sections 326B.802 to 326B.885, or any other law, rule, or order
159.6 related to the duties and responsibilities entrusted to the commissioner;

159.7 (6) has been convicted of a violation of the State Building Code or has refused to comply
159.8 with a correction order issued by a certified building official, or in local jurisdictions that
159.9 have not adopted the State Building Code has refused to correct a violation of the State
159.10 Building Code when the violation has been documented by a certified building official;

159.11 (7) has failed to use the proceeds of any payment made to the licensee for the construction
159.12 of, or any improvement to, residential real estate, as defined in section 326B.802, subdivision
159.13 13, for the payment of labor, skill, material, and machinery contributed to the construction
159.14 or improvement, knowing that the cost of any labor performed, or skill, material, or
159.15 machinery furnished for the improvement remains unpaid;

159.16 (8) has not furnished to the person making payment either a valid lien waiver as to any
159.17 unpaid labor performed, or skill, material, or machinery furnished for an improvement, or
159.18 a payment bond in the basic amount of the contract price for the improvement conditioned
159.19 for the prompt payment to any person or persons entitled to payment;

159.20 (9) has engaged in an act or practice that results in compensation to an aggrieved owner
159.21 or lessee from the contractor recovery fund pursuant to section 326B.89, unless:

159.22 (i) the applicant or licensee has repaid the fund twice the amount paid from the fund,
159.23 plus interest at the rate of 12 percent per year; and

159.24 (ii) the applicant or licensee has obtained a surety bond in the amount of at least \$40,000,
159.25 issued by an insurer authorized to transact business in this state;

159.26 (10) has engaged in bad faith, unreasonable delays, or frivolous claims in defense of a
159.27 civil lawsuit or arbitration arising out of their activities as a licensee or certificate of
159.28 exemption holder under this chapter;

159.29 (11) has had a judgment entered against them for failure to make payments to employees,
159.30 subcontractors, or suppliers, that the licensee has failed to satisfy and all appeals of the
159.31 judgment have been exhausted or the period for appeal has expired;

159.32 (12) if unlicensed, has obtained a building permit by the fraudulent use of a fictitious
159.33 license number or the license number of another, or, if licensed, has knowingly allowed an

160.1 unlicensed person to use the licensee's license number for the purpose of fraudulently
160.2 obtaining a building permit; or has applied for or obtained a building permit for an unlicensed
160.3 person;

160.4 (13) has made use of a forged mechanic's lien waiver under chapter 514;

160.5 (14) has provided false, misleading, or incomplete information to the commissioner or
160.6 has refused to allow a reasonable inspection of records or premises;

160.7 (15) has engaged in an act or practice whether or not the act or practice directly involves
160.8 the business for which the person is licensed, that demonstrates that the applicant or licensee
160.9 is untrustworthy, financially irresponsible, or otherwise incompetent or unqualified to act
160.10 under the license granted by the commissioner; or

160.11 (16) has failed to comply with requests for information, documents, or other requests
160.12 from the department within the time specified in the request or, if no time is specified, within
160.13 30 days of the mailing of the request by the department.

160.14 Sec. 27. Minnesota Statutes 2018, section 327.31, is amended by adding a subdivision to
160.15 read:

160.16 Subd. 23. **Modular home.** "Modular home" means a building or structural unit of closed
160.17 construction that has been substantially manufactured or constructed, in whole or in part,
160.18 at an off-site location, with the final assembly occurring on site alone or with other units
160.19 and attached to a foundation designed to the State Building Code and occupied as a
160.20 single-family dwelling. Modular home construction must comply with applicable standards
160.21 adopted in Minnesota Rules, chapter 1360 or 1361.

160.22 Sec. 28. **[327.335] PLACEMENT OF MODULAR HOMES.**

160.23 A modular home may be placed in a manufactured home park as defined in section
160.24 327.14, subdivision 3. A modular home placed in a manufactured home park is a
160.25 manufactured home for purposes of chapters 327C and 504B and all rights, obligations, and
160.26 duties under those chapters apply. A modular home may not be placed in a manufactured
160.27 home park without prior written approval of the park owner. Nothing in this section shall
160.28 be construed to inhibit the application of zoning, subdivision, architectural, or esthetic
160.29 requirements pursuant to chapters 394 and 462 that otherwise apply to manufactured homes
160.30 and manufactured home parks. A modular home placed in a manufactured home park under
160.31 this section shall be assessed and taxed as a manufactured home.

161.1 Sec. 29. Minnesota Statutes 2018, section 327B.041, is amended to read:

161.2 **327B.041 MANUFACTURED HOME INSTALLERS.**

161.3 (a) Manufactured home installers are subject to all of the fees in section 326B.092 and
161.4 the requirements of sections 326B.802 to 326B.885, except for the following:

161.5 (1) manufactured home installers are not subject to the continuing education requirements
161.6 of sections 326B.0981, 326B.099, and 326B.821, but are subject to the continuing education
161.7 requirements established in rules adopted under section 327B.10;

161.8 (2) the examination requirement of section 326B.83, subdivision 3, for manufactured
161.9 home installers shall be satisfied by successful completion of a written examination
161.10 administered and developed specifically for the examination of manufactured home installers.
161.11 The examination must be administered and developed by the commissioner. The
161.12 commissioner and the state building official shall seek advice on the grading, monitoring,
161.13 and updating of examinations from the Minnesota Manufactured Housing Association;

161.14 (3) a local government unit may not place a surcharge on a license fee, and may not
161.15 charge a separate fee to installers;

161.16 (4) a dealer or distributor who does not install or repair manufactured homes is exempt
161.17 from licensure under sections 326B.802 to 326B.885;

161.18 (5) the exemption under section 326B.805, subdivision 6, clause (5), does not apply;
161.19 and

161.20 (6) manufactured home installers are not subject to the contractor recovery fund in
161.21 section 326B.89.

161.22 (b) The commissioner may waive all or part of the requirements for licensure as a
161.23 manufactured home installer for any individual who holds an unexpired license or certificate
161.24 issued by any other state or other United States jurisdiction if the licensing requirements of
161.25 that jurisdiction meet or exceed the corresponding licensing requirements of the department
161.26 and the individual complies with section 326B.092, subdivisions 1 and 3 to 7. ~~For the~~
161.27 ~~purposes of calculating fees under section 326B.092, licensure as a manufactured home~~
161.28 ~~installer is a business license.~~

161.29 Sec. 30. Minnesota Statutes 2018, section 327C.095, subdivision 6, is amended to read:

161.30 Subd. 6. **Intent to convert use of park at time of purchase.** Before the execution of
161.31 an agreement to purchase a manufactured home park, the purchaser must notify the park
161.32 owner, in writing, if the purchaser intends to close the manufactured home park or convert

162.1 it to another use within one year of the execution of the agreement. The park owner shall
162.2 provide a resident of each manufactured home with a 45-day written notice of the purchaser's
162.3 intent to close the park or convert it to another use. The notice must state that the park owner
162.4 will provide information on the cash price and the terms and conditions of the purchaser's
162.5 offer to residents requesting the information. The notice must be sent by first class mail to
162.6 a resident of each manufactured home in the park. The notice period begins on the postmark
162.7 date affixed to the notice and ends 45 days after it begins. During the notice period required
162.8 in this subdivision, the owners of at least 51 percent of the manufactured homes in the park
162.9 or a nonprofit organization which has the written permission of the owners of at least 51
162.10 percent of the manufactured homes in the park to represent them in the acquisition of the
162.11 park shall have the right to meet the cash price and execute an agreement to purchase the
162.12 park for the purposes of keeping the park as a manufactured housing community, provided
162.13 that the owners or nonprofit organization will covenant and warrant to the park owner in
162.14 the agreement that they will continue to operate the park for not less than six years from
162.15 the date of closing. The park owner must accept the offer if it meets the cash price and the
162.16 same terms and conditions set forth in the purchaser's offer except that the seller is not
162.17 obligated to provide owner financing. For purposes of this section, cash price means the
162.18 cash price offer or equivalent cash offer as defined in section 500.245, subdivision 1,
162.19 paragraph (d).

162.20 Sec. 31. Minnesota Statutes 2018, section 327C.095, is amended by adding a subdivision
162.21 to read:

162.22 Subd. 16. **Reporting of licensed manufactured home parks.** The Department of Health
162.23 or, if applicable, local units of government that have entered into a delegation of authority
162.24 agreement with the Department of Health as provided in section 145A.07 shall provide, by
162.25 March 31 of each year, a list of names and addresses of the manufactured home parks
162.26 licensed in the previous year, and for each manufactured home park, the current licensed
162.27 owner, the owner's address, the number of licensed manufactured home lots, and other data
162.28 as they may request for the Department of Management and Budget to invoice each licensed
162.29 manufactured home park in Minnesota.

162.30 Sec. 32. Minnesota Statutes 2018, section 337.10, subdivision 4, is amended to read:

162.31 **Subd. 4. Progress payments and retainages.** (a) Unless the building and construction
162.32 contract provides otherwise, the owner or other persons making payments under the contract
162.33 must make progress payments monthly as the work progresses. Payments shall be based
162.34 upon estimates of work completed as approved by the owner or the owner's agent. A progress

163.1 payment shall not be considered acceptance or approval of any work or waiver of any defects
163.2 therein.

163.3 (b) Retainage on a building and construction contract may not exceed five percent. An
163.4 owner or owner's agent may reduce the amount of retainage and may eliminate retainage
163.5 on any monthly contract payment if, in the owner's opinion, the work is progressing
163.6 satisfactorily. Nothing in this subdivision is intended to require that retainage be withheld
163.7 in any building or construction contract. For all construction contracts greater than
163.8 \$5,000,000, the owner or the owner's agent must reduce retainage to no more than 2.5
163.9 percent if the owner or the owner's agent determines the work is 75 percent or more complete,
163.10 that work is progressing satisfactorily, and all contract requirements are being met.

163.11 (c) The owner or the owner's agent must release any remaining retainage no later than
163.12 60 days after substantial completion. For purposes of this subdivision, "substantial
163.13 completion" shall be determined as provided in section 541.051, subdivision 1, paragraph
163.14 (a).

163.15 (e) (d) Any contractor holding retainage must reduce that retainage at the same rate
163.16 reduced by the owner or the owner's agent. A contractor must pay out any remaining retainage
163.17 no later than ten days after receiving payment of retainage, unless there is a dispute about
163.18 the work under a subcontract, in which case the contractor must pay out retainage to any
163.19 party whose work is not involved in the dispute. Nothing in this subdivision is intended to
163.20 require that retainage be withheld in any building or construction contract.

163.21 (e) After substantial completion, an owner or owner's agent may withhold no more than:
163.22 (1) 250 percent of the value of incomplete or defective work; and
163.23 (2) one percent of the value of the contract or \$500, whichever is greater, pending
163.24 completion and submission of all final paperwork by the contractor, provided that an amount
163.25 withheld under this clause may not exceed \$10,000.

163.26 If the owner or the owner's agent withholds payment under this paragraph, the owner or the
163.27 owner's agent must promptly provide a written statement detailing the amount and basis of
163.28 withholding to the contractor. The owner or the owner's agent and the contractor must
163.29 provide a copy of this statement to any subcontractor that requests it. Any amounts withheld
163.30 for incomplete or defective work shall be paid within 45 days after the completion of the
163.31 work. Any amounts withheld under clause (1) must be paid within 45 days after completion
163.32 of the work. Any amounts withheld under clause (2) must be paid within 45 days after
163.33 submission of all final paperwork.

164.1 (f) The maximum retainage percentage allowed for a building and construction contract
164.2 is the retainage percentage withheld by the owner from the contractor.

164.3 (g) Withholding retainage for warranties or warranty work is prohibited.

164.4 (h) Retainage must not be used as collateral for the owner, owner's agent, or contractor.

164.5 (i) This subdivision does not apply to a public agency as defined in section 15.71,
164.6 subdivision 3.

164.7 (j) This subdivision does not apply to contracts for professional services as defined in
164.8 sections 326.02 to 326.15.

164.9 **EFFECTIVE DATE.** This section applies to agreements entered into on or after August
164.10 1, 2019.

164.11 Sec. 33. Minnesota Statutes 2018, section 341.30, subdivision 1, is amended to read:

164.12 Subdivision 1. **Licensure; individuals.** All referees, judges, promoters, trainers, ~~ring~~
164.13 ~~announcers~~, timekeepers, ringside physicians, combatants, ~~managers~~, and seconds are
164.14 required to be licensed by the commissioner. The commissioner shall not permit any of
164.15 these persons to participate in any matter with any combative sport contest unless the
164.16 commissioner has first issued the person a license.

164.17 Sec. 34. Minnesota Statutes 2018, section 341.32, subdivision 1, is amended to read:

164.18 Subdivision 1. **Annual licensure.** The commissioner may establish and issue annual
164.19 licenses subject to the collection of advance fees by the commissioner for promoters,
164.20 ~~managers~~, judges, referees, ~~ring announcers~~, ringside physicians, timekeepers, combatants,
164.21 trainers, and seconds.

164.22 Sec. 35. Minnesota Statutes 2018, section 341.321, is amended to read:

164.23 **341.321 FEE SCHEDULE.**

164.24 (a) The fee schedule for professional and amateur licenses issued by the commissioner
164.25 is as follows:

164.26 (1) referees, ~~\$80~~ \$25;

164.27 (2) promoters, \$700;

164.28 (3) judges and knockdown judges, ~~\$80~~ \$25;

164.29 (4) trainers and seconds, \$80;

165.1 ~~(5) ring announcers, \$80;~~

165.2 ~~(6) (5) timekeepers, \$80~~ \$25;

165.3 ~~(7) (6) professional combatants, \$70;~~

165.4 ~~(8) (7) amateur combatants, \$50;~~

165.5 ~~(9) managers, \$80;~~ and

165.6 ~~(10) (8) ringside physicians, \$80~~ \$25.

165.7 License fees for promoters are due at least six weeks prior to the combative sport contest.

165.8 All other license fees shall be paid no later than the weigh-in prior to the contest. No license

165.9 may be issued until all prelicensure requirements are satisfied and fees are paid.

165.10 (b) The commissioner shall establish a contest fee for each combative sport contest and

165.11 shall consider the size and type of venue when establishing a contest fee. The combative

165.12 sport contest fee is \$1,500 per event or not more than four percent of the gross ticket sales,

165.13 whichever is greater, as determined by the commissioner when the combative sport contest

165.14 is scheduled.

165.15 (c) A professional or amateur combative sport contest fee is nonrefundable and shall be

165.16 paid as follows:

165.17 (1) \$500 at the time the combative sport contest is scheduled; and

165.18 (2) \$1,000 at the weigh-in prior to the contest.

165.19 If four percent of the gross ticket sales is greater than \$1,500, the balance is due to the

165.20 commissioner within seven days of the completed contest.

165.21 (d) The commissioner may establish the maximum number of complimentary tickets

165.22 allowed for each event by rule.

165.23 (e) All fees and penalties collected by the commissioner must be deposited in the

165.24 commissioner account in the special revenue fund.

165.25 Sec. 36. ADVANCES TO THE MINNESOTA MANUFACTURED HOME

165.26 RELOCATION TRUST FUND.

165.27 (a) The Housing Finance Agency or Department of Management and Budget as

165.28 determined by the commissioner of management and budget, is authorized to advance up

165.29 to \$400,000 from state appropriations or other resources to the Minnesota manufactured

165.30 home relocation trust fund established under Minnesota Statutes, section 462A.35, if the

166.1 account balance in the Minnesota manufactured home relocation trust fund is insufficient
166.2 to pay the amounts claimed under Minnesota Statutes, section 327C.095, subdivision 13.

166.3 (b) The Housing Finance Agency or Department of Management and Budget shall be
166.4 reimbursed from the Minnesota manufactured home relocation trust fund for any money
166.5 advanced by the agency under paragraph (a) to the fund. Approved claims for payment to
166.6 manufactured home owners shall be paid prior to the money being advanced by the agency
166.7 or the department to the fund.

166.8 Sec. 37. **REPEALER.**

166.9 Minnesota Statutes 2018, section 325F.75, is repealed.

166.10 ARTICLE 9

166.11 COMMERCE POLICY

166.12 Section 1. **[16C.57] CONTRACTS FOR INTERNET SERVICE; ADHERENCE TO**
166.13 **NET NEUTRALITY.**

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

166.16 (b) "Broadband Internet access service" means:

166.17 (1) a mass-market retail service by wire or radio that provides the capability, including
166.18 any capability that is incidental to and enables the operation of the communications service,
166.19 to transmit data to and receive data from all or substantially all Internet endpoints;

166.20 (2) any service that provides a functional equivalent of the service described in clause
166.21 (1); or

166.22 (3) any service that is used to evade the protections set forth in this section.

166.23 "Broadband Internet access service" includes service that serves end users at fixed endpoints
166.24 using stationary equipment or end users using mobile stations but does not include dial-up
166.25 Internet access service.

166.26 (c) "Edge provider" means any person or entity that provides (1) any content, application,
166.27 or service over the Internet, or (2) a device used to access any content, application, or service
166.28 over the Internet. Edge provider does not include a person or entity providing obscene
166.29 material, as defined by section 617.241.

166.30 (d) "Internet service provider" means a business that provides broadband Internet access
166.31 service to a customer in Minnesota.

167.1 (e) "Paid prioritization" means the management of an Internet service provider's network
167.2 to directly or indirectly favor some traffic over other traffic (1) in exchange for monetary
167.3 or other consideration from a third party, or (2) to benefit an affiliated entity.

167.4 Subd. 2. **Purchasing or funding broadband Internet access services; prohibitions.** A
167.5 state agency or political subdivision is prohibited from entering into a contract or providing
167.6 funding to purchase broadband Internet access service after August 1, 2019, that does not
167.7 contain:

167.8 (1) a binding agreement in which the Internet service provider certifies to the
167.9 commissioner of commerce that the Internet service provider does not engage in any of the
167.10 following activities with respect to any of its Minnesota customers:

167.11 (i) block lawful content, applications, services, or nonharmful devices, subject to
167.12 reasonable network management;

167.13 (ii) impair, impede, or degrade lawful Internet traffic on the basis of Internet content,
167.14 application, or service, or use of a nonharmful device, subject to reasonable network
167.15 management;

167.16 (iii) engage in paid prioritization;

167.17 (iv) unreasonably interfere with or unreasonably disadvantage:

167.18 (A) a customer's ability to select, access, and use broadband Internet service or lawful
167.19 Internet content, applications, services, or devices of the customer's choice; or

167.20 (B) an edge provider's ability to provide lawful Internet content, applications, services,
167.21 or devices to a customer, except that an Internet service provider may block content if the
167.22 edge provider charges or intends to charge a fee to the Internet service provider for the
167.23 content; or

167.24 (v) engage in deceptive or misleading marketing practices that misrepresent the treatment
167.25 of Internet traffic or content; and

167.26 (2) provisions requiring the state agency or political subdivision, upon determining the
167.27 Internet service provider has violated the binding agreement under clause (1), to unilaterally
167.28 terminate the contract for broadband Internet access service and require the Internet service
167.29 provider to remunerate the state agency or political subdivision for all revenues earned
167.30 under the contract during the period when the violation occurred.

167.31 Subd. 3. **Other laws.** Nothing in this section (1) supersedes any obligation or
167.32 authorization an Internet service provider may have consistent with or as permitted by

168.1 applicable law to address the needs of emergency communications or law enforcement,
168.2 public safety, or national security authorities, or (2) limits the provider's ability to meet the
168.3 needs under clause (1).

168.4 Subd. 4. **Exception.** This section does not apply to a state agency or political subdivision
168.5 that purchases or funds fixed broadband Internet access services in a geographic location
168.6 where broadband Internet access services are only available from a single Internet service
168.7 provider or who is a recipient of grant funding under section 116J.395.

168.8 Subd. 5. **Enforcement.** A violation of the certification provided under subdivision 2
168.9 must be enforced by the commissioner of commerce. An Internet service provider who
168.10 materially or repeatedly violates this section is subject to a fine of not more than \$1,000 for
168.11 each violation. A fine authorized by this section may be imposed by the commissioner,
168.12 through a civil action brought by the commissioner under section 45.027, or by the attorney
168.13 general under section 8.31 on behalf of the state of Minnesota. Fines collected under this
168.14 subdivision must be deposited into the state treasury.

168.15 Sec. 2. Minnesota Statutes 2018, section 47.59, subdivision 2, is amended to read:

168.16 Subd. 2. **Application.** Extensions of credit or purchases of extensions of credit by
168.17 financial institutions under sections 47.20, 47.21, 47.201, 47.204, 47.58, ~~47.60~~, 48.153,
168.18 48.185, 48.195, 59A.01 to 59A.15, 334.01, 334.011, 334.012, 334.022, 334.06, and 334.061
168.19 to 334.19 may, but need not, be made according to those sections in lieu of the authority
168.20 set forth in this section to the extent those sections authorize the financial institution to make
168.21 extensions of credit or purchase extensions of credit under those sections. If a financial
168.22 institution elects to make an extension of credit or to purchase an extension of credit under
168.23 those other sections, the extension of credit or the purchase of an extension of credit is
168.24 subject to those sections and not this section, except this subdivision, and except as expressly
168.25 provided in those sections. A financial institution may also charge an organization a rate of
168.26 interest and any charges agreed to by the organization and may calculate and collect finance
168.27 and other charges in any manner agreed to by that organization. Except for extensions of
168.28 credit a financial institution elects to make under section 334.01, 334.011, 334.012, 334.022,
168.29 334.06, or 334.061 to 334.19, chapter 334 does not apply to extensions of credit made
168.30 according to this section or the sections listed in this subdivision. This subdivision does not
168.31 authorize a financial institution to extend credit or purchase an extension of credit under
168.32 any of the sections listed in this subdivision if the financial institution is not authorized to
168.33 do so under those sections. A financial institution extending credit under any of the sections

169.1 listed in this subdivision shall specify in the promissory note, contract, or other loan document
169.2 the section under which the extension of credit is made.

169.3 Sec. 3. Minnesota Statutes 2018, section 47.60, subdivision 2, is amended to read:

169.4 Subd. 2. **Authorization, terms, conditions, and prohibitions.** (a) ~~In lieu of the interest,~~
169.5 ~~finance charges, or fees in any other law,~~ A consumer small loan lender may charge the
169.6 ~~following:~~ interest, finance charges, and fees which, when combined, cannot exceed an
169.7 annual percentage rate, as defined in section 47.59, subdivision 1, paragraph (b), of 36
169.8 percent.

169.9 (1) ~~on any amount up to and including \$50, a charge of \$5.50 may be added;~~

169.10 (2) ~~on amounts in excess of \$50, but not more than \$100, a charge may be added equal~~
169.11 ~~to ten percent of the loan proceeds plus a \$5 administrative fee;~~

169.12 (3) ~~on amounts in excess of \$100, but not more than \$250, a charge may be added equal~~
169.13 ~~to seven percent of the loan proceeds with a minimum of \$10 plus a \$5 administrative fee;~~

169.14 (4) ~~for amounts in excess of \$250 and not greater than the maximum in subdivision 1,~~
169.15 ~~paragraph (a), a charge may be added equal to six percent of the loan proceeds with a~~
169.16 ~~minimum of \$17.50 plus a \$5 administrative fee.~~

169.17 (b) The term of a loan made under this section shall be for no more than 30 calendar
169.18 days.

169.19 (c) After maturity, the contract rate must not exceed 2.75 percent per month of the
169.20 remaining loan proceeds after the maturity date calculated at a rate of 1/30 of the monthly
169.21 rate in the contract for each calendar day the balance is outstanding.

169.22 (d) No insurance charges or other charges must be permitted to be charged, collected,
169.23 or imposed on a consumer small loan except as authorized in this section.

169.24 (e) On a loan transaction in which cash is advanced in exchange for a personal check,
169.25 a return check charge may be charged as authorized by section 604.113, subdivision 2,
169.26 paragraph (a). The civil penalty provisions of section 604.113, subdivision 2, paragraph
169.27 (b), may not be demanded or assessed against the borrower.

169.28 (f) A loan made under this section must not be repaid by the proceeds of another loan
169.29 made under this section by the same lender or related interest. The proceeds from a loan
169.30 made under this section must not be applied to another loan from the same lender or related
169.31 interest. No loan to a single borrower made pursuant to this section shall be split or divided
169.32 and no single borrower shall have outstanding more than one loan with the result of collecting

170.1 a higher charge than permitted by this section or in an aggregate amount of principal exceed
170.2 at any one time the maximum of \$350.

170.3 Sec. 4. Minnesota Statutes 2018, section 47.601, subdivision 2, is amended to read:

170.4 Subd. 2. **Consumer short-term loan contract.** (a) No contract or agreement between
170.5 a consumer short-term loan lender and a borrower residing in Minnesota may contain the
170.6 following:

170.7 (1) a provision selecting a law other than Minnesota law under which the contract is
170.8 construed or enforced;

170.9 (2) a provision choosing a forum for dispute resolution other than the state of Minnesota;
170.10 or

170.11 (3) a provision limiting class actions against a consumer short-term lender for violations
170.12 of subdivision 3 or for making consumer short-term loans:

170.13 (i) without a required license issued by the commissioner; or

170.14 (ii) in which interest rates, fees, charges, or loan amounts exceed those allowable under
170.15 section 47.59, subdivision 6, or 47.60, subdivision 2, other than by de minimis amounts if
170.16 no pattern or practice exists.

170.17 (b) Any provision prohibited by paragraph (a) is void and unenforceable.

170.18 (c) A consumer short-term loan lender must furnish a copy of the written loan contract
170.19 to each borrower. The contract and disclosures must be written in the language in which
170.20 the loan was negotiated with the borrower and must contain:

170.21 (1) the name; address, which may not be a post office box; and telephone number of the
170.22 lender making the consumer short-term loan;

170.23 (2) the name and title of the individual employee or representative who signs the contract
170.24 on behalf of the lender;

170.25 (3) an itemization of the fees and interest charges to be paid by the borrower;

170.26 (4) in bold, 24-point type, the annual percentage rate as computed under United States
170.27 Code, chapter 15, section 1606; and

170.28 (5) a description of the borrower's payment obligations under the loan.

170.29 (d) The holder or assignee of a check or other instrument evidencing an obligation of a
170.30 borrower in connection with a consumer short-term loan takes the instrument subject to all
170.31 claims by and defenses of the borrower against the consumer short-term lender.

171.1 Sec. 5. Minnesota Statutes 2018, section 47.601, subdivision 6, is amended to read:

171.2 Subd. 6. **Penalties for violation; private right of action.** (a) Except for a "bona fide
171.3 error" as set forth under United States Code, chapter 15, section 1640, subsection (c), an
171.4 individual or entity who violates subdivision 2 or 3 is liable to the borrower for:

171.5 (1) all money collected or received in connection with the loan;

171.6 (2) actual, incidental, and consequential damages;

171.7 (3) statutory damages of up to \$1,000 per violation;

171.8 (4) costs, disbursements, and reasonable attorney fees; and

171.9 (5) injunctive relief.

171.10 (b) In addition to the remedies provided in paragraph (a), a loan is void, and the borrower
171.11 is not obligated to pay any amounts owing if the loan is made:

171.12 (1) by a consumer short-term lender who has not obtained an applicable license from
171.13 the commissioner;

171.14 (2) in violation of any provision of subdivision 2 or 3; or

171.15 (3) in which interest, fees, charges, or loan amounts exceed the interest, fees, charges,
171.16 or loan amounts allowable under ~~sections 47.59, subdivision 6, and section~~ 47.60, subdivision
171.17 2.

171.18 Sec. 6. Minnesota Statutes 2018, section 53.04, subdivision 3a, is amended to read:

171.19 Subd. 3a. **Loans.** (a) The right to make loans, secured or unsecured, at the rates and on
171.20 the terms and other conditions permitted under chapters 47 and 334. Loans made under this
171.21 authority must be in amounts in compliance with section 53.05, clause (7). A licensee making
171.22 a loan under this chapter secured by a lien on real estate shall comply with the requirements
171.23 of section 47.20, subdivision 8. A licensee making a loan that is a consumer small loan, as
171.24 defined in section 47.60, subdivision 1, paragraph (a), must comply with section 47.60. A
171.25 licensee making a loan that is a consumer short-term loan, as defined in section 47.601,
171.26 subdivision 1, paragraph (d), must comply with section 47.601.

171.27 (b) Loans made under this subdivision may be secured by real or personal property, or
171.28 both. If the proceeds of a loan secured by a first lien on the borrower's primary residence
171.29 are used to finance the purchase of the borrower's primary residence, the loan must comply
171.30 with the provisions of section 47.20.

172.1 (c) An agency or instrumentality of the United States government or a corporation
172.2 otherwise created by an act of the United States Congress or a lender approved or certified
172.3 by the secretary of housing and urban development, or approved or certified by the
172.4 administrator of veterans affairs, or approved or certified by the administrator of the Farmers
172.5 Home Administration, or approved or certified by the Federal Home Loan Mortgage
172.6 Corporation, or approved or certified by the Federal National Mortgage Association, that
172.7 engages in the business of purchasing or taking assignments of mortgage loans and undertakes
172.8 direct collection of payments from or enforcement of rights against borrowers arising from
172.9 mortgage loans, is not required to obtain a certificate of authorization under this chapter in
172.10 order to purchase or take assignments of mortgage loans from persons holding a certificate
172.11 of authorization under this chapter.

172.12 (d) This subdivision does not authorize an industrial loan and thrift company to make
172.13 loans under an overdraft checking plan.

172.14 Sec. 7. Minnesota Statutes 2018, section 56.131, subdivision 1, is amended to read:

172.15 Subdivision 1. **Interest rates and charges.** (a) On any loan in a principal amount not
172.16 exceeding \$100,000 or 15 percent of a Minnesota corporate licensee's capital stock and
172.17 surplus as defined in section 53.015, if greater, a licensee may contract for and receive
172.18 interest, finance charges, and other charges as provided in section 47.59.

172.19 (b) Notwithstanding paragraph (a), a licensee making a loan that is a consumer small
172.20 loan, as defined in section 47.60, subdivision 1, paragraph (a), must comply with section
172.21 47.60. A licensee making a loan that is a consumer short-term loan, as defined in section
172.22 47.601, subdivision 1, paragraph (d), must comply with section 47.601.

172.23 ~~(b)~~ (c) With respect to a loan secured by an interest in real estate, and having a maturity
172.24 of more than 60 months, the original schedule of installment payments must fully amortize
172.25 the principal and interest on the loan. The original schedule of installment payments for any
172.26 other loan secured by an interest in real estate must provide for payment amounts that are
172.27 sufficient to pay all interest scheduled to be due on the loan.

172.28 ~~(e)~~ (d) A licensee may contract for and collect a delinquency charge as provided for in
172.29 section 47.59, subdivision 6, paragraph (a), clause (4).

172.30 ~~(d)~~ (e) A licensee may grant extensions, deferments, or conversions to interest-bearing
172.31 as provided in section 47.59, subdivision 5.

173.1 Sec. 8. **[58B.01] DEFINITIONS.**

173.2 Subdivision 1. **Scope.** For the purposes of this chapter, the following terms have the
173.3 meanings given them.

173.4 Subd. 2. **Borrower.** "Borrower" means a resident of this state who has received or agreed
173.5 to pay a student loan, or a person who shares responsibility with a resident for repaying a
173.6 student loan.

173.7 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of commerce.

173.8 Subd. 4. **Financial institution.** "Financial institution" means any of the following
173.9 organized under the laws of this state, any other state, or the United States: a bank, bank
173.10 and trust, trust company with banking powers, savings bank, savings association, or credit
173.11 union.

173.12 Subd. 5. **Person in control.** "Person in control" means any member of senior
173.13 management, including owners or officers, and other persons who directly or indirectly
173.14 possess the power to direct or cause the direction of the management policies of an applicant
173.15 or student loan servicer under this chapter, regardless of whether the person has any
173.16 ownership interest in the applicant or student loan servicer. Control is presumed to exist if
173.17 a person directly or indirectly owns, controls, or holds with power to vote ten percent or
173.18 more of the voting stock of an applicant or student loan servicer or of a person who owns,
173.19 controls, or holds with power to vote ten percent or more of the voting stock of an applicant
173.20 or student loan servicer.

173.21 Subd. 6. **Servicing.** "Servicing" means:

173.22 (1) receiving any scheduled periodic payments from a borrower or notification of
173.23 payments, and applying payments to the borrower's account pursuant to the terms of the
173.24 student loan or of the contract governing servicing of a student loan;

173.25 (2) during a period when no payment is required on a student loan, maintaining account
173.26 records for the loan and communicating with the borrower regarding the loan on behalf of
173.27 the loan's holder; and

173.28 (3) interacting with a borrower, including activities to help prevent default on obligations
173.29 arising from student loans, to facilitate the requirements in clauses (1) and (2).

173.30 Subd. 7. **Student loan.** "Student loan" means a government, commercial, or foundation
173.31 loan for actual costs paid for tuition and reasonable education and living expenses.

174.1 Subd. 8. **Student loan servicer.** "Student loan servicer" means any person, wherever
174.2 located, responsible for servicing any student loan to any borrower. Student loan servicer
174.3 includes a nonbank covered person, as defined in Code of Federal Regulations, title 12,
174.4 section 1090.101, who is responsible for servicing any student loan to any borrower.

174.5 **EFFECTIVE DATE.** This section is effective July 1, 2019.

174.6 Sec. 9. **[58B.02] STUDENT LOAN ADVOCATE.**

174.7 Subdivision 1. **Designation of a student loan advocate.** The commissioner must
174.8 designate a student loan advocate within the Department of Commerce to provide timely
174.9 assistance to any borrower.

174.10 Subd. 2. **Duties.** The student loan advocate must:

174.11 (1) receive, review, and attempt to resolve complaints from borrowers, including but
174.12 not limited to attempts to resolve such complaints in collaboration with institutions of higher
174.13 education, student loan servicers, and any other participants in student loan lending;

174.14 (2) compile and analyze data on borrower complaints received under clause (1);

174.15 (3) help borrowers understand the rights and responsibilities under the terms of student
174.16 loans;

174.17 (4) provide information to the public, state agencies, legislators, and relevant stakeholders
174.18 regarding the problems and concerns of borrowers;

174.19 (5) make recommendations for resolving the problems of borrowers;

174.20 (6) analyze and monitor the development and implementation of federal, state, and local
174.21 laws, regulations, and policies relating to borrowers and recommend any changes deemed
174.22 necessary;

174.23 (7) review the complete student loan history for any borrower who has provided written
174.24 consent for a review;

174.25 (8) increase public awareness that the advocate is available to help resolve the student
174.26 loan servicing concerns of potential and actual borrowers, institutions of higher education,
174.27 student loan servicers, and any other participant in student lending; and

174.28 (9) take other actions, as necessary, to fulfill the duties of the advocate set forth in this
174.29 section.

175.1 Subd. 3. **Student loan education course.** The advocate must establish and maintain a
175.2 borrower education course. The course must include educational presentations and materials
175.3 regarding important topics in student loans, including but not limited to:

175.4 (1) the meaning of important terminology used in student lending;

175.5 (2) documentation requirements;

175.6 (3) monthly payment obligations;

175.7 (4) income-based repayment options;

175.8 (5) the availability of state and federal loan forgiveness programs; and

175.9 (6) disclosure requirements.

175.10 Subd. 4. **Reporting.** By January 15 of each odd-numbered year, the advocate must report
175.11 to the legislative committees with jurisdiction over commerce and higher education. The
175.12 report must describe the advocate's implementation of this section, the outcomes achieved
175.13 by the advocate in the previous two years, and recommendations to improve the regulation
175.14 of student loan servicers.

175.15 **EFFECTIVE DATE.** This section is effective July 1, 2019.

175.16 Sec. 10. **[58B.03] LICENSING OF STUDENT LOAN SERVICERS.**

175.17 Subdivision 1. **License required.** A person is prohibited from directly or indirectly
175.18 acting as a student loan servicer without first obtaining a license from the commissioner.

175.19 Subd. 2. **Exempt persons.** The following persons are exempt from the requirements of
175.20 this chapter:

175.21 (1) a financial institution;

175.22 (2) a person servicing student loans made with the person's own funds, if no more than
175.23 three student loans are made in any 12-month period;

175.24 (3) an agency, instrumentality, or political subdivision of this state that makes, services,
175.25 or guarantees student loans;

175.26 (4) a person acting in a fiduciary capacity, including a trustee or receiver, as a result of
175.27 a specific order issued by a court of competent jurisdiction; or

175.28 (5) a person exempted by order of the commissioner.

176.1 Subd. 3. **Application for licensure.** (a) Any person seeking to act as a student loan
176.2 servicer in Minnesota must apply for a license in a form and manner specified by the
176.3 commissioner. At a minimum, the application must include:

176.4 (1) a financial statement prepared by a certified public accountant or a public accountant;

176.5 (2) the history of criminal convictions, excluding traffic violations, for persons in control
176.6 of the applicant;

176.7 (3) any information requested by the commissioner related to the history of criminal
176.8 convictions disclosed under clause (2);

176.9 (4) a nonrefundable license fee established by the commissioner; and

176.10 (5) a nonrefundable investigation fee established by the commissioner.

176.11 (b) The commissioner may conduct a state and national criminal history records check
176.12 of the applicant and of each person in control of or employed by the applicant.

176.13 Subd. 4. **Issuance of a license.** Upon receipt of a complete application for an initial
176.14 license and the payment of fees for a license and investigation, the commissioner must
176.15 investigate the financial condition and responsibility, character, financial and business
176.16 experience, and general fitness of the applicant. The commissioner may issue a license if
176.17 the commissioner finds:

176.18 (1) the applicant's financial condition is sound;

176.19 (2) the applicant's business is conducted honestly, fairly, equitably, carefully, and
176.20 efficiently within the purposes and intent of this section;

176.21 (3) each person in control of the applicant is in all respects properly qualified and of
176.22 good character;

176.23 (4) no person has, on behalf of the applicant, knowingly made any incorrect statement
176.24 of a material fact in the application, or in any report or statement made pursuant to this
176.25 section;

176.26 (5) no person has, on behalf of the applicant, knowingly omitted from an application,
176.27 report, or statement made pursuant to this section any information required by the
176.28 commissioner;

176.29 (6) the applicant has paid the fees required under this section; and

176.30 (7) the application has met other similar requirements, as determined by the commissioner.

177.1 Subd. 5. Notification of a change in status. An applicant or student loan servicer must
177.2 notify the commissioner in writing of any change in the information provided in the initial
177.3 license application or the most recent renewal application for a license. The notification
177.4 must be received no later than ten business days after the date an event that results in the
177.5 information becoming inaccurate occurs.

177.6 Subd. 6. Term of license. Licenses issued under this chapter expire on December 31
177.7 and are renewable on January 1.

177.8 Subd. 7. Certificate of exemption. (a) A person is exempt from the application
177.9 procedures under subdivision 3 if the commissioner determines the person is servicing
177.10 student loans in Minnesota pursuant to a contract awarded by the United States Secretary
177.11 of Education under United States Code, title 20, section 1087f. Documentation of eligibility
177.12 for this exemption must be in a form and manner determined by the commissioner.

177.13 (b) Upon payment of the fees under subdivision 3, a person determined eligible for the
177.14 exemption under paragraph (a) must be issued a certificate of exemption and deemed to
177.15 meet all the requirements of subdivision 4.

177.16 Subd. 8. Notice. (a) A person issued a license under subdivision 7 must provide the
177.17 commissioner with written notice no less than seven days after the date the person's contract
177.18 under United States Code, title 20, section 1087f, expires, is revoked, or is terminated.

177.19 (b) A person issued a license under subdivision 7 has 30 days from the date the
177.20 notification under paragraph (a) is provided to complete the requirements of subdivision 3.
177.21 If a person does not meet the requirements of subdivision 3 within this time period, the
177.22 commissioner must immediately suspend the person's license under this chapter.

177.23 **EFFECTIVE DATE.** This section is effective January 1, 2020.

177.24 Sec. 11. **[58B.04] LICENSING MULTIPLE PLACES OF BUSINESS.**

177.25 (a) A person issued a certificate of exemption or licensed to act as a student loan servicer
177.26 in Minnesota is prohibited from doing so under any other name or at any other place of
177.27 business than that named in the certificate or license. Any time a student loan servicer
177.28 changes the location of the servicer's place of business, the servicer must provide prior
177.29 written notice to the commissioner. A student loan servicer must not maintain more than
177.30 one place of business under the same certificate or license. The commissioner may issue
177.31 more than one license to the same student loan servicer, provided that the servicer complies
177.32 with the application procedures in section 58B.03 for each certificate or license.

177.33 (b) A certificate or license issued under this chapter is not transferable or assignable.

178.1 **EFFECTIVE DATE.** This section is effective January 1, 2020.

178.2 Sec. 12. **[58B.05] LICENSE RENEWAL.**

178.3 Subdivision 1. **Term.** Licenses are renewable on January 1 of each year.

178.4 Subd. 2. **Timely renewal.** (a) A person whose application is properly and timely filed
178.5 who has not received notice of denial of renewal is considered approved for renewal. The
178.6 person may continue to act as a student loan servicer whether or not the renewed license
178.7 has been received on or before January 1 of the renewal year. An application to renew a
178.8 license is considered timely filed if received by the commissioner, or mailed with proper
178.9 postage and postmarked, by the December 15 before the renewal year. An application to
178.10 renew a license is considered properly filed if made upon forms duly executed, accompanied
178.11 by fees prescribed by this chapter, and containing any information that the commissioner
178.12 requires.

178.13 (b) A person who fails to make a timely application to renew a license and who has not
178.14 received the renewal license as of January 1 of the renewal year is unlicensed until the
178.15 renewal license has been issued by the commissioner and is received by the person.

178.16 Subd. 3. **Contents of renewal application.** An application to renew an existing license
178.17 must contain the information specified in section 58B.03, subdivision 3, except that only
178.18 the requested information having changed from the most recent prior application need be
178.19 submitted.

178.20 Subd. 4. **Cancellation.** A student loan servicer that ceases an activity or activities
178.21 regulated by this chapter and desires to no longer be licensed must inform the commissioner
178.22 in writing and, at the same time, surrender the license and all other symbols or indicia of
178.23 licensure. The licensee must include a plan to withdraw from student loan servicing, including
178.24 a timetable for the disposition of the student loans being serviced.

178.25 Subd. 5. **Renewal fees.** The following fees must be paid to the commissioner for a
178.26 renewal license:

178.27 (1) a nonrefundable renewal license fee established by the commissioner; and

178.28 (2) a nonrefundable renewal investigation fee established by the commissioner.

178.29 **EFFECTIVE DATE.** This section is effective January 1, 2020.

179.1 Sec. 13. **[58B.06] DUTIES OF STUDENT LOAN SERVICERS.**

179.2 Subdivision 1. Response requirements. Upon receiving a written communication from
179.3 a borrower, a student loan servicer must:

179.4 (1) acknowledge receipt of the communication in less than ten days from the date the
179.5 written communication was received; and

179.6 (2) provide information relating to the communication and, if applicable, the action the
179.7 student loan servicer will take to either (i) correct the borrower's issue, or (ii) explain why
179.8 the issue cannot be corrected. This information must be provided less than 30 days from
179.9 the date the written communication was received by the student loan servicer.

179.10 Subd. 2. Overpayments. A student loan servicer must ask a borrower in what manner
179.11 the borrower would like any overpayment on a student loan that exceeds the monthly amount
179.12 due to be applied to a student loan. A borrower's instruction regarding the application of
179.13 overpayments is effective for the term of the loan or until the borrower provides a different
179.14 instruction.

179.15 Subd. 3. Partial payments. A student loan servicer must apply a partial payment that
179.16 is less than the amount due on a student loan in a manner that minimizes late fees and the
179.17 negative impact on the borrower's credit history. If a borrower has multiple student loans
179.18 with the same student loan servicer, upon receipt of a partial payment the servicer must
179.19 apply the payments to satisfy as many individual loan payments as possible.

179.20 Subd. 4. Transfer of student loan. (a) If a borrower's student loan servicer changes
179.21 pursuant to the sale, assignment, or transfer of the servicing, the original student loan servicer
179.22 must:

179.23 (1) require the new student loan servicer to honor all benefits that were made available,
179.24 or which may have become available, to a borrower from the original student loan servicer;
179.25 and

179.26 (2) transfer to the new student loan servicer all information regarding the borrower, the
179.27 account of the borrower, and the borrower's student loan, including but not limited to the
179.28 repayment status of the student loan and the benefits described in clause (1).

179.29 (b) The student loan servicer must complete the transfer under clause (2) less than 45
179.30 days from the date the of the sale, assignment, or transfer of the servicing.

179.31 (c) A sale, assignment, or transfer of the servicing must be completed no less than seven
179.32 days from the date the next payment is due on the student loan.

(d) A new student loan servicer must adopt policies and procedures to verify that the original student loan servicer has met the requirements of paragraph (a).

Subd. 5. **Income-driven repayment.** A student loan servicer must evaluate a borrower's eligibility for an income-driven repayment program before placing a borrower in forbearance or default.

Subd. 6. **Records.** A student loan servicer must maintain adequate records of each student loan for at least two years following the final payment on the student loan, or the sale, assignment, or transfer of the servicing.

EFFECTIVE DATE. This section is effective July 1, 2019, and applies to student loan contracts executed on or after that date.

Sec. 14. **[58B.07] PROHIBITED CONDUCT.**

Subdivision 1. **Misleading borrowers.** A student loan servicer must not directly or indirectly attempt to mislead a borrower.

Subd. 2. **Misrepresentation.** A student loan servicer must not (1) engage in any unfair or deceptive practice, or (2) misrepresent or omit any material information in connection with the servicing of a student loan, including but not limited to misrepresenting the amount, nature, or terms of any fee or payment due or claimed to be due on a student loan, the terms and conditions of the loan agreement, or the borrower's obligations under the loan.

Subd. 3. **Misapplication of payments.** A student loan servicer must not knowingly or negligently misapply student loan payments.

Subd. 4. **Inaccurate information.** A student loan servicer must not knowingly or negligently provide inaccurate information to any consumer reporting agency.

Subd. 5. **Reporting of payment history.** A student loan servicer must report both the favorable and unfavorable payment history of the borrower to a consumer reporting agency at least annually, if the student loan servicer regularly reports the information.

Subd. 6. **Refusal to communicate with a borrower's representative.** A student loan servicer must not refuse to communicate with a representative of the borrower who provides a written authorization signed by the borrower. The student loan servicer may adopt procedures reasonably related to verifying that the representative is in fact authorized to act on behalf of the borrower.

Subd. 7. **False statements and omissions.** A student loan servicer must not knowingly or negligently make any false statement or omission of material fact in connection with any

181.1 application, information, or reports filed with the commissioner or any other federal, state,
181.2 or local government agency.

181.3 Subd. 8. **Noncompliance with applicable laws.** A student loan servicer must not violate
181.4 any other federal, state, or local laws, including those related to fraudulent, coercive, or
181.5 dishonest practices.

181.6 Subd. 9. **Failure to respond to advocate.** (a) A student loan servicer must respond in
181.7 less than 15 days from the date the student loan servicer receives a communication from
181.8 the student loan advocate. This response period may be reasonably shortened by the advocate
181.9 in their communication.

181.10 (b) A student loan servicer must provide a response in less than 15 days from the date
181.11 the student loan servicer receives a consumer complaint submitted to the servicer by the
181.12 student loan advocate. A student loan servicer may request from the advocate an extension
181.13 of up to 45 days from receipt of the consumer complaint, if the request is accompanied by
181.14 an explanation of why additional time is reasonable and necessary.

181.15 **EFFECTIVE DATE.** This section is effective July 1, 2019.

181.16 Sec. 15. **[58B.08] EXAMINATIONS.**

181.17 For the purposes of this chapter, the commissioner has the same powers with respect to
181.18 examinations of student loan servicers that the commissioner has under section 46.04.

181.19 **EFFECTIVE DATE.** This section is effective January 1, 2020.

181.20 Sec. 16. **[58B.09] DENIAL, SUSPENSION, REVOCATION OF CERTIFICATES**
181.21 **OF EXEMPTION AND LICENSES.**

181.22 Subdivision 1. **Powers of commissioner.** (a) The commissioner may by order take any
181.23 or all of the following actions:

181.24 (1) bar a person from engaging in student loan servicing;

181.25 (2) deny, suspend, or revoke a certificate of exemption or student loan servicer license;

181.26 (3) censure a student loan servicer;

181.27 (4) impose a civil penalty as provided in section 45.027, subdivision 6; or

181.28 (5) revoke a certificate of exemption.

181.29 (b) In order to take the action in paragraph (a), the commissioner must find:

181.30 (1) the order is in the public interest; and

- 182.1 (2) the student loan servicer, applicant, person in control, employee, or agent has:
- 182.2 (i) violated any provision of this chapter, or any rule or order under this chapter;
- 182.3 (ii) violated any applicable provision of federal law or regulation related to student loan
- 182.4 servicing, including but not limited to the federal Truth in Lending Act, United States Code,
- 182.5 title 15, sections 1601 to 1667(f);
- 182.6 (iii) violated a standard of conduct or engaged in a fraudulent, coercive, deceptive, or
- 182.7 dishonest act or practice, including but not limited to negligently making a false statement
- 182.8 or knowingly omitting a material fact, whether or not the act or practice involves student
- 182.9 loan servicing;
- 182.10 (iv) engaged in an act or practice that demonstrates untrustworthiness, financial
- 182.11 irresponsibility, or incompetence, whether or not the act or practice involves student loan
- 182.12 servicing;
- 182.13 (v) pled guilty or nolo contendere to or been convicted of a felony, gross misdemeanor,
- 182.14 or misdemeanor;
- 182.15 (vi) paid a civil penalty or been the subject of disciplinary action by the commissioner,
- 182.16 an order of suspension or revocation, cease and desist order, injunction order, or order
- 182.17 barring involvement in an industry or profession issued by the commissioner or any other
- 182.18 federal, state, or local government agency;
- 182.19 (vii) been found by a court of competent jurisdiction to have engaged in conduct
- 182.20 evidencing gross negligence, fraud, misrepresentation, or deceit;
- 182.21 (viii) refused to cooperate with an investigation or examination by the commissioner;
- 182.22 (ix) failed to pay any fee or assessment imposed by the commissioner; or
- 182.23 (x) failed to comply with state and federal tax obligations.
- 182.24 Subd. 2. **Orders of the commissioner.** To begin a proceeding under this section, the
- 182.25 commissioner must issue an order requiring the subject of the proceeding to show cause
- 182.26 why action should not be taken against the person under this section. The order must be
- 182.27 calculated to give reasonable notice of the time and place for the hearing and must state the
- 182.28 reasons for entry of the order. The commissioner may by order summarily suspend a license
- 182.29 or certificate of exemption, or summarily bar a person from engaging in student loan
- 182.30 servicing, pending a final determination of an order to show cause. If a license or certificate
- 182.31 of exemption is summarily suspended or if the person is summarily barred from any
- 182.32 involvement in the servicing of student loans, pending final determination of an order to

183.1 show cause, a hearing on the merits must be held within 30 days of the issuance of the order
183.2 of summary suspension or bar. All hearings must be conducted under chapter 14. After the
183.3 hearing, the commissioner must enter an order disposing of the matter as the facts require.
183.4 If the subject of the order fails to appear at a hearing after having been duly notified, the
183.5 person is considered in default and the proceeding may be determined against the subject
183.6 of the order upon consideration of the order to show cause, the allegations of which may
183.7 be considered to be true.

183.8 Subd. 3. **Actions against lapsed license.** If a license or certificate of exemption lapses,
183.9 or is surrendered, withdrawn, terminated, or otherwise becomes ineffective, the commissioner
183.10 may institute a proceeding under this subdivision within two years after the license or
183.11 certificate of exemption was last effective and enter a revocation or suspension order as of
183.12 the last date the license or certificate of exemption was in effect, and may impose a civil
183.13 penalty as provided under this section or section 45.027, subdivision 6.

183.14 **EFFECTIVE DATE.** This section is effective January 1, 2020.

183.15 Sec. 17. **[325F.6945] INTERNET SERVICE PROVIDERS; PROHIBITED ACTIONS.**

183.16 Subdivision 1. **Definitions.** The definitions in section 16C.57 apply to this section.

183.17 Subd. 2. **Prohibited actions.** An Internet service provider is prohibited from engaging
183.18 in any of the following activities with respect to any of its Minnesota customers:

183.19 (1) block lawful content, applications, services, or nonharmful devices, subject to
183.20 reasonable network management;

183.21 (2) impair, impede, or degrade lawful Internet traffic on the basis of Internet content,
183.22 application, or service, or use of a nonharmful device, subject to reasonable network
183.23 management;

183.24 (3) engage in paid prioritization;

183.25 (4) unreasonably interfere with or unreasonably disadvantage:

183.26 (i) a customer's ability to select, access, and use broadband Internet service or lawful
183.27 Internet content, applications, services, or devices of the customer's choice; or

183.28 (ii) an edge provider's ability to provide lawful Internet content, applications, services,
183.29 or devices to a customer; or

183.30 (5) engage in deceptive or misleading marketing practices that misrepresent the treatment
183.31 of Internet traffic or content.

Subd. 3. **Certification required.** Prior to offering service to a customer in Minnesota, or prior to August 1, 2019, for Internet service providers already offering services to customers in Minnesota, an Internet service provider must file a document with the commissioner of commerce certifying that it does not engage in any of the activities prohibited under subdivision 2. The filing required by this subdivision must be provided prior to offering services for the first time in Minnesota, at any time after a company or entity has changed ownership or merged with another entity, or prior to offering services in Minnesota after the company has suspended service for more than 30 days. An Internet service provider is not otherwise required to make filings on an annual basis.

Subd. 4. **Other laws.** Nothing in this section (1) supersedes any obligation or authorization an Internet service provider may have consistent with or as permitted by applicable law to address the needs of emergency communications or law enforcement, public safety, or national security authorities, or (2) limits the provider's ability to meet the needs under clause (1).

Subd. 5. **Enforcement.** (a) A violation of subdivision 2 may be enforced by the commissioner of commerce under section 45.027 and by the attorney general under section 8.31. The venue for enforcement proceedings is Ramsey County.

(b) A violation of the certification provided under subdivision 3 must be enforced under section 609.48. The venue for enforcement proceedings is Ramsey County.

ARTICLE 10

UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; POLICY

Section 1. Minnesota Statutes 2018, section 268.035, subdivision 12, is amended to read:

~~Subd. 12. **Covered employment.** (a) "Covered employment" means the following unless excluded as "nonecovered employment" under subdivision 20:~~

~~(1) an employee's entire employment during the calendar quarter if:~~

~~(i) (1) 50 percent or more of the employment during the quarter is performed primarily in Minnesota;~~

~~(ii) (2) 50 percent or more of the employment during the quarter is not performed primarily in Minnesota or any other state, or Canada, but some of the employment is performed in Minnesota and the base of operations or the place from which the employment is directed or controlled is in Minnesota; or~~

185.1 ~~(iii) the employment during the quarter is not performed primarily in Minnesota or any~~
185.2 ~~other state and the base of operations or place from which the employment is directed or~~
185.3 ~~controlled is not in any state where part of the employment is performed, but the employee's~~
185.4 ~~residence is in Minnesota~~ during 50 percent or more of the calendar quarter;

185.5 ~~(2) an employee's entire employment during the calendar quarter performed within the~~
185.6 ~~United States or Canada, if:~~

185.7 ~~(i) the employment is not covered employment under the unemployment insurance~~
185.8 ~~program of any other state, federal law, or the law of Canada; and~~

185.9 ~~(ii) the place from which the employment is directed or controlled is in Minnesota;~~

185.10 (3) the employment during the calendar quarter, is performed entirely outside the United
185.11 States and Canada, by an employee who is a United States citizen in the employ of an
185.12 American employer, if the employer's principal place of business in the United States is
185.13 located in Minnesota. For the purposes of this clause, an "American employer," for the
185.14 purposes of this clause, means a corporation organized under the laws of any state, an
185.15 individual who is a resident of the United States, or a partnership if two-thirds or more of
185.16 the partners are residents of the United States, or a trust, if all of the trustees are residents
185.17 of the United States is defined under the Federal Unemployment Tax Act, United States
185.18 Code title 26, chapter 23, section 3306, subsection (j)(3); and or

185.19 (4) ~~all the employment during the calendar quarter is performed by an officer or member~~
185.20 ~~of the crew of an American vessel on or in connection with the vessel, if the operating on~~
185.21 ~~navigable waters within, or within and without, the United States, and the office from which~~
185.22 ~~the operations of the vessel operating on navigable waters within, or within and without,~~
185.23 ~~the United States are ordinarily and regularly supervised, managed, directed, and controlled~~
185.24 ~~is in Minnesota.~~

185.25 (b) "Covered employment" includes covered agricultural employment under subdivision
185.26 11.

185.27 (c) For the purposes of section 268.095, "covered employment" includes employment
185.28 covered under an unemployment insurance program:

185.29 (1) of any other state; or

185.30 (2) established by an act of Congress; or

185.31 (3) the law of Canada.

186.1 (d) The percentage of employment performed under paragraph (a) is determined by the
186.2 amount of hours worked.

186.3 (e) Covered employment does not include any employment defined as "noncovered
186.4 employment" under subdivision 20.

186.5 Sec. 2. Minnesota Statutes 2018, section 268.035, subdivision 20, is amended to read:

186.6 Subd. 20. **Noncovered employment.** "Noncovered employment" means:

186.7 (1) employment for the United States government or an instrumentality thereof, including
186.8 military service;

186.9 (2) employment for a state, other than Minnesota, or a political subdivision or
186.10 instrumentality thereof;

186.11 (3) employment for a foreign government;

186.12 (4) employment covered under the federal Railroad Unemployment Insurance Act;

186.13 (5) employment for a church or convention or association of churches, or a nonprofit
186.14 organization operated primarily for religious purposes that is operated, supervised, controlled,
186.15 or principally supported by a church or convention or association of churches;

186.16 (6) employment for an elementary or secondary school with a curriculum that includes
186.17 religious education that is operated by a church, a convention or association of churches,
186.18 or a nonprofit organization that is operated, supervised, controlled, or principally supported
186.19 by a church or convention or association of churches;

186.20 (7) employment for Minnesota or a political subdivision, or a nonprofit organization, of
186.21 a duly ordained or licensed minister of a church in the exercise of a ministry or by a member
186.22 of a religious order in the exercise of duties required by the order;

186.23 (8) employment for Minnesota or a political subdivision, or a nonprofit organization, of
186.24 an individual receiving rehabilitation of "sheltered" work in a facility conducted for the
186.25 purpose of carrying out a program of rehabilitation for individuals whose earning capacity
186.26 is impaired by age or physical or mental deficiency or injury or a program providing
186.27 "sheltered" work for individuals who because of an impaired physical or mental capacity
186.28 cannot be readily absorbed in the competitive labor market. This clause applies only to
186.29 services performed in a facility certified by the Rehabilitation Services Branch of the
186.30 department or in a day training or habilitation program licensed by the Department of Human
186.31 Services;

187.1 (9) employment for Minnesota or a political subdivision, or a nonprofit organization, of
187.2 an individual receiving work relief or work training as part of an unemployment work relief
187.3 or work training program financed in whole or in part by any federal agency or an agency
187.4 of a state or political subdivision thereof. This clause does not apply to programs that require
187.5 unemployment benefit coverage for the participants;

187.6 (10) employment for Minnesota or a political subdivision, as an elected official, a member
187.7 of a legislative body, or a member of the judiciary;

187.8 (11) employment as a member of the Minnesota National Guard or Air National Guard;

187.9 (12) employment for Minnesota or a political subdivision, or instrumentality thereof, of
187.10 an individual serving on a temporary basis in case of fire, flood, tornado, or similar
187.11 emergency;

187.12 (13) employment as an election official or election worker for Minnesota or a political
187.13 subdivision, if the compensation for that employment was less than \$1,000 in a calendar
187.14 year;

187.15 (14) employment for Minnesota that is a major policy-making or advisory position in
187.16 the unclassified service;

187.17 (15) employment for Minnesota in an unclassified position established under section
187.18 43A.08, subdivision 1a;

187.19 (16) employment for a political subdivision of Minnesota that is a nontenured major
187.20 policy making or advisory position;

187.21 (17) domestic employment in a private household, local college club, or local chapter
187.22 of a college fraternity or sorority, if the wages paid in any calendar quarter in either the
187.23 current or prior calendar year to all individuals in domestic employment totaled less than
187.24 \$1,000.

187.25 "Domestic employment" includes all service in the operation and maintenance of a
187.26 private household, for a local college club, or local chapter of a college fraternity or sorority
187.27 as distinguished from service as an employee in the pursuit of an employer's trade or business;

187.28 (18) employment of an individual by a son, daughter, or spouse, and employment of a
187.29 child under the age of 18 by the child's father or mother;

187.30 (19) employment of an inmate of a custodial or penal institution;

187.31 (20) employment for a school, college, or university, by a student who is enrolled and
187.32 whose primary relation to the school, college, or university is as a student. This does not

188.1 include an individual whose primary relation to the school, college, or university is as an
188.2 employee who also takes courses;

188.3 (21) employment of an individual who is enrolled as a student in a full-time program at
188.4 a nonprofit or public educational institution that maintains a regular faculty and curriculum
188.5 and has a regularly organized body of students in attendance at the place where its educational
188.6 activities are carried on, taken for credit at the institution, that combines academic instruction
188.7 with work experience, if the employment is an integral part of the program, and the institution
188.8 has so certified to the employer, except that this clause does not apply to employment in a
188.9 program established for or on behalf of an employer or group of employers;

188.10 (22) employment of a foreign college or university student who works on a seasonal or
188.11 temporary basis under the J-1 visa summer work travel program described in Code of Federal
188.12 Regulations, title 22, section 62.32;

188.13 ~~(22)~~ (23) employment of university, college, or professional school students in an
188.14 internship or other training program with the city of St. Paul or the city of Minneapolis
188.15 under Laws 1990, chapter 570, article 6, section 3;

188.16 ~~(23)~~ (24) employment for a hospital by a patient of the hospital. "Hospital" means an
188.17 institution that has been licensed by the Department of Health as a hospital;

188.18 ~~(24)~~ (25) employment as a student nurse for a hospital or a nurses' training school by
188.19 an individual who is enrolled and is regularly attending classes in an accredited nurses'
188.20 training school;

188.21 ~~(25)~~ (26) employment as an intern for a hospital by an individual who has completed a
188.22 four-year course in an accredited medical school;

188.23 ~~(26)~~ (27) employment as an insurance salesperson, by other than a corporate officer, if
188.24 all the wages from the employment is solely by way of commission. The word "insurance"
188.25 includes an annuity and an optional annuity;

188.26 ~~(27)~~ (28) employment as an officer of a township mutual insurance company or farmer's
188.27 mutual insurance company under chapter 67A;

188.28 ~~(28)~~ (29) employment of a corporate officer, if the officer directly or indirectly, including
188.29 through a subsidiary or holding company, owns 25 percent or more of the employer
188.30 corporation, and employment of a member of a limited liability company, if the member
188.31 directly or indirectly, including through a subsidiary or holding company, owns 25 percent
188.32 or more of the employer limited liability company;

189.1 ~~(29)~~ (30) employment as a real estate salesperson, other than a corporate officer, if all
189.2 the wages from the employment is solely by way of commission;

189.3 ~~(30)~~ (31) employment as a direct seller as defined in United States Code, title 26, section
189.4 3508;

189.5 ~~(31)~~ (32) employment of an individual under the age of 18 in the delivery or distribution
189.6 of newspapers or shopping news, not including delivery or distribution to any point for
189.7 subsequent delivery or distribution;

189.8 ~~(32)~~ (33) casual employment performed for an individual, other than domestic
189.9 employment under clause (17), that does not promote or advance that employer's trade or
189.10 business;

189.11 ~~(33)~~ (34) employment in "agricultural employment" unless it is "covered agricultural
189.12 employment" under subdivision 11; or

189.13 ~~(34)~~ (35) if employment during one-half or more of any pay period was covered
189.14 employment, all the employment for the pay period is covered employment; but if during
189.15 more than one-half of any pay period the employment was noncovered employment, then
189.16 all of the employment for the pay period is noncovered employment. "Pay period" means
189.17 a period of not more than a calendar month for which a payment or compensation is ordinarily
189.18 made to the employee by the employer.

189.19 Sec. 3. Minnesota Statutes 2018, section 268.051, subdivision 2a, is amended to read:

189.20 Subd. 2a. **Unemployment insurance tax limits reduction.** (a) If the balance in the trust
189.21 fund on December 31 of any calendar year is four percent or more above the amount equal
189.22 to an average high cost multiple of 1.0, future unemployment taxes payable must be reduced
189.23 by all amounts above 1.0. The amount of tax reduction for any taxpaying employer is the
189.24 same percentage of the total amount above 1.0 as the percentage of taxes paid by the
189.25 employer during the calendar year is of the total amount of taxes that were paid by all
189.26 ~~nonmaximum experience rated~~ employers during the year except taxes paid by employers
189.27 assigned a tax rate equal to the maximum experience rating plus the applicable base tax
189.28 rate.

189.29 (b) For purposes of this subdivision, "average high cost multiple" has the meaning given
189.30 in Code of Federal Regulations, title 20, section 606.3, as amended through December 31,
189.31 2015. An amount equal to an average high cost multiple of 1.0 is a federal measure of
189.32 adequate reserves in relation to the state's current economy. The commissioner must calculate
189.33 and publish, as soon as possible following December 31 of any calendar year, the trust fund

190.1 balance on December 31 along with the amount an average high cost multiple of 1.0 equals.
190.2 Actual wages paid must be used in the calculation and estimates may not be used.

190.3 (c) The unemployment tax reduction under this subdivision does not apply to employers
190.4 that were ~~at~~ assigned a tax rate equal to the maximum experience rating plus the applicable
190.5 base tax rate for the year, ~~nor to high experience rating industry employers under subdivision~~
190.6 ~~5, paragraph (b).~~ Computations under paragraph (a) are not subject to the rounding
190.7 requirement of section 268.034. The refund provisions of section 268.057, subdivision 7,
190.8 do not apply.

190.9 (d) The unemployment tax reduction under this subdivision applies to taxes paid between
190.10 March 1 and December 15 of the year following the December 31 computation under
190.11 paragraph (a).

190.12 (e) ~~The amount equal to the average high cost multiple of 1.0 on December 31, 2012,~~
190.13 ~~must be used for the calculation under paragraph (a) but only for the calculation made on~~
190.14 ~~December 31, 2015. Notwithstanding paragraph (d), the tax reduction resulting from the~~
190.15 ~~application of this paragraph applies to unemployment taxes paid between July 1, 2016,~~
190.16 ~~and June 30, 2017. If there was an experience rating history transfer under subdivision 4,~~
190.17 ~~the successor employer must receive that portion of the predecessor employer's tax reduction~~
190.18 ~~equal to that portion of the experience rating history transferred. The predecessor employer~~
190.19 ~~retains that portion of tax reduction not transferred to the successor. This paragraph applies~~
190.20 ~~to that portion of the tax reduction that remains unused at the time of notice of acquisition~~
190.21 is provided under subdivision 4, paragraph (e).

190.22 Sec. 4. **EFFECTIVE DATE.**

190.23 Unless otherwise specified, this article is effective October 1, 2020.

190.24 **ARTICLE 11**

190.25 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; INTEREST**

190.26 Section 1. Minnesota Statutes 2018, section 268.057, subdivision 5, is amended to read:

190.27 Subd. 5. **Interest on amounts past due.** If any amounts due from an employer under
190.28 this chapter or section 116L.20, except late fees under section 268.044, are not received on
190.29 the date due ~~the unpaid balance bears~~ the commissioner must assess interest on any amount
190.30 that remains unpaid. Interest is assessed at the rate of one percent per month or any part of
190.31 a month. Interest is not assessed on unpaid interest. Interest collected under this subdivision
190.32 is credited to the contingent account.

191.1 **EFFECTIVE DATE.** This section is effective October 1, 2020.

191.2 Sec. 2. Minnesota Statutes 2018, section 268.18, subdivision 2b, is amended to read:

191.3 Subd. 2b. **Interest.** On any unemployment benefits obtained by misrepresentation, and
191.4 any penalty amounts assessed under subdivision 2, the commissioner must assess interest
191.5 ~~at the rate of one percent per month~~ on any amount that remains unpaid beginning 30 calendar
191.6 days after the date of a determination of overpayment penalty. Interest is assessed at the
191.7 rate of one percent per month or any part of a month. A determination of overpayment
191.8 penalty must state that interest will be assessed. Interest is not assessed ~~in the same manner~~
191.9 ~~as on employer debt under section 268.057, subdivision 5~~ on unpaid interest. Interest
191.10 ~~payments~~ collected under this subdivision are is credited to the trust fund.

191.11 **EFFECTIVE DATE.** This section is effective October 1, 2020.

191.12 ARTICLE 12

191.13 UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; BASE PERIODS

191.14 Section 1. Minnesota Statutes 2018, section 268.035, subdivision 4, is amended to read:

191.15 Subd. 4. **Base period.** (a) "Base period," unless otherwise provided in this subdivision,
191.16 means the most recent four completed calendar quarters before the effective date of an
191.17 applicant's application for unemployment benefits if the application has an effective date
191.18 occurring after the month following the most recent completed calendar quarter. The base
191.19 period under this paragraph is as follows:

191.20	If the application for unemployment	The base period is the prior:
191.21	benefits is effective on or between these	
191.22	dates:	
191.23	February 1 - March 31	January 1 - December 31
191.24	May 1 - June 30	April 1 - March 31
191.25	August 1 - September 30	July 1 - June 30
191.26	November 1 - December 31	October 1 - September 30

191.27 (b) If an application for unemployment benefits has an effective date that is during the
191.28 month following the most recent completed calendar quarter, then the base period is the
191.29 first four of the most recent five completed calendar quarters before the effective date of
191.30 an applicant's application for unemployment benefits. The base period under this paragraph
191.31 is as follows:

192.1	If the application for unemployment	The base period is the prior:
192.2	benefits is effective on or between these	
192.3	dates:	
192.4	January 1 - January 31	October 1 - September 30
192.5	April 1 - April 30	January 1 - December 31
192.6	July 1 - July 31	April 1 - March 31
192.7	October 1 - October 31	July 1 - June 30

192.8 (c) Regardless of paragraph (a), a base period of the first four of the most recent five
 192.9 completed calendar quarters must be used if the applicant would have more wage credits
 192.10 under that base period than under a base period of the four most recent completed calendar
 192.11 quarters.

192.12 ~~(d) If the applicant under paragraph (b) has insufficient wage credits to establish a benefit~~
 192.13 ~~account, then a base period of the most recent four completed calendar quarters before the~~
 192.14 ~~effective date of the applicant's application for unemployment benefits must be used.~~

192.15 ~~(e)~~ (d) If the applicant has insufficient wage credits to establish a benefit account under
 192.16 a base period of the four most recent completed calendar quarters, or a base period of the
 192.17 first four of the most recent five completed calendar quarters, but during either base period
 192.18 the applicant received workers' compensation for temporary disability under chapter 176
 192.19 or a similar federal law or similar law of another state, or if the applicant whose own serious
 192.20 illness caused a loss of work for which the applicant received compensation for loss of
 192.21 wages from some other source, the applicant may request a base period as follows:

192.22 (1) if an applicant was compensated for a loss of work of seven to 13 weeks; during a
 192.23 base period referred to in paragraph (a) or (b), then the base period is the first four of the
 192.24 most recent six completed calendar quarters before the effective date of the application for
 192.25 unemployment benefits;

192.26 (2) if an applicant was compensated for a loss of work of 14 to 26 weeks; during a base
 192.27 period referred to in paragraph (a) or (b), then the base period is the first four of the most
 192.28 recent seven completed calendar quarters before the effective date of the application for
 192.29 unemployment benefits;

192.30 (3) if an applicant was compensated for a loss of work of 27 to 39 weeks; during a base
 192.31 period referred to in paragraph (a) or (b), then the base period is the first four of the most
 192.32 recent eight completed calendar quarters before the effective date of the application for
 192.33 unemployment benefits; and

192.34 (4) if an applicant was compensated for a loss of work of 40 to 52 weeks; during a base
 192.35 period referred to in paragraph (a) or (b), then the base period is the first four of the most

193.1 recent nine completed calendar quarters before the effective date of the application for
193.2 unemployment benefits.

193.3 ~~(f)~~ (e) No base period under this subdivision may include wage credits upon which a
193.4 prior benefit account was established.

193.5 Sec. 2. Minnesota Statutes 2018, section 268.07, subdivision 1, is amended to read:

193.6 Subdivision 1. **Application for unemployment benefits; determination of benefit**
193.7 **account.** (a) An application for unemployment benefits may be filed in person, by mail, or
193.8 by electronic transmission as the commissioner may require. The applicant must be
193.9 unemployed at the time the application is filed and must provide all requested information
193.10 in the manner required. If the applicant is not unemployed at the time of the application or
193.11 fails to provide all requested information, the communication is not an application for
193.12 unemployment benefits.

193.13 (b) The commissioner must examine each application for unemployment benefits to
193.14 determine the base period and the benefit year, and based upon all the covered employment
193.15 in the base period the commissioner must determine the weekly unemployment benefit
193.16 amount available, if any, and the maximum amount of unemployment benefits available,
193.17 if any. The determination, which is a document separate and distinct from a document titled
193.18 a determination of eligibility or determination of ineligibility issued under section 268.101,
193.19 must be titled determination of benefit account. A determination of benefit account must
193.20 be sent to the applicant and all base period employers, by mail or electronic transmission.

193.21 (c) If a base period employer did not provide wage detail information for the applicant
193.22 as required under section 268.044, ~~or provided erroneous information, or wage detail is not~~
193.23 ~~yet due and the applicant is using a base period under section 268.035, subdivision 4,~~
193.24 ~~paragraph (d),~~ the commissioner may accept an applicant certification of wage credits, based
193.25 upon the applicant's records, and issue a determination of benefit account.

193.26 ~~(d) An employer must provide wage detail information on an applicant within five~~
193.27 ~~calendar days of request by the commissioner, in a manner and format requested, when:~~

193.28 ~~(1) the applicant is using a base period under section 268.035, subdivision 4, paragraph~~
193.29 ~~(d); and~~

193.30 ~~(2) wage detail under section 268.044 is not yet required to have been filed by the~~
193.31 ~~employer.~~

193.32 ~~(e)~~ (d) The commissioner may, at any time within 24 months from the establishment of
193.33 a benefit account, reconsider any determination of benefit account and make an amended

194.1 determination if the commissioner finds that the wage credits listed in the determination
194.2 were incorrect for any reason. An amended determination of benefit account must be
194.3 promptly sent to the applicant and all base period employers, by mail or electronic
194.4 transmission. This subdivision does not apply to documents titled determinations of eligibility
194.5 or determinations of ineligibility issued under section 268.101.

194.6 ~~(f)~~ (e) If an amended determination of benefit account reduces the weekly unemployment
194.7 benefit amount or maximum amount of unemployment benefits available, any unemployment
194.8 benefits that have been paid greater than the applicant was entitled is an overpayment of
194.9 unemployment benefits. A determination or amended determination issued under this section
194.10 that results in an overpayment of unemployment benefits must set out the amount of the
194.11 overpayment and the requirement under section 268.18, subdivision 1, that the overpaid
194.12 unemployment benefits must be repaid.

194.13 Sec. 3. **EFFECTIVE DATE.**

194.14 Unless otherwise specified, this article is effective January 1, 2020.

194.15 **ARTICLE 13**

194.16 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; HOUSEKEEPING**

194.17 Section 1. Minnesota Statutes 2018, section 268.035, subdivision 15, is amended to read:

194.18 Subd. 15. **Employment.** (a) "Employment" means service performed by:

194.19 (1) an individual who is an employee under the common law of employer-employee and
194.20 not an independent contractor;

194.21 (2) an officer of a corporation;

194.22 (3) a member of a limited liability company who is an employee under the common law
194.23 of employer-employee; ~~or~~

194.24 (4) an individual who is an employee under the Federal Insurance Contributions Act,
194.25 United States Code, title 26, chapter 21, sections 3121 (d)(3)(A) and 3121 (d)(3)(D); or

194.26 ~~(4)~~ (5) product demonstrators in retail stores or other locations to aid in the sale of
194.27 products. The person that pays the wages is the employer.

194.28 (b) Employment does not include service as a juror.

194.29 (c) Construction industry employment is defined in subdivision 9a. Trucking and
194.30 messenger/courier industry employment is defined in subdivision 25b. Rules on determining
194.31 worker employment status are described under Minnesota Rules, chapter 3315.

195.1 Sec. 2. Minnesota Statutes 2018, section 268.044, subdivision 2, is amended to read:

195.2 Subd. 2. **Failure to timely file report; late fees.** (a) Any employer that fails to submit
195.3 the quarterly wage detail report when due must pay a late fee of \$10 per employee, computed
195.4 based upon the highest of:

195.5 (1) the number of employees reported on the last wage detail report submitted;

195.6 (2) the number of employees reported in the corresponding quarter of the prior calendar
195.7 year; or

195.8 (3) if no wage detail report has ever been submitted, the number of employees listed at
195.9 the time of employer registration.

195.10 The late fee is canceled if the wage detail report is received within 30 calendar days
195.11 after a demand for the report is sent to the employer by mail or electronic transmission. A
195.12 late fee assessed an employer may not be canceled more than twice each 12 months. The
195.13 amount of the late fee assessed may not be less than \$250.

195.14 (b) If the wage detail report is not received in a manner and format prescribed by the
195.15 commissioner within 30 calendar days after demand is sent under paragraph (a), the late
195.16 fee assessed under paragraph (a) doubles and a renewed demand notice and notice of the
195.17 increased late fee will be sent to the employer by mail or electronic transmission.

195.18 (c) Late fees due under this subdivision may be canceled, in whole or in part, under
195.19 section ~~268.066~~ where good cause for late submission is found by the commissioner 268.067.

195.20 Sec. 3. Minnesota Statutes 2018, section 268.047, subdivision 3, is amended to read:

195.21 Subd. 3. **Exceptions for taxpaying employers.** Unemployment benefits paid will not
195.22 be used in computing the future tax rate of a taxpaying base period employer when:

195.23 (1) the applicant's wage credits from that employer are less than \$500;

195.24 (2) the applicant quit the employment, unless it was determined under section 268.095,
195.25 to have been because of a good reason caused by the employer or because the employer
195.26 notified the applicant of discharge within 30 calendar days. This exception applies ~~only~~ to
195.27 unemployment benefits paid for periods after the applicant's quitting the employment and,
195.28 if the applicant is rehired by the employer, continues only until the beginning of the week
195.29 the applicant is rehired; or

195.30 (3) the employer discharged the applicant from employment because of employment
195.31 misconduct as determined under section 268.095. This exception applies ~~only~~ to
195.32 unemployment benefits paid for periods after the applicant's discharge from employment

196.1 and, if the applicant is rehired by the employer, continues only until the beginning of the
196.2 week the applicant is rehired.

196.3 Sec. 4. Minnesota Statutes 2018, section 268.085, subdivision 3, is amended to read:

196.4 Subd. 3. **Vacation and sick payments that delay unemployment benefits.** (a) An
196.5 applicant is not eligible to receive unemployment benefits for any week the applicant is
196.6 receiving, has received, or will receive vacation pay, sick pay, or personal time off pay, also
196.7 known as "PTO."

196.8 This paragraph ~~only applies upon temporary, indefinite, or seasonal separation and does~~
196.9 ~~not apply:~~

196.10 (1) upon a permanent separation from employment; or

196.11 (2) to payments from a vacation fund administered by a union or a third party not under
196.12 the control of the employer.

196.13 ~~Payments under this paragraph are applied to the period immediately following the~~
196.14 ~~temporary, indefinite, or seasonal separation.~~

196.15 (b) ~~An applicant is not eligible to receive unemployment benefits for any week the~~
196.16 ~~applicant is receiving, has received, or will receive severance pay, bonus pay, or any other~~
196.17 ~~payments paid by an employer because of, upon, or after separation from employment.~~

196.18 ~~This paragraph only applies if the payment is:~~

196.19 (1) ~~considered wages under section 268.035, subdivision 29; or~~

196.20 (2) ~~subject to the Federal Insurance Contributions Act (FICA) tax imposed to fund Social~~
196.21 ~~Security and Medicare.~~

196.22 (b) Payments under this paragraph subdivision are applied to the period immediately
196.23 following the later of the date of separation from employment or the date the applicant first
196.24 becomes aware that the employer will be making a payment. The date the payment is actually
196.25 made or received, or that an applicant must agree to a release of claims, does not affect the
196.26 application of this paragraph subdivision.

196.27 ~~This paragraph does not apply to earnings under subdivision 5, back pay under~~
196.28 ~~subdivision 6, or vacation pay, sick pay, or personal time off pay under paragraph (a).~~

196.29 (c) ~~An applicant is not eligible to receive unemployment benefits for any week the~~
196.30 ~~applicant is receiving, has received, will receive, or has applied for pension, retirement, or~~
196.31 ~~annuity payments from any plan contributed to by a base period employer including the~~

197.1 ~~United States government. The base period employer is considered to have contributed to~~
197.2 ~~the plan if the contribution is excluded from the definition of wages under section 268.035,~~
197.3 ~~subdivision 29. If the pension, retirement, or annuity payment is paid in a lump sum, an~~
197.4 ~~applicant is not considered to have received a payment if:~~

197.5 ~~(1) the applicant immediately deposits that payment in a qualified pension plan or~~
197.6 ~~account; or~~

197.7 ~~(2) that payment is an early distribution for which the applicant paid an early distribution~~
197.8 ~~penalty under the Internal Revenue Code, United States Code, title 26, section 72(t)(1).~~

197.9 ~~This paragraph does not apply to Social Security benefits under subdivision 4 or 4a.~~

197.10 ~~(d)~~ (c) This subdivision applies to all the weeks of payment. The number of weeks of
197.11 payment is determined as follows:

197.12 (1) if the payments are made periodically, the total of the payments to be received is
197.13 divided by the applicant's last level of regular weekly pay from the employer; or

197.14 (2) if the payment is made in a lump sum, that sum is divided by the applicant's last level
197.15 of regular weekly pay from the employer.

197.16 ~~For purposes of this paragraph, The~~ "last level of regular weekly pay" includes
197.17 commissions, bonuses, and overtime pay if that is part of the applicant's ongoing regular
197.18 compensation.

197.19 ~~(e)~~ (d) Under this subdivision, if the payment with respect to a week is equal to or more
197.20 than the applicant's weekly unemployment benefit amount, the applicant is ineligible for
197.21 benefits for that week. If the payment with respect to a week is less than the applicant's
197.22 weekly unemployment benefit amount, unemployment benefits are reduced by the amount
197.23 of the payment.

197.24 Sec. 5. Minnesota Statutes 2018, section 268.085, subdivision 3a, is amended to read:

197.25 Subd. 3a. **Workers' compensation and disability insurance offset.** (a) An applicant
197.26 is not eligible to receive unemployment benefits for any week in which the applicant is
197.27 receiving or has received compensation for loss of wages equal to or in excess of the
197.28 applicant's weekly unemployment benefit amount under:

197.29 (1) the workers' compensation law of this state;

197.30 (2) the workers' compensation law of any other state or similar federal law; or

197.31 (3) any insurance or trust fund paid in whole or in part by an employer.

198.1 (b) This subdivision does not apply to an applicant who has a claim pending for loss of
198.2 wages under paragraph (a); however, before unemployment benefits may be paid when a
198.3 claim is pending, the issue of the applicant being available for suitable employment, as
198.4 required under subdivision 1, clause (4), is must be determined under section 268.101,
198.5 subdivision 2. If the applicant later receives compensation as a result of the pending claim,
198.6 the applicant is subject to ~~the provisions of~~ paragraph (a) and the unemployment benefits
198.7 paid are ~~subject to recoupment by the commissioner to the extent that the compensation~~
198.8 ~~constitutes~~ overpaid unemployment benefits under section 268.18, subdivision 1.

198.9 (c) If the amount of compensation described under paragraph (a) for any week is less
198.10 than the applicant's weekly unemployment benefit amount, unemployment benefits requested
198.11 for that week are reduced by the amount of that compensation payment.

198.12 Sec. 6. Minnesota Statutes 2018, section 268.085, is amended by adding a subdivision to
198.13 read:

198.14 Subd. 3b. Separation, severance, or bonus payments that delay unemployment
198.15 benefits. (a) An applicant is not eligible to receive unemployment benefits for any week
198.16 the applicant is receiving, has received, or will receive separation pay, severance pay, bonus
198.17 pay, or any other payments paid by an employer because of, upon, or after separation from
198.18 employment. This subdivision applies if the payment is:

198.19 (1) considered wages under section 268.035, subdivision 29; or

198.20 (2) subject to the Federal Insurance Contributions Act (FICA) tax imposed to fund Social
198.21 Security and Medicare.

198.22 (b) Payments under this subdivision are applied to the period immediately following the
198.23 later of the date of separation from employment or the date the applicant first becomes
198.24 aware that the employer will be making a payment. The date the payment is actually made
198.25 or received, or that an applicant must agree to a release of claims, does not affect the
198.26 application of this paragraph.

198.27 (c) This subdivision does not apply to earnings under subdivision 5, back pay under
198.28 subdivision 6, or vacation pay, sick pay, or personal time off pay under subdivision 3.

198.29 (d) This subdivision applies to all the weeks of payment. The number of weeks of
198.30 payment is determined in accordance with subdivision 3, paragraph (c).

198.31 (e) Under this subdivision, if the payment with respect to a week is equal to or more
198.32 than the applicant's weekly unemployment benefit amount, the applicant is ineligible for
198.33 benefits for that week. If the payment with respect to a week is less than the applicant's

199.1 weekly unemployment benefit amount, unemployment benefits are reduced by the amount
199.2 of the payment.

199.3 Sec. 7. Minnesota Statutes 2018, section 268.085, is amended by adding a subdivision to
199.4 read:

199.5 Subd. 3c. **Pension or retirement payment offset.** (a) An applicant is not eligible to
199.6 receive unemployment benefits for any week the applicant is receiving, has received, will
199.7 receive, or has applied for pension, retirement, or annuity payments from any plan contributed
199.8 to by a base period employer including the United States government. The base period
199.9 employer is considered to have contributed to the plan if the contribution is excluded from
199.10 the definition of wages under section 268.035, subdivision 29.

199.11 (b) If the pension, retirement, or annuity payment is paid in a lump sum, an applicant is
199.12 not considered to have received a payment if:

199.13 (1) the applicant immediately deposits that payment in a qualified pension plan or
199.14 account; or

199.15 (2) that payment is an early distribution for which the applicant paid an early distribution
199.16 penalty under the Internal Revenue Code, United Stats Code, title 26, section 72(t)(1).

199.17 (c) This subdivision does not apply to Social Security benefits under subdivision 4 or
199.18 4a.

199.19 (d) This subdivision applies to all the weeks of payment.

199.20 If the payment is made in a lump sum, that sum is divided by the applicant's last level
199.21 of regular weekly pay from the employer to determine the weeks of payment.

199.22 The "last level of regular weekly pay" includes commissions, bonuses, and overtime
199.23 pay if that is part of the applicant's ongoing regular compensation.

199.24 (e) Under this subdivision, if the payment with respect to a week is equal to or more
199.25 than the applicant's weekly unemployment benefit amount, the applicant is ineligible for
199.26 benefits for that week. If the payment with respect to a week is less than the applicant's
199.27 weekly unemployment benefit amount, unemployment benefits are reduced by the amount
199.28 of the payment.

200.1 Sec. 8. Minnesota Statutes 2018, section 268.085, subdivision 13a, is amended to read:

200.2 Subd. 13a. **Leave of absence.** (a) An applicant on a voluntary leave of absence is
200.3 ineligible for unemployment benefits for the duration of the leave of absence. An applicant
200.4 on an involuntary leave of absence is not ineligible under this subdivision.

200.5 A leave of absence is voluntary when work that the applicant can then perform is available
200.6 with the applicant's employer but the applicant chooses not to work. A medical leave of
200.7 absence is not presumed to be voluntary.

200.8 (b) A period of vacation requested by the applicant, paid or unpaid, is a voluntary leave
200.9 of absence. A vacation period assigned by an employer under: (1) a uniform vacation
200.10 shutdown; (2) a collective bargaining agreement; or (3) an established employer policy, is
200.11 an involuntary leave of absence.

200.12 (c) A leave of absence is a temporary stopping of work that has been approved by the
200.13 employer. A voluntary leave of absence is not a quit and an involuntary leave of absence
200.14 is not or a discharge from employment for purposes of. Section 268.095 does not apply to
200.15 a leave of absence.

200.16 (d) An applicant who is on a paid leave of absence, whether the leave of absence is
200.17 voluntary or involuntary, is ineligible for unemployment benefits for the duration of the
200.18 leave.

200.19 (e) This subdivision applies to a leave of absence from a base period employer, an
200.20 employer during the period between the end of the base period and the effective date of the
200.21 benefit account, or an employer during the benefit year.

200.22 Sec. 9. Minnesota Statutes 2018, section 268.095, subdivision 6, is amended to read:

200.23 Subd. 6. **Employment misconduct defined.** (a) Employment misconduct means any
200.24 intentional, negligent, or indifferent conduct, on the job or off the job, that displays clearly:

200.25 ~~(1) is a serious violation of the standards of behavior the employer has the right to~~
200.26 ~~reasonably expect of the employee; or,~~

200.27 ~~(2) a substantial lack of concern for the employment.~~

200.28 (b) Regardless of paragraph (a), the following is not employment misconduct:

200.29 (1) conduct that was a consequence of the applicant's mental illness or impairment;

200.30 (2) conduct that was a consequence of the applicant's inefficiency or inadvertence;

200.31 (3) simple unsatisfactory conduct;

201.1 (4) conduct an average reasonable employee would have engaged in under the
201.2 circumstances;

201.3 (5) conduct that was a consequence of the applicant's inability or incapacity;

201.4 (6) good faith errors in judgment if judgment was required;

201.5 (7) absence because of illness or injury of the applicant, with proper notice to the
201.6 employer;

201.7 (8) absence, with proper notice to the employer, in order to provide necessary care
201.8 because of the illness, injury, or disability of an immediate family member of the applicant;

201.9 (9) conduct that was a consequence of the applicant's chemical dependency, unless the
201.10 applicant was previously diagnosed chemically dependent or had treatment for chemical
201.11 dependency, and since that diagnosis or treatment has failed to make consistent efforts to
201.12 control the chemical dependency; or

201.13 (10) conduct that was a consequence of the applicant, or an immediate family member
201.14 of the applicant, being a victim of domestic abuse, sexual assault, or stalking. For the
201.15 purposes of this subdivision, "domestic abuse," "sexual assault," and "stalking" have the
201.16 meanings given them in subdivision 1.

201.17 (c) Regardless of paragraph (b), clause (9), conduct in violation of sections 169A.20,
201.18 169A.31, 169A.50 to 169A.53, or 171.177 that ~~interferes with or~~ adversely affects the
201.19 employment is employment misconduct.

201.20 (d) If the conduct for which the applicant was discharged involved only a single incident,
201.21 that is an important fact that must be considered in deciding whether the conduct rises to
201.22 the level of employment misconduct under paragraph (a). This paragraph does not require
201.23 that a determination under section 268.101 or decision under section 268.105 contain a
201.24 specific acknowledgment or explanation that this paragraph was considered.

201.25 (e) The definition of employment misconduct provided by this subdivision is exclusive
201.26 and no other definition applies.

201.27 Sec. 10. Minnesota Statutes 2018, section 268.095, subdivision 6a, is amended to read:

201.28 Subd. 6a. **Aggravated employment misconduct defined.** (a) ~~For the purpose of this~~
201.29 ~~section, "aggravated employment misconduct" means:~~

201.30 (1) The commission of any act, on the job or off the job, that would amount to a gross
201.31 misdemeanor or felony is aggravated employment misconduct if the act ~~substantially~~
201.32 ~~interfered with the employment or~~ had a significant adverse effect on the employment; ~~or.~~

202.1 A criminal charge or conviction is not necessary to determine aggravated employment
202.2 misconduct under this paragraph. If an applicant is convicted of a gross misdemeanor or
202.3 felony, the applicant is presumed to have committed the act.

202.4 ~~(2) (b)~~ For an employee of a facility as defined in section 626.5572, aggravated
202.5 employment misconduct includes an act of patient or resident abuse, financial exploitation,
202.6 or recurring or serious neglect, as defined in section 626.5572 and applicable rules.

202.7 ~~(b) If an applicant is convicted of a gross misdemeanor or felony for the same act for~~
202.8 ~~which the applicant was discharged, it is aggravated employment misconduct if the act~~
202.9 ~~substantially interfered with the employment or had a significant adverse effect on the~~
202.10 ~~employment.~~

202.11 (c) The definition of aggravated employment misconduct provided by this subdivision
202.12 is exclusive and no other definition applies.

202.13 Sec. 11. **EFFECTIVE DATE.**

202.14 Unless otherwise specified, this article is effective October 1, 2019.

202.15 **ARTICLE 14**

202.16 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; TECHNICAL**

202.17 Section 1. Minnesota Statutes 2018, section 268.044, subdivision 3, is amended to read:

202.18 Subd. 3. **Missing or erroneous information.** (a) Any employer that submits the wage
202.19 detail report, but fails to include all required employee information or enters erroneous
202.20 information, is subject to an administrative service fee of \$25 for each employee for whom
202.21 the information is partially missing or erroneous.

202.22 (b) Any employer that submits the wage detail report, but fails to include an employee,
202.23 is subject to an administrative service fee equal to two percent of the total wages for each
202.24 employee for whom the information is completely missing.

202.25 (c) An administrative service fee under this subdivision must be canceled under section
202.26 268.067 if the commissioner determines that the failure or error by the employer occurred
202.27 because of ignorance or inadvertence.

202.28 Sec. 2. Minnesota Statutes 2018, section 268.046, subdivision 1, is amended to read:

202.29 Subdivision 1. **Tax accounts assigned.** (a) Any person that contracts with a taxpaying
202.30 employer to have that person obtain the taxpaying employer's workforce and provide workers

203.1 to the taxpaying employer for a fee is, as of the effective date of the contract, assigned for
203.2 the duration of the contract the taxpaying employer's account under section 268.045. That
203.3 tax account must be maintained by the person separate and distinct from every other tax
203.4 account held by the person and identified in a manner prescribed by the commissioner. The
203.5 tax account is, for the duration of the contract, considered that person's account for all
203.6 purposes of this chapter. The workers obtained from the taxpaying employer and any other
203.7 workers provided by that person to the taxpaying employer, including officers of the
203.8 taxpaying employer as defined in section 268.035, subdivision 20, clause ~~(28)~~ (29), whose
203.9 wages paid by the person are considered paid in covered employment under section 268.035,
203.10 subdivision 24, for the duration of the contract between the taxpaying employer and the
203.11 person, must, under section 268.044, be reported on the wage detail report under that tax
203.12 account, and that person must pay any taxes due at the tax rate computed for that account
203.13 under section 268.051, subdivision 2.

203.14 (b) Any workers of the taxpaying employer who are not covered by the contract under
203.15 paragraph (a) must be reported by the taxpaying employer as a separate unit on the wage
203.16 detail report under the tax account assigned under paragraph (a). Taxes and any other
203.17 amounts due on the wages reported by the taxpaying employer under this paragraph may
203.18 be paid directly by the taxpaying employer.

203.19 (c) If the taxpaying employer that contracts with a person under paragraph (a) does not
203.20 have a tax account at the time of the execution of the contract, an account must be registered
203.21 for the taxpaying employer under section 268.042 and the new employer tax rate under
203.22 section 268.051, subdivision 5, must be assigned. The tax account is then assigned to the
203.23 person as provided for in paragraph (a).

203.24 (d) A person that contracts with a taxpaying employer under paragraph (a) must, within
203.25 30 calendar days of the execution or termination of a contract, notify the commissioner by
203.26 electronic transmission, in a format prescribed by the commissioner, of that execution or
203.27 termination. The taxpaying employer's name, the account number assigned, and any other
203.28 information required by the commissioner must be provided by that person.

203.29 (e) Any contract subject to paragraph (a) must specifically inform the taxpaying employer
203.30 of the assignment of the tax account under this section and the taxpaying employer's
203.31 obligation under paragraph (b). If there is a termination of the contract, the tax account is,
203.32 as of the date of termination, immediately assigned to the taxpaying employer.

204.1 Sec. 3. Minnesota Statutes 2018, section 268.069, subdivision 1, is amended to read:

204.2 Subdivision 1. **Requirements.** The commissioner must pay unemployment benefits
204.3 from the trust fund to an applicant who has met each of the following requirements:

204.4 (1) the applicant has filed an application for unemployment benefits and established a
204.5 benefit account in accordance with section 268.07;

204.6 (2) the applicant has not been held ineligible for unemployment benefits under section
204.7 268.095 because of a quit or discharge;

204.8 (3) the applicant has met all of the ongoing eligibility requirements under section 268.085;

204.9 (4) the applicant does not have an outstanding overpayment of unemployment benefits,
204.10 including any penalties or interest; and

204.11 (5) the applicant has not been held ineligible for unemployment benefits under section
204.12 268.183 ~~because of a false representation or concealment of facts.~~

204.13 Sec. 4. Minnesota Statutes 2018, section 268.105, subdivision 6, is amended to read:

204.14 Subd. 6. **Representation; fees.** (a) In any proceeding under subdivision 1 or 2, an
204.15 applicant or employer may be represented by any authorized representative.

204.16 Except for services provided by an attorney-at-law, no person may charge an applicant
204.17 a fee of any kind for advising, assisting, or representing an applicant in a hearing ~~or~~ on
204.18 reconsideration, or in a proceeding under subdivision 7.

204.19 (b) An applicant may not be charged fees, costs, or disbursements of any kind in a
204.20 proceeding before an unemployment law judge, the Minnesota Court of Appeals, or the
204.21 Supreme Court of Minnesota.

204.22 (c) No attorney fees may be awarded, or costs or disbursements assessed, against the
204.23 department as a result of any proceedings under this section.

204.24 Sec. 5. Minnesota Statutes 2018, section 268.145, subdivision 1, is amended to read:

204.25 Subdivision 1. **Notification.** (a) Upon filing an application for unemployment benefits,
204.26 the applicant must be informed that:

204.27 (1) unemployment benefits are subject to federal and state income tax;

204.28 (2) there are requirements for filing estimated tax payments;

204.29 (3) the applicant may elect to have federal income tax withheld from unemployment
204.30 benefits;

205.1 (4) if the applicant elects to have federal income tax withheld, the applicant may, in
205.2 addition, elect to have Minnesota state income tax withheld; and

205.3 (5) at any time during the benefit year the applicant may change a prior election.

205.4 (b) If an applicant elects to have federal income tax withheld, the commissioner must
205.5 deduct ten percent for federal income tax. If an applicant also elects to have Minnesota state
205.6 income tax withheld, the commissioner must make an additional five percent deduction for
205.7 state income tax. Any ~~amounts~~ amount deducted ~~or offset under sections 268.155, 268.18,~~
205.8 ~~and 268.184~~ have section 268.085 has priority over any amounts deducted under this section.
205.9 Federal income tax withholding has priority over state income tax withholding.

205.10 (c) An election to have income tax withheld may not be retroactive and only applies to
205.11 unemployment benefits paid after the election.

205.12 Sec. 6. Minnesota Statutes 2018, section 268.18, subdivision 5, is amended to read:

205.13 Subd. 5. **Remedies.** (a) Any method undertaken to recover an overpayment of
205.14 unemployment benefits, including any penalties and interest, is not an election of a method
205.15 of recovery.

205.16 (b) Intervention or lack thereof, in whole or in part, in a workers' compensation matter
205.17 under section 176.361 is not an election of a remedy and does not prevent the commissioner
205.18 from determining an applicant ineligible for unemployment benefits ~~or taking action under~~
205.19 ~~section 268.183.~~

205.20 Sec. 7. **REVISOR INSTRUCTION.**

205.21 The revisor of statutes is instructed to make the following changes in Minnesota Statutes:

205.22 (1) delete the term "bona fide" wherever it appears in section 268.035;

205.23 (2) replace the term "under" with "subject to" in section 268.047, subdivision 2, clause
205.24 (8);

205.25 (3) replace the term "displays clearly" with "shows" in chapter 268;

205.26 (4) replace the term "entire" with "hearing" in section 268.105; and

205.27 (5) replace "24 calendar months" with "eight calendar quarters" in section 268.052,
205.28 subdivision 2.

205.29 Sec. 8. **EFFECTIVE DATE.**

205.30 Unless otherwise specified, this article is effective October 1, 2019.

ARTICLE 15**UI POLICY**

Section 1. Minnesota Statutes 2018, section 268.085, subdivision 8, is amended to read:

Subd. 8. **Services for school contractors.** (a) Wage credits from an employer are subject to subdivision 7, if:

(1) the employment was provided under a contract between the employer and an elementary or secondary school; and

(2) the contract was for services that the elementary or secondary school could have had performed by its employees.

(b) Wage credits from an employer are not subject to subdivision 7 if:

(1) those wage credits were earned by an employee of a private employer performing work under a contract between the employer and an elementary or secondary school; and

(2) the employment was related to bus or food services provided to the school by the employer.

ARTICLE 16**BUREAU OF MEDIATION SERVICES POLICY**

Section 1. Minnesota Statutes 2018, section 13.43, subdivision 6, is amended to read:

Subd. 6. **Access by labor organizations, Bureau of Mediation Services, Public Employment Relations Board.** Personnel data may be disseminated to labor organizations and the Public Employment Relations Board to the extent that the responsible authority determines that the dissemination is necessary to conduct elections, notify employees of fair share fee assessments, and implement the provisions of chapters 179 and 179A. Personnel data shall be disseminated to labor organizations, the Public Employment Relations Board, and ~~to~~ the Bureau of Mediation Services to the extent the dissemination is ordered or authorized by the commissioner of the Bureau of Mediation Services or the Public Employment Relations Board or its designee.

Sec. 2. **[13.7909] PUBLIC EMPLOYMENT RELATIONS BOARD DATA.**

Subdivision 1. **Definition.** For purposes of this section, "board" means the Public Employment Relations Board.

Subd. 2. **Nonpublic data.** (a) Except as provided in this subdivision, all data maintained by the board about a charge or complaint of unfair labor practices and appeals of

207.1 determinations of the commissioner under section 179A.12, subdivision 11, are classified
207.2 as protected nonpublic data or confidential data, and become public when admitted into
207.3 evidence at a hearing conducted pursuant to section 179A.13. The data may be subject to
207.4 a protective order as determined by the board or a hearing officer.

207.5 (b) Notwithstanding sections 13.43 and 181.932, the following data are public:

207.6 (1) the filing date of unfair labor practice charges;

207.7 (2) the status of unfair labor practice charges as an original or amended charge;

207.8 (3) the names and job classifications of charging parties and charged parties;

207.9 (4) the provisions of law alleged to have been violated in unfair labor practice charges;

207.10 (5) the complaint issued by the board and all data in the complaint;

207.11 (6) the full and complete record of an evidentiary hearing before a hearing officer,

207.12 including the hearing transcript, exhibits admitted into evidence, and posthearing briefs,

207.13 unless subject to a protective order;

207.14 (7) recommended decisions and orders of hearing officers pursuant to section 179A.13,

207.15 subdivision 1, paragraph (i);

207.16 (8) exceptions to the hearing officer's recommended decision and order filed with the

207.17 board pursuant to section 179A.13, subdivision 1, paragraph (k);

207.18 (9) briefs filed with the board; and

207.19 (10) decisions and orders issued by the board.

207.20 (c) Notwithstanding paragraph (a), individuals have access to their own statements

207.21 provided to the board under paragraph (a).

207.22 (d) The board may make any data classified as protected nonpublic or confidential

207.23 pursuant to this subdivision accessible to any person or party if the access will aid the

207.24 implementation of chapters 179 and 179A or ensure due process protection of the parties.

207.25 Sec. 3. Minnesota Statutes 2018, section 179A.041, is amended by adding a subdivision

207.26 to read:

207.27 Subd. 10. **Open meetings.** Chapter 13D does not apply to meetings of the board when

207.28 it is deliberating on the merits of unfair labor practice charges under sections 179.11, 179.12,

207.29 and 179A.13; reviewing a recommended decision and order of a hearing officer under

207.30 section 179A.13; or reviewing decisions of the commissioner of the Bureau of Mediation

207.31 Services relating to unfair labor practices under section 179A.12, subdivision 11.

208.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

208.2 Sec. 4. Laws 2014, chapter 211, section 13, as amended by Laws 2015, First Special
208.3 Session chapter 1, article 7, section 1, Laws 2016, chapter 189, article 7, section 42, and
208.4 Laws 2017, chapter 94, article 12, section 1, is amended to read:

208.5 Sec. 13. **EFFECTIVE DATE.**

208.6 Sections 1 to 3 and 6 to 11 are effective ~~July~~ January 1, 2020. Sections 4, 5, and 12 are
208.7 effective July 1, 2014.

208.8 **EFFECTIVE DATE.** This section is effective the day following final enactment. Until
208.9 January 1, 2020, any employee, employer, employee or employer organization, exclusive
208.10 representative, or any other person or organization aggrieved by an unfair labor practice as
208.11 defined in Minnesota Statutes, section 179A.13, may bring an action for injunctive relief
208.12 and for damages caused by the unfair labor practice in the district court of the county in
208.13 which the practice is alleged to have occurred.

208.14 **ARTICLE 17**

208.15 **UNCLAIMED PROPERTY; GENERAL**

208.16 Section 1. **[345A.101] DEFINITIONS.**

208.17 (1) For the purposes of this chapter, the terms defined in this section have the meanings
208.18 given them.

208.19 (2) "Administrator" means the commissioner of commerce.

208.20 (3) "Administrator's agent" means a person with which the administrator contracts to
208.21 conduct an examination under this chapter on behalf of the administrator. The term includes
208.22 an independent contractor of the person and each individual participating in the examination
208.23 on behalf of the person or contractor.

208.24 (4) "Affiliated group of merchants" means two or more affiliated merchants or other
208.25 persons that are related by common ownership or common corporate control and that share
208.26 the same name, mark, or logo. Affiliated group of merchants also applies to two or more
208.27 merchants or other persons that agree among themselves, by contract or otherwise, to redeem
208.28 cards, codes, or other devices bearing the same name, mark, or logo, other than the mark,
208.29 logo, or brand of a payment network, for the purchase of goods or services solely at such
208.30 merchants or persons. However, merchants or other persons are not considered affiliated

209.1 merely because they agree to accept a card that bears the mark, logo, or brand of a payment
209.2 network.

209.3 (5) "Apparent owner" means a person whose name appears on the records of a holder
209.4 as the owner of property held, issued, or owing by the holder.

209.5 (6) "Business association" means a corporation, joint stock company, investment
209.6 company, other than an investment company registered under the Investment Company Act
209.7 of 1940, as amended, United States Code, title 15, sections 80a-1 to 80a-64, partnership,
209.8 unincorporated association, joint venture, limited liability company, business trust, trust
209.9 company, land bank, safe deposit company, safekeeping depository, financial organization,
209.10 insurance company, federally chartered entity, utility, sole proprietorship, or other business
209.11 entity, whether or not for profit.

209.12 (7) "District court" means Ramsey County District Court.

209.13 (8) "Domicile" means:

209.14 (A) for a corporation, the state of its incorporation;

209.15 (B) for a business association whose formation requires a filing with a state, other than
209.16 a corporation, the state of its filing;

209.17 (C) for a federally chartered entity or an investment company registered under the
209.18 Investment Company Act of 1940, as amended, United States Code, title 15, sections 80a-1
209.19 to 80a-64, the state of its home office; and

209.20 (D) for any other holder, the state of its principal place of business.

209.21 (9) "Electronic" means relating to technology having electrical, digital, magnetic, wireless,
209.22 optical, electromagnetic, or similar capabilities.

209.23 (10) "E-mail" means a communication by electronic means which is automatically
209.24 retained and stored and may be readily accessed or retrieved.

209.25 (11) "Financial organization" means a savings and loan association, building and loan
209.26 association, savings bank, industrial bank, bank, banking organization, or credit union.

209.27 (12) "Game-related digital content" means digital content that exists only in an electronic
209.28 game or electronic-game platform. The term:

209.29 (A) includes:

209.30 i. game-play currency such as a virtual wallet, even if denominated in United States
209.31 currency; and

210.1 ii. the following if for use or redemption only within the game or platform or another
210.2 electronic game or electronic-game platform:

210.3 1. points sometimes referred to as gems, tokens, gold, and similar names; and

210.4 2. digital codes; and

210.5 (B) does not include an item that the issuer:

210.6 i. permits to be redeemed for use outside a game or platform for:

210.7 ii. money; or

210.8 iii. goods or services that have more than minimal value; or

210.9 iv. otherwise monetizes for use outside a game or platform.

210.10 (13) "Gift card" means:

210.11 (A) a stored-value card:

210.12 i. issued on a prepaid basis for a specified amount;

210.13 ii. the value of which does not expire;

210.14 iii. that is not subject to a dormancy, inactivity, or service fee;

210.15 iv. that may be decreased in value only by redemption for merchandise, goods, or services

210.16 upon presentation at a single merchant or an affiliated group of merchants;

210.17 v. that, unless required by law, may not be redeemed for or converted into money or

210.18 otherwise monetized by the issuer; and

210.19 (B) includes a prepaid commercial mobile radio service, as defined in Code of Federal

210.20 Regulations, title 47, section 20.3, as amended.

210.21 (14) "Holder" means a person obligated to hold for the account of, or to deliver or pay

210.22 to, the owner, property subject to this chapter.

210.23 (15) "Insurance company" means an association, corporation, or fraternal or

210.24 mutual-benefit organization, whether or not for profit, engaged in the business of providing

210.25 life endowments, annuities, or insurance, including accident, burial, casualty, credit-life,

210.26 contract-performance, dental, disability, fidelity, fire, health, hospitalization, illness, life,

210.27 malpractice, marine, mortgage, surety, wage-protection, and worker-compensation insurance.

210.28 (16) "Loyalty card" means a record given without direct monetary consideration under

210.29 an award, reward, benefit, loyalty, incentive, rebate, or promotional program which may

210.30 be used or redeemed only to obtain goods or services or a discount on goods or services.

211.1 Loyalty card does not include a record that may be redeemed for money or otherwise
211.2 monetized by the issuer.

211.3 (17) "Mineral" means gas, oil, coal, oil shale, other gaseous liquid or solid hydrocarbon,
211.4 cement material, sand and gravel, road material, building stone, chemical raw material,
211.5 gemstone, fissionable and nonfissionable ores, colloidal and other clay, steam and other
211.6 geothermal resources, and any other substance defined as a mineral by law of this state other
211.7 than this chapter.

211.8 (18) "Mineral proceeds" means an amount payable for extraction, production, or sale of
211.9 minerals, or, on the abandonment of the amount, an amount that becomes payable after
211.10 abandonment. Mineral proceeds includes an amount payable:

211.11 (A) for the acquisition and retention of a mineral lease, including a bonus, royalty,
211.12 compensatory royalty, shut-in royalty, minimum royalty, and delay rental;

211.13 (B) for the extraction, production, or sale of minerals, including a net revenue interest,
211.14 royalty, overriding royalty, extraction payment, and production payment; and

211.15 (C) under an agreement or option, including a joint-operating agreement, unit agreement,
211.16 pooling agreement, and farm-out agreement.

211.17 (19) "Money order" means a payment order for a specified amount of money. Money
211.18 order includes an express money order and a personal money order on which the remitter
211.19 is the purchaser.

211.20 (20) "Municipal bond" means a bond or evidence of indebtedness issued by a municipality
211.21 or other political subdivision of a state.

211.22 (21) "Net card value" means the original purchase price or original issued value of a
211.23 stored-value card, plus amounts added to the original price or value, minus amounts used
211.24 and any service charge, fee, or dormancy charge permitted by law.

211.25 (22) "Nonfreely transferable security" means a security that cannot be delivered to the
211.26 administrator by the Depository Trust Clearing Corporation or similar custodian of securities
211.27 providing post-trade clearing and settlement services to financial markets or cannot be
211.28 delivered because there is no agent to effect transfer. Nonfreely transferable security includes
211.29 a worthless security.

211.30 (23) "Owner" means a person that has a legal, beneficial, or equitable interest in property
211.31 subject to this chapter or the person's legal representative when acting on behalf of the
211.32 owner. Owner includes:

- 212.1 (A) a depositor, for a deposit;
- 212.2 (B) a beneficiary, for a trust other than a deposit in trust;
- 212.3 (C) a creditor, claimant, or payee, for other property; and
- 212.4 (D) the lawful bearer of a record that may be used to obtain money, a reward, or a thing
- 212.5 of value.
- 212.6 (24) "Payroll card" means a record that evidences a payroll card account as defined in
- 212.7 Regulation E, Code of Federal Regulations, title 12, part 1005, as amended.
- 212.8 (25) "Person" means an individual, estate, business association, public corporation,
- 212.9 government or governmental subdivision, agency, instrumentality, or other legal entity
- 212.10 whether or not for profit.
- 212.11 (26) "Property" means tangible property described in section 345A.205 or a fixed and
- 212.12 certain interest in intangible property held, issued, or owed in the course of a holder's business
- 212.13 or by a government, governmental subdivision, agency, or instrumentality. Property:
- 212.14 (A) includes all income from or increments to the property;
- 212.15 (B) includes property referred to as or evidenced by:
- 212.16 i. money, virtual currency, interest, dividend, check, draft, deposit, or payroll card;
- 212.17 ii. a credit balance, customer's overpayment, stored-value card, security deposit, refund,
- 212.18 credit memorandum, unpaid wage, unused ticket for which the issuer has an obligation to
- 212.19 provide a refund, mineral proceeds, or unidentified remittance;
- 212.20 iii. a security except for:
- 212.21 1. a worthless security; or
- 212.22 2. a security that is subject to a lien, legal hold, or restriction evidenced on the records
- 212.23 of the holder or imposed by operation of law, if the lien, legal hold, or restriction restricts
- 212.24 the holder's or owner's ability to receive, transfer, sell, or otherwise negotiate the security;
- 212.25 iv. a bond, debenture, note, or other evidence of indebtedness;
- 212.26 v. money deposited to redeem a security, make a distribution, or pay a dividend;
- 212.27 vi. an amount due and payable under an annuity contract or insurance policy; and
- 212.28 vii. an amount distributable from a trust or custodial fund established under a plan to
- 212.29 provide health, welfare, pension, vacation, severance, retirement, death, stock purchase,

213.1 profit-sharing, employee savings, supplemental unemployment insurance, or a similar
213.2 benefit; and

213.3 (C) does not include:

213.4 i. property held in a plan described in section 529A of the Internal Revenue Code, as
213.5 amended, United States Code, title 26, section 529A;

213.6 ii. game-related digital content;

213.7 iii. a loyalty card;

213.8 iv. a gift card; or

213.9 v. money held or owing by a public pension fund enumerated in section 356.20,
213.10 subdivision 2, or 356.30, subdivision 3; or covered by sections 69.77 or 69.771 to 69.776,
213.11 if the plan governing the public pension fund includes a provision governing the disposition
213.12 of unclaimed amounts of money.

213.13 (27) "Putative holder" means a person believed by the administrator to be a holder, until
213.14 the person pays or delivers to the administrator property subject to this chapter or the
213.15 administrator or a court makes a final determination that the person is or is not a holder.

213.16 (28) "Record" means information that is inscribed on a tangible medium or that is stored
213.17 in an electronic or other medium and is retrievable in perceivable form. "Records of the
213.18 holder" includes records maintained by a third party that has contracted with the holder.

213.19 (29) "Security" means:

213.20 (A) a security as defined in article 8 of the Uniform Commercial Code, section 336.8-102;

213.21 (B) a security entitlement as defined in article 8 of the Uniform Commercial Code,
213.22 section 336.8-102, including a customer security account held by a registered broker-dealer,
213.23 to the extent the financial assets held in the security account are not:

213.24 i. registered on the books of the issuer in the name of the person for which the
213.25 broker-dealer holds the assets;

213.26 ii. payable to the order of the person; or

213.27 iii. specifically endorsed to the person; or

213.28 (C) an equity interest in a business association not included in subparagraph (A) or (B).

213.29 (30) "State" means a state of the United States, the District of Columbia, the
213.30 Commonwealth of Puerto Rico, the United States Virgin Islands, or any territory or insular
213.31 possession subject to the jurisdiction of the United States.

214.1 (31) "Stored-value card" means a record evidencing a promise made for consideration
214.2 by the seller or issuer of the record that goods, services, or money will be provided to the
214.3 owner of the record to the value or amount shown in the record. Stored-value card:

214.4 (A) includes:

214.5 i. a record that contains or consists of a microprocessor chip, magnetic strip, or other
214.6 means for the storage of information, which is prefunded and whose value or amount is
214.7 decreased on each use and increased by payment of additional consideration; and

214.8 ii. a payroll card; and

214.9 (B) does not include a loyalty card, gift card, or game-related digital content.

214.10 (32) "Utility" means a person that owns or operates for public use a plant, equipment,
214.11 real property, franchise, or license for the following public services:

214.12 (A) transmission of communications or information;

214.13 (B) production, storage, transmission, sale, delivery, or furnishing of electricity, water,
214.14 steam, or gas; or

214.15 (C) provision of sewage or septic services, or trash, garbage, or recycling disposal.

214.16 (33) "Virtual currency" means a digital representation of value used as a medium of
214.17 exchange, unit of account, or store of value, which does not have legal tender status
214.18 recognized by the United States. Virtual currency does not include:

214.19 (A) the software or protocols governing the transfer of the digital representation of value;

214.20 (B) game-related digital content; or

214.21 (C) a loyalty card or gift card.

214.22 (34) "Worthless security" means a security whose cost of liquidation and delivery to the
214.23 administrator would exceed the value of the security on the date a report is due under this
214.24 chapter.

214.25 **Sec. 2. [345A.102] INAPPLICABILITY TO FOREIGN TRANSACTION.**

214.26 This chapter does not apply to property held, due, and owing in a foreign country if the
214.27 transaction out of which the property arose was a foreign transaction.

ARTICLE 18**UNCLAIMED PROPERTY; PRESUMPTION OF ABANDONMENT****Section 1. [345A.201] WHEN PROPERTY PRESUMED ABANDONED.**

Subject to section 345A.210, the following property is presumed abandoned if it is unclaimed by the apparent owner during the period specified below:

(1) a traveler's check, 15 years after issuance;

(2) a money order, seven years after issuance;

(3) cooperative property, including any profit distribution or other sum held or owing by a cooperative to a participating patron is presumed abandoned only if it has remained unclaimed by the owner for more than seven years after it became payable or distributable;

(4) a state or municipal bond, bearer bond, or original-issue discount bond, three years after the earliest of the date the bond matures or is called or the obligation to pay the principal of the bond arises;

(5) a debt of a business association, three years after the obligation to pay arises;

(6) demand, savings, or time deposit, including a deposit that is automatically renewable, three years after the later of the maturity or the date of the last indication of interest in the property by the apparent owner, except a deposit that is automatically renewable is deemed matured three years after its initial date of maturity unless the apparent owner consented to renewal in a record on file with the holder at or about the time of the renewal;

(7) money or a credit owed to a customer as a result of a retail business transaction, other than in-store credit for returned merchandise, three years after the obligation arose;

(8) an amount owed by an insurance company on a life or endowment insurance policy or an annuity contract that has matured or terminated, three years after the obligation to pay arose under the terms of the policy or contract or, if a policy or contract for which an amount is owed on proof of death has not matured by proof of the death of the insured or annuitant, as follows:

(A) with respect to an amount owed on a life or endowment insurance policy, the earlier of:

i. three years after the death of the insured; or

ii. two years after the insured has attained, or would have attained if living, the limiting age under the mortality table in which the reserve for the policy is based; and

216.1 (B) with respect to an amount owed on an annuity contract, three years after the date of
216.2 the death of the annuitant;

216.3 (9) funds on deposit or held in trust for the prepayment of funeral or other funeral-related
216.4 expenses, the earliest of:

216.5 (A) two years after the date of death of the beneficiary;

216.6 (B) one year after the date the beneficiary has attained, or would have attained if living,
216.7 the age of 105 where the holder does not know whether the beneficiary is deceased; or

216.8 (C) 30 years after the contract for prepayment was executed;

216.9 (10) property distributable by a business association in the course of dissolution, one
216.10 year after the property becomes distributable;

216.11 (11) property held by a court, including property received as proceeds of a class action,
216.12 three years after the property becomes distributable;

216.13 (12) property held by a government or governmental subdivision, agency, or
216.14 instrumentality, including municipal bond interest and unredeemed principal under the
216.15 administration of a paying agent or indenture trustee, one year after the property becomes
216.16 distributable;

216.17 (13) wages, commissions, bonuses, or reimbursements to which an employee is entitled,
216.18 or other compensation for personal services, including amounts held on a payroll card, one
216.19 year after the amount becomes payable;

216.20 (14) a deposit or refund owed to a subscriber by a utility, one year after the deposit or
216.21 refund becomes payable; and

216.22 (15) property not specified in this section or sections 345A.202 to 345A.208, the earlier
216.23 of three years after the owner first has a right to demand the property or the obligation to
216.24 pay or distribute the property arises.

216.25 Notwithstanding any provision in this section to the contrary, and subject to section
216.26 345A.210, a deceased owner cannot indicate interest in the owner's property. If the owner
216.27 is deceased and the abandonment period for the owner's property specified in this section
216.28 is greater than two years, then the property, excluding any amounts owed by an insurance
216.29 company on a life or endowment insurance policy or an annuity contract that has matured
216.30 or terminated, shall instead be presumed abandoned two years from the date of the owner's
216.31 last indication of interest in the property.

217.1 Sec. 2. [345A.202] WHEN TAX-DEFERRED RETIREMENT ACCOUNT
217.2 PRESUMED ABANDONED.

217.3 (a) Subject to section 345A.210, property held in a pension account or retirement account
217.4 that qualifies for tax deferral under the income tax laws of the United States is presumed
217.5 abandoned if it is unclaimed by the apparent owner after the later of:

217.6 (1) three years after the following dates:

217.7 (A) except as in subparagraph (B), the date a communication sent by the holder by
217.8 first-class United States mail to the apparent owner is returned to the holder undelivered by
217.9 the United States Postal Service; or

217.10 (B) if such communication is re-sent within 30 days after the date the first communication
217.11 is returned undelivered, the date the second communication was returned undelivered by
217.12 the United States Postal Service; or

217.13 (2) the earlier of the following dates:

217.14 (A) three years after the date the apparent owner becomes 70.5 years of age, if
217.15 determinable by the holder; or

217.16 (B) one year after the date of mandatory distribution following death if the Internal
217.17 Revenue Code, as amended, United States Code, title 26, section 1, et seq., requires
217.18 distribution to avoid a tax penalty and the holder:

217.19 (i) receives confirmation of the death of the apparent owner in the ordinary course of
217.20 its business; or

217.21 (ii) confirms the death of the apparent owner under subsection (b).

217.22 (b) If a holder in the ordinary course of its business receives notice or an indication of
217.23 the death of an apparent owner and subsection (a)(2) applies, the holder shall attempt, not
217.24 later than 90 days after receipt of the notice or indication, to confirm whether the apparent
217.25 owner is deceased.

217.26 (c) If the holder does not send communications to the apparent owner of an account
217.27 described in subsection (a) by first-class United States mail, the holder shall attempt to
217.28 confirm the apparent owner's interest in the property by sending the apparent owner an
217.29 e-mail communication not later than two years after the apparent owner's last indication of
217.30 interest in the property; however, the holder promptly shall attempt to contact the apparent
217.31 owner by first-class United States mail if:

218.1 (1) the holder does not have information needed to send the apparent owner an e-mail
218.2 communication or the holder believes that the apparent owner's e-mail address in the holder's
218.3 records is not valid;

218.4 (2) the holder receives notification that the e-mail communication was not received; or

218.5 (3) the apparent owner does not respond to the e-mail communication not later than 30
218.6 days after the communication was sent.

218.7 (d) If first-class United States mail sent under subsection (c) is returned to the holder
218.8 undelivered by the United States Postal Service, the property is presumed abandoned three
218.9 years after the later of:

218.10 (1) except as in paragraph (2), the date a communication to contact the apparent owner
218.11 sent by first-class United States mail is returned to the holder undelivered;

218.12 (2) if such communication is sent later than 30 days after the date the first communication
218.13 is returned undelivered, the date the second communication was returned undelivered; or

218.14 (3) the date established by subsection (a)(2).

218.15 **Sec. 3. [345A.203] WHEN OTHER TAX-DEFERRED ACCOUNT PRESUMED**
218.16 **ABANDONED.**

218.17 (a) Subject to section 345A.210 and except for property described in section 345A.202
218.18 and property held in a plan described in section 529A of the Internal Revenue Code, as
218.19 amended; United States Code, title 26, section 529A, property held in an account or plan,
218.20 including a health savings account, that qualifies for tax deferral under the income tax laws
218.21 of the United States is presumed abandoned if it is unclaimed by the apparent owner three
218.22 years after the earlier of:

218.23 (1) the date, if determinable by the holder, specified in the income tax laws and
218.24 regulations of the United States by which distribution of the property must begin to avoid
218.25 a tax penalty, with no distribution having been made; or

218.26 (2) 30 years after the date the account was opened.

218.27 (b) If the owner is deceased, property subject to this section is presumed abandoned two
218.28 years from the earliest of:

218.29 (1) the date of the distribution or attempted distribution of the property;

218.30 (2) the date the required distribution as stated in the plan or trust agreement governing
218.31 the plan; or

219.1 (3) the date, if determinable by the holder, specified in the income tax laws of the United
219.2 States by which distribution of the property must begin in order to avoid a tax penalty.

219.3 Sec. 4. **[345A.204] WHEN CUSTODIAL ACCOUNT FOR MINOR PRESUMED**
219.4 **ABANDONED.**

219.5 (a) Subject to section 345A.210, property held in an account established under a state's
219.6 Uniform Gifts to Minors Act or Uniform Transfers to Minors Act is presumed abandoned
219.7 if it is unclaimed by or on behalf of the minor on whose behalf the account was opened
219.8 three years after the later of:

219.9 (1) except as in paragraph (2), the date a communication sent by the holder by first-class
219.10 United States mail to the custodian of the minor on whose behalf the account was opened
219.11 is returned undelivered to the holder by the United States Postal Service;

219.12 (2) if the communication is re-sent later than 30 days after the date the first
219.13 communication is returned undelivered, the date the second communication was returned
219.14 undelivered; or

219.15 (3) the date on which the custodian is required to transfer the property to the minor or
219.16 the minor's estate in accordance with the Uniform Gifts to Minors Act or Uniform Transfers
219.17 to Minors Act of the state in which the account was opened.

219.18 (b) If the holder does not send communications to the custodian of the minor on whose
219.19 behalf an account described in subsection (a) was opened by first-class United States mail,
219.20 the holder shall attempt to confirm the custodian's interest in the property by sending the
219.21 custodian an e-mail communication not later than two years after the custodian's last
219.22 indication of interest in the property; however, the holder promptly shall attempt to contact
219.23 the custodian by first-class United States mail if:

219.24 (1) the holder does not have information needed to send the custodian an e-mail
219.25 communication or the holder believes that the custodian's e-mail address in the holder's
219.26 records is not valid;

219.27 (2) the holder receives notification that the e-mail communication was not received; or

219.28 (3) the custodian does not respond to the e-mail communication not later than 30 days
219.29 after the communication was sent.

219.30 (c) If first-class United States mail sent under subsection (b) is returned undelivered to
219.31 the holder by the United States Postal Service, the property is presumed abandoned three
219.32 years after the later of:

220.1 (1) the date a communication to contact the custodian by first-class United States mail
220.2 is returned to the holder undelivered by the United States Postal Service; or

220.3 (2) the date established by subsection (a)(3).

220.4 (d) When the property in the account described in subsection (a) is transferred to the
220.5 minor on whose behalf an account was opened or to the minor's estate, the property in the
220.6 account is no longer subject to this section.

220.7 **Sec. 5. [345A.205] WHEN CONTENTS OF SAFE DEPOSIT BOX PRESUMED**
220.8 **ABANDONED.**

220.9 Tangible property held in a safe deposit box and proceeds from a sale of the property
220.10 by the holder permitted by law of this state other than this chapter are presumed abandoned
220.11 if the property remains unclaimed by the apparent owner five years after the earlier of the:

220.12 (1) expiration of the lease or rental period for the safe deposit box; or

220.13 (2) earliest date when the lessor of the safe deposit box is authorized by law of this state
220.14 other than this chapter to enter the safe deposit box and remove or dispose of the contents
220.15 without consent or authorization of the lessee.

220.16 **Sec. 6. [345A.206] WHEN STORED-VALUE CARD PRESUMED ABANDONED.**

220.17 (a) Subject to section 345A.210, the net card value of a stored-value card, other than a
220.18 payroll card or a gift card, is presumed abandoned on the latest of three years after:

220.19 (1) December 31 of the year in which the card is issued or additional funds are deposited
220.20 into it;

220.21 (2) the most recent indication of interest in the card by the apparent owner; or

220.22 (3) a verification or review of the balance by or on behalf of the apparent owner.

220.23 (b) The amount presumed abandoned in a stored-value card is the net card value at the
220.24 time it is presumed abandoned.

220.25 (c) If a holder has reported and remitted to the administrator the net card value on a
220.26 stored-value card presumed abandoned under this section and the stored-value card does
220.27 not have an expiration date, then the holder must honor the card on presentation indefinitely
220.28 and may then request reimbursement from the administrator under section 345A.605.

221.1 Sec. 7. [345A.208] WHEN SECURITY PRESUMED ABANDONED.

221.2 (a) Subject to section 345A.210, a security is presumed abandoned after the earlier of
221.3 the following:

221.4 (1) three years after the date a communication sent by the holder by first-class United
221.5 States mail to the apparent owner is returned to the holder undelivered by the United States
221.6 Postal Service or if such communication is re-sent no later than 30 days after the first
221.7 communication is returned, the date the second communication is returned undelivered to
221.8 the holder by the United States Postal Service; or

221.9 (2) five years after the date of the apparent owner's last indication of interest in the
221.10 security.

221.11 (b) If the holder does not send communications to the apparent owner of a security by
221.12 first-class United States mail, the holder shall attempt to confirm the apparent owner's
221.13 interest in the security by sending the apparent owner an e-mail communication not later
221.14 than two years after the apparent owner's last indication of interest in the security; however,
221.15 the holder promptly shall attempt to contact the apparent owner by first-class United States
221.16 mail if:

221.17 (1) the holder does not have information needed to send the apparent owner an e-mail
221.18 communication or the holder believes that the apparent owner's e-mail address in the holder's
221.19 records is not valid;

221.20 (2) the holder receives notification that the e-mail communication was not received; or

221.21 (3) the apparent owner does not respond to the e-mail communication not later than 30
221.22 days after the communication was sent.

221.23 (c) If first-class United States mail sent under subsection (b) is returned to the holder
221.24 undelivered by the United States Postal Service, the security is presumed abandoned in
221.25 accordance with subsection (a)(2).

221.26 (d) If a holder, in the ordinary course of business, receives notice or an indication of the
221.27 death of an apparent owner, the holder shall attempt, not later than 90 days after receipt of
221.28 the notice or indication, to confirm whether the apparent owner is deceased. Notwithstanding
221.29 the standards set forth in subsections (a), (b), and (c), if the holder either receives
221.30 confirmation of the death of the apparent owner in the ordinary course of business or confirms
221.31 the death of the apparent owner under this subsection, then the property shall be presumed
221.32 abandoned two years after the date of the owner's death.

222.1 Sec. 8. [345A.209] WHEN RELATED PROPERTY PRESUMED ABANDONED.

222.2 At and after the time property is presumed abandoned under this chapter, any other
222.3 property right or interest accrued or accruing from the property and not previously presumed
222.4 abandoned is also presumed abandoned.

222.5 Sec. 9. [345A.210] INDICATION OF APPARENT OWNER INTEREST IN
222.6 PROPERTY.

222.7 (a) The period after which property is presumed abandoned is measured from the later:

222.8 (1) the date the property is presumed abandoned under sections 345A.201 to 345A.211;
222.9 or

222.10 (2) the latest indication of interest by the apparent owner in the property.

222.11 (b) Under this chapter, an indication of an apparent owner's interest in property includes:

222.12 (1) a record communicated by the apparent owner to the holder or agent of the holder
222.13 concerning the property or the account in which the property is held;

222.14 (2) an oral communication by the apparent owner to the holder or agent of the holder
222.15 concerning the property or the account in which the property is held, if the holder or its
222.16 agent contemporaneously makes and preserves a record of the fact of the apparent owner's
222.17 communication;

222.18 (3) presentment of a check or other instrument of payment of a dividend, interest payment,
222.19 or other distribution, or evidence of receipt of a distribution made by electronic or similar
222.20 means, with respect to an account, underlying security, or interest in a business association.

222.21 (4) activity directed by an apparent owner in the account in which the property is held,
222.22 including accessing the account or information concerning the account, or a direction by
222.23 the apparent owner to increase, decrease, or otherwise change the amount or type of property
222.24 held in the account;

222.25 (5) a deposit into or withdrawal from an account at a financial organization, except for
222.26 an automatic debit or credit previously authorized by the apparent owner or an automatic
222.27 reinvestment of dividends or interest; and

222.28 (6) subject to subsection (e), payment of a premium on an insurance policy.

222.29 (c) An action by an agent or other representative of an apparent owner, other than the
222.30 holder acting as the apparent owner's agent, is presumed to be an action on behalf of the
222.31 apparent owner.

223.1 (d) A communication with an apparent owner by a person other than the holder or the
223.2 holder's representative is not an indication of interest in the property by the apparent owner
223.3 unless a record of the communication evidences the apparent owner's knowledge of a right
223.4 to the property.

223.5 (e) If the insured dies or the insured or beneficiary of an insurance policy otherwise
223.6 becomes entitled to the proceeds before depletion of the cash surrender value of the policy
223.7 by operation of an automatic premium loan provision or other nonforfeiture provision
223.8 contained in the policy, the operation does not prevent the policy from maturing or
223.9 terminating.

223.10 (f) If the apparent owner has other property with the holder to which section 345A.201,
223.11 paragraph (6), applies, the activity directed by the apparent owner toward any other accounts,
223.12 including but not limited to loan accounts, at the financial organization holding an inactive
223.13 account of the apparent owner shall be an indication of interest in all such accounts if:

223.14 (1) the apparent owner engages in one or more of the following activities:

223.15 (A) the apparent owner undertakes one or more of the actions described in subsection

223.16 (b) regarding an account that appears on a consolidated statement with the inactive account;

223.17 (B) the apparent owner increases or decreases the amount of funds in any other account
223.18 the apparent owner has with the financial organization; or

223.19 (C) the apparent owner engages in any other relationship with the financial organization,
223.20 including payment of any amounts due on a loan; and

223.21 (2) the mailing address for the apparent owner in the financial organization's records is
223.22 the same for both the inactive account and the active account.

223.23 **Sec. 10. [345A.211] KNOWLEDGE OF DEATH OF INSURED OR ANNUITANT.**

223.24 (a) In this section, "death master file" ("DMF") means the United States Social Security
223.25 Administration Death Master File or other database or service that is at least as
223.26 comprehensive as the United States Social Security Administration Death Master File for
223.27 determining that an individual reportedly has died.

223.28 (b) With respect to a life or endowment insurance policy or annuity contract for which
223.29 an amount is owed on proof of death, but which has not matured by proof of death of the
223.30 insured or annuitant, the company has knowledge of the death of an insured or annuitant
223.31 when:

224.1 (1) the company receives a death certificate or court order determining that the insured
224.2 or annuitant has died;

224.3 (2) the company receives notice of the death of the insured or annuitant from the
224.4 administrator or an unclaimed property administrator of another state, a beneficiary, a policy
224.5 owner, a relative of the insured, a representative under the Probate Act of 1975, or an
224.6 executor or other legal representative of the insured's or annuitant's estate and validates the
224.7 death of the insured or annuitant;

224.8 (3) the company conducts a comparison for any purpose between a DMF and the names
224.9 of some or all of the company's insureds or annuitants, finds a match that provides notice
224.10 that the insured or annuitant has died, and validates the death; or

224.11 (4) the administrator or the administrator's agent conducts a comparison for the purpose
224.12 of finding matches during an examination conducted under this chapter between a DMF
224.13 and the names of some or all of the company's insureds or annuitants, and finds a match
224.14 that provides notice that the insured or annuitant has died.

224.15 (c) A holder shall perform a comparison of its insureds' in-force policies, annuity
224.16 contracts, and retained asset accounts against a DMF on at least a semiannual basis by using
224.17 the full DMF once and thereafter using DMF updated files for future comparisons to identify
224.18 potential matches of its insureds.

224.19 (d) A death master file match under subsection (b)(3) or (4) occurs if the criteria for an
224.20 exact or partial match are satisfied.

224.21 (1) an exact match occurs when the Social Security number, first and last name, and
224.22 date of birth contained in the holder's records matches exactly to the data contained in the
224.23 DMF;

224.24 (2) a partial match occurs in any of the following circumstances:

224.25 (A) when the Social Security number contained in the data found in the holder's records
224.26 matches exactly or in accordance with the fuzzy match criteria listed below to the Social
224.27 Security number contained in the DMF, the first and last names match either exactly or in
224.28 accordance with the fuzzy match criteria listed below, and the date of birth matches exactly
224.29 or in accordance with the fuzzy match criteria listed below;

224.30 (B) when the holder's records do not include a Social Security number or where the
224.31 Social Security number is incomplete or otherwise invalid, and there is a first name, last
224.32 name, and date of birth combination in the holder's data that is a match against the data
224.33 contained in the DMF where the first and last names match either exactly or in accordance

225.1 with the fuzzy match criteria listed below and the date of birth matches exactly or in
225.2 accordance with the fuzzy match criteria listed below;

225.3 (C) if there is more than one potentially matched individual returned as a result of the
225.4 process described in paragraphs (A) and (B) above, the holder shall search the Social Security
225.5 numbers obtained from the DMF for the potential matched individuals against Accurint for
225.6 Insurance or an equivalent database. If a search of those databases shows that the DMF
225.7 Social Security number is listed at the address in the holder's records for the insured, a
225.8 partial match will be considered to have been made only for individuals with a matching
225.9 address;

225.10 (D) fuzzy match criteria includes the following:

225.11 (i) a first name fuzzy match includes one or more of the following: a nickname; an initial
225.12 instead of a full first name; accepted industry standard phonetic name-matching algorithm;
225.13 data entry mistakes with a maximum difference of one character with at least five characters
225.14 in length; a first and last name are provided and cannot be reliably distinguished from one
225.15 another; use of interchanged first name and middle name; a misused compound name; and
225.16 the use of a "Mrs." in conjunction with a spouse's name where the date of birth and Social
225.17 Security number match exactly and the last name matches exactly or in accordance with
225.18 the fuzzy match criteria listed herein;

225.19 (ii) a last name fuzzy match includes one or more of the following: Anglicized forms
225.20 of last names; compound last name; blank spaces in last name; accepted industry standard
225.21 phonetic name-matching algorithm; a first and last name are provided and cannot be reliably
225.22 distinguished from one another; use of apostrophe or other punctuation; data entry mistakes
225.23 with a maximum difference of one character for last name with at least eight characters in
225.24 length; and married female last name variations;

225.25 (iii) a date of birth fuzzy match includes one of the following: two dates with a maximum
225.26 of two digits in difference, but only one entry mistake per full date is allowable; transposition
225.27 of the month and date portion of the date of birth; if the holder's records do not contain a
225.28 complete date of birth, then a fuzzy match date of birth will be found to exist where the data
225.29 available in the holder's records does not conflict with the data contained in the DMF; if
225.30 the holder provided a first and last name match, either exactly or in accordance with the
225.31 fuzzy match criteria herein and the Social Security number matches exactly against the
225.32 DMF, the date of birth is a fuzzy match if the holder provided a date of birth that is within
225.33 two years of the DMF-listed date of birth;

(iv) a Social Security number fuzzy match includes one of the following: two Social Security numbers with a maximum of two digits in difference, any number position; two consecutive numbers are transposed; and the Social Security number is less than nine digits in length, but at least seven digits, and is entirely embedded within the other Social Security number;

(3) the DMF match does not constitute proof of death for the purpose of submission to an insurance company of a claim by a beneficiary, annuitant, or owner of the policy or contract for an amount due under an insurance policy or annuity contract;

(4) the DMF match or validation of the insured's or annuitant's death does not alter the requirements for a beneficiary, annuitant, or owner of the policy or contract to make a claim to receive proceeds under the terms of the policy or contract;

(5) an insured or an annuitant is presumed dead if the date of the person's death is indicated by the DMF match under either subsection (b)(3) or (4), unless the insurer has competent and substantial evidence that the person is living, including but not limited to a contact made by the insurer with the person or the person's legal representation.

(e) This chapter does not affect the determination of the extent to which an insurance company before the effective date of this chapter had knowledge of the death of an insured or annuitant or was required to conduct a DMF comparison to determine whether amounts owed by the company on a life or endowment insurance policy or annuity contract were presumed abandoned or unclaimed.

Sec. 11. [345A.211] DEPOSIT ACCOUNT FOR PROCEEDS OF INSURANCE POLICY OR ANNUITY CONTRACT.

If proceeds payable under a life or endowment insurance policy or annuity contract are deposited into an account with check or draft-writing privileges for the beneficiary of the policy or contract and, under a supplementary contract not involving annuity benefits other than death benefits, the proceeds are retained by the insurance company or the financial organization where the account is held, the policy or contract includes the assets in the account.

ARTICLE 19**UNCLAIMED PROPERTY; RULES FOR TAKING CUSTODY OF PROPERTY
PRESUMED ABANDONED****Section 1. [345A.301] ADDRESS OF APPARENT OWNER TO ESTABLISH
PRIORITY.**

In sections 345A.301 to 345A.307, the following rules apply:

(1) The last known address of an apparent owner is any description, code, or other indication of the location of the apparent owner which identifies the state, even if the description, code, or indication of location is not sufficient to direct the delivery of first-class United States mail to the apparent owner.

(2) If the United States postal zip code associated with the apparent owner is for a post office located in this state, this state is deemed to be the state of the last known address of the apparent owner unless other records associated with the apparent owner specifically identify the physical address of the apparent owner to be in another state.

(3) If the address under paragraph (2) is in another state, the other state is deemed to be the state of the last known address of the apparent owner.

(4) The address of the apparent owner of a life or endowment insurance policy or annuity contract or its proceeds is presumed to be the address of the insured or annuitant if a person other than the insured or annuitant is entitled to the amount owed under the policy or contract and the address of the other person is not known by the insurance company and cannot be determined under section 345A.302.

Sec. 2. [345A.302] ADDRESS OF APPARENT OWNER IN THIS STATE.

The administrator may take custody of property that is presumed abandoned, whether located in this state, another state, or a foreign country, if:

(1) the last known address of the apparent owner in the records of the holder is in this state; or

(2) the records of the holder do not reflect the identity or last known address of the apparent owner, but the administrator has determined that the last known address of the apparent owner is in this state.

228.1 Sec. 3. **[345A.303] IF RECORDS SHOW MULTIPLE ADDRESSES OF APPARENT**
228.2 **OWNER.**

228.3 (a) Except as provided in subsection (b), if records of a holder reflect multiple addresses
228.4 for an apparent owner and this state is the state of the last known address, this state may
228.5 take custody of property presumed abandoned, whether located in this state or another state.

228.6 (b) If it appears from records of the holder that the last known address of the apparent
228.7 owner under subsection (a) is a temporary address and this state is the state of the next most
228.8 recently recorded address that is not a temporary address, this state may take custody of the
228.9 property presumed abandoned.

228.10 Sec. 4. **[345A.304] HOLDER DOMICILED IN THIS STATE.**

228.11 (a) Except as provided in subsection (b) or section 345A.302 or 345A.303, the
228.12 administrator may take custody of property presumed abandoned, whether located in this
228.13 state, another state, or a foreign country, if the holder is domiciled in this state, another state,
228.14 or a governmental subdivision, agency, or instrumentality of this state and:

228.15 (1) another state or foreign country is not entitled to the property because there is no last
228.16 known address of the apparent owner or other person entitled to the property in the records
228.17 of the holder; or

228.18 (2) the state or foreign country of the last known address of the apparent owner or other
228.19 person entitled to the property does not provide for custodial taking of the property.

228.20 (b) Property is not subject to custody of the administrator under subsection (a) if the
228.21 property is specifically exempt from custodial taking under the law of this state, another
228.22 state, or foreign country of the last known address of the apparent owner.

228.23 (c) If a holder's state of domicile has changed since the time the property was presumed
228.24 abandoned, the holder's state of domicile in this section is deemed to be the state where the
228.25 holder was domiciled at the time the property was presumed abandoned.

228.26 Sec. 5. **[345A.305] CUSTODY IF TRANSACTION TOOK PLACE IN THIS STATE.**

228.27 Except as provided in sections 345A.302 to 345A.304, the administrator may take custody
228.28 of property presumed abandoned whether located in this state or another state if:

228.29 (1) the transaction out of which the property arose took place in this state;

228.30 (2) the holder is domiciled in a state that does not provide for the custodial taking of the
228.31 property, except that if the property is specifically exempt from custodial taking under the

229.1 law of the state of the holder's domicile, the property is not subject to the custody of the
229.2 administrator; and

229.3 (3) the last known address of the apparent owner or other person entitled to the property
229.4 is unknown or in a state that does not provide for the custodial taking of the property, except
229.5 that if the property is specifically exempt from custodial taking under the law of the state
229.6 of the last known address, the property is not subject to the custody of the administrator.

229.7 **Sec. 6. [345A.306] TRAVELER'S CHECK, MONEY ORDER, OR SIMILAR**
229.8 **INSTRUMENT.**

229.9 The administrator may take custody of sums payable on a traveler's check, money order,
229.10 or similar instrument presumed abandoned to the extent permissible under United States
229.11 Code, title 12, sections 2501 through 2503, as amended.

229.12 **Sec. 7. [345A.307] BURDEN OF PROOF TO ESTABLISH ADMINISTRATOR'S**
229.13 **RIGHT TO CUSTODY.**

229.14 Subject to this chapter, if the administrator asserts a right to custody of unclaimed
229.15 property and there is a dispute concerning such property, the administrator has the initial
229.16 burden to prove:

- 229.17 (1) the amount of the property;
229.18 (2) the property is presumed abandoned; and
229.19 (3) the property is subject to the custody of the administrator.

229.20 **ARTICLE 20**

229.21 **UNCLAIMED PROPERTY; REPORT BY HOLDER**

229.22 **Section 1. [345A.401] REPORT REQUIRED BY HOLDER.**

229.23 (a) A holder of property presumed abandoned and subject to the custody of the
229.24 administrator shall report in a record to the administrator concerning the property. A holder
229.25 shall submit an electronic report in a format prescribed by, and acceptable to, the
229.26 administrator.

229.27 (b) A holder may contract with a third party to make the report required under subsection
229.28 (a).

229.29 (c) Whether or not a holder contracts with a third party under subsection (b), the holder
229.30 is responsible:

230.1 (1) to the administrator for the complete, accurate, and timely reporting of property
230.2 presumed abandoned; and

230.3 (2) for paying or delivering to the administrator property described in the report.

230.4 **Sec. 2. [345A.402] CONTENT OF REPORT.**

230.5 (a) The report required under section 345A.401 must:

230.6 (1) be signed by or on behalf of the holder and verified as to its completeness and
230.7 accuracy;

230.8 (2) be filed electronically, unless exception is granted, and be in a secure format approved
230.9 by the administrator which protects confidential information of the apparent owner;

230.10 (3) describe the property;

230.11 (4) except for a traveler's check, money order, or similar instrument, contain the name,
230.12 if known, last known address, if known, and Social Security number or taxpayer identification
230.13 number, if known or readily ascertainable, of the apparent owner of property with a value
230.14 of \$50 or more;

230.15 (5) for an amount held or owing under a life or endowment insurance policy or annuity
230.16 contract, contain the name and last known address of the insured, annuitant, or other apparent
230.17 owner of the policy or contract and of the beneficiary;

230.18 (6) for property held in or removed from a safe deposit box, indicate the location of the
230.19 property, and where it may be inspected by the administrator;

230.20 (7) contain the commencement date for determining abandonment under sections
230.21 345A.201 to 345A.211;

230.22 (8) state that the holder has complied with the notice requirements of section 345A.501;

230.23 (9) identify property that is a nonfreely transferable security and explain why it is a
230.24 nonfreely transferable security; and

230.25 (10) contain other information prescribed by the administrator.

230.26 (b) A report under section 345A.401 may include in the aggregate items valued under
230.27 \$50 each. If the report includes items in the aggregate valued under \$50 each, the
230.28 administrator may not require the holder to provide the name and address of an apparent
230.29 owner of an item unless the information is necessary to verify or process a claim in progress
230.30 by the apparent owner.

231.1 (c) A report under section 345A.401 may include personal information as defined in
231.2 section 345A.401(a) about the apparent owner or the apparent owner's property.

231.3 (d) If a holder has changed its name while holding property presumed abandoned or is
231.4 a successor to another person that previously held the property for the apparent owner, the
231.5 holder must include in the report under section 345A.401 its former name or the name of
231.6 the previous holder, if any, and the known name and address of each previous holder of the
231.7 property.

231.8 **Sec. 3. [345A.403] WHEN REPORT TO BE FILED.**

231.9 (a) Except as otherwise provided in subsection (b) and subject to subsection (c), the
231.10 report under section 345A.401 must be filed before November 1 of each year and cover the
231.11 12 months preceding July 1 of that year.

231.12 (b) Subject to subsection (c), the report under section 345A.401 to be filed by an insurance
231.13 company must be filed before May 1 of each year for the immediately preceding calendar
231.14 year.

231.15 (c) Before the date for filing the report under section 345A.401, the holder of property
231.16 presumed abandoned may request the administrator to extend the time for filing. The
231.17 administrator may grant an extension. If the extension is granted, the holder may pay or
231.18 make a partial payment of the amount the holder estimates ultimately will be due. The
231.19 payment or partial payment terminates accrual of interest on the amount paid.

231.20 **Sec. 4. [345A.404] RETENTION OF RECORDS BY HOLDER.**

231.21 A holder required to file a report under section 345A.401 shall retain records for ten
231.22 years after the later of the date the report was filed or the last date a timely report was due
231.23 to be filed, unless a shorter period is provided by rule of the administrator. The holder may
231.24 satisfy the requirement to retain records under this section through an agent. The records
231.25 must contain:

231.26 (1) the information required to be included in the report;

231.27 (2) the date, place, and nature of the circumstances that gave rise to the property right;

231.28 (3) the amount or value of the property;

231.29 (4) the last known address of the apparent owner, if known to the holder; and

231.30 (5) if the holder sells, issues, or provides to others for sale or issue in this state traveler's
231.31 checks, money orders, or similar instruments, other than third-party bank checks, on which

232.1 the holder is directly liable, a record of the instruments while they remain outstanding,
232.2 indicating the state and date of issue.

232.3 Sec. 5. [345A.405] PROPERTY REPORTABLE AND PAYABLE OR
232.4 DELIVERABLE ABSENT OWNER DEMAND.

232.5 Property is reportable and payable or deliverable under this chapter even if the owner
232.6 fails to make demand or present an instrument or document otherwise required to obtain
232.7 payment.

232.8 **ARTICLE 21**

232.9 **UNCLAIMED PROPERTY; NOTICE TO APPARENT OWNER OF PROPERTY**
232.10 **PRESUMED ABANDONED**

232.11 Section 1. [345A.501] NOTICE TO APPARENT OWNER BY HOLDER.

232.12 (a) Subject to subsection (b), the holder of property presumed abandoned shall send to
232.13 the apparent owner notice by first-class United States mail that complies with section
232.14 345A.502 in a format acceptable to the administrator not more than 180 days nor less than
232.15 60 days before filing the report under section 345A.401 if:

232.16 (1) the holder has in its records an address for the apparent owner which the holder's
232.17 records do not disclose to be invalid and is sufficient to direct the delivery of first-class
232.18 United States mail to the apparent owner; and

232.19 (2) the value of the property is \$50 or more.

232.20 (b) If an apparent owner has consented to receive e-mail delivery from the holder, the
232.21 holder shall send the notice described in subsection (a) both by first-class United States
232.22 mail to the apparent owner's last known mailing address and by e-mail, unless the holder
232.23 believes that the apparent owner's e-mail address is invalid.

232.24 (c) The holder of securities presumed abandoned under sections 345A.202, 345A.203,
232.25 or 345A.208 shall send the apparent owner notice by certified United States mail that
232.26 complies with section 345A.502, and in a format acceptable to the administrator, not less
232.27 than 60 days before filing the report under section 345A.401, if:

232.28 (1) the holder has in its records an address for the apparent owner which the holder's
232.29 records do not disclose to be invalid and is sufficient to direct the delivery of United States
232.30 mail to the apparent owner; and

232.31 (2) the value of the property is \$1,000 or more.

233.1 (d) In addition to other indications of an apparent owner's interest in property pursuant
233.2 to section 345A.210, a signed return receipt in response to a notice sent pursuant to this
233.3 section by certified United States mail shall constitute a record communicated by the apparent
233.4 owner to the holder concerning the property or the account in which the property is held.

233.5 **Sec. 2. [345A.502] CONTENTS OF NOTICE BY HOLDER.**

233.6 (a) Notice under section 345A.501 must contain a heading that reads substantially as
233.7 follows: "Notice. The State of Minnesota requires us to notify you that your property may
233.8 be transferred to the custody of the commissioner of commerce if you do not contact us
233.9 before (insert date that is 30 days after the date of this notice)."

233.10 (b) The notice under section 345A.501 must:

233.11 (1) identify the nature and, except for property that does not have a fixed value, the value
233.12 of the property that is the subject of the notice;

233.13 (2) state that the property will be turned over to the administrator;

233.14 (3) state that after the property is turned over to the administrator an apparent owner
233.15 that seeks return of the property must file a claim with the administrator;

233.16 (4) state that property that is not legal tender of the United States may be sold by the
233.17 administrator; and

233.18 (5) provide instructions that the apparent owner must follow to prevent the holder from
233.19 reporting and paying or delivering the property to the administrator.

233.20 **Sec. 3. [345A.503] NOTICE BY ADMINISTRATOR.**

233.21 (a) The administrator shall give notice to an apparent owner that property presumed
233.22 abandoned and that appears to be owned by the apparent owner is held by the administrator
233.23 under this chapter.

233.24 (b) In providing notice under subsection (a), the administrator shall:

233.25 (1) publish every 12 months in at least one newspaper of general circulation in each
233.26 county in this state notice of property held by the administrator which must include:

233.27 (A) the total value of property received by the administrator during the preceding
233.28 12-month period, taken from the reports under section 345A.401;

233.29 (B) the total value of claims paid by the administrator during the preceding 12-month
233.30 period;

234.1 (C) the Internet address of the unclaimed property website maintained by the
234.2 administrator;

234.3 (D) a telephone number and e-mail address to contact the administrator to inquire about
234.4 or claim property; and

234.5 (E) a statement that a person may access the Internet by a computer to search for
234.6 unclaimed property and a computer may be available as a service to the public at a local
234.7 public library; and

234.8 (2) maintain a website or database accessible by the public and electronically searchable
234.9 which contains the names reported to the administrator of all apparent owners for whom
234.10 property is being held by the administrator. The administrator need not list property on such
234.11 website when:

234.12 (A) no owner name was reported;

234.13 (B) a claim has been initiated or is pending for the property;

234.14 (C) the administrator has made direct contact with the apparent owner of the property;
234.15 and

234.16 (D) other instances exist where the administrator reasonably believes exclusion of the
234.17 property is in the best interests of both the state and the owner of the property.

234.18 (c) The website or database maintained under subsection (b)(2) must include instructions
234.19 for filing with the administrator a claim to property and a printable claim form with
234.20 instructions for its use.

234.21 (d) In addition to giving notice under subsection (b), publishing the information under
234.22 subsection (b)(1), and maintaining the website or database under subsection (b)(2), the
234.23 administrator may use other printed publication, telecommunication, the Internet, or other
234.24 media to inform the public of the existence of unclaimed property held by the administrator.

234.25 **ARTICLE 22**

234.26 **UNCLAIMED PROPERTY; TAKING CUSTODY OF PROPERTY BY** 234.27 **ADMINISTRATOR**

234.28 **Section 1. [345A.601] DORMANCY CHARGE.**

234.29 (a) A holder may deduct a dormancy charge from property required to be paid or delivered
234.30 to the administrator if:

235.1 (1) a valid contract between the holder and the apparent owner authorizes imposition of
235.2 the charge for the apparent owner's failure to claim the property within a specified time;
235.3 and

235.4 (2) the holder regularly imposes the charge and regularly does not reverse or otherwise
235.5 cancel the charge.

235.6 (b) The amount of the deduction under subsection (a) is limited to an amount that is not
235.7 unconscionable considering all relevant factors, including the marginal transactional costs
235.8 incurred by the holder in maintaining the apparent owner's property and any services received
235.9 by the apparent owner.

235.10 (c) A holder may not deduct an escheat fee or impose other charges solely by virtue of
235.11 property being reported as presumed abandoned.

235.12 Sec. 2. [345A.602] PAYMENT OR DELIVERY OF PROPERTY TO
235.13 ADMINISTRATOR.

235.14 (a) Except as otherwise provided in this section, on filing a report under section 345A.401,
235.15 the holder shall pay or deliver to the administrator the property described in the report.

235.16 (b) If property in a report under section 345A.401 is an automatically renewable deposit
235.17 and a penalty or forfeiture in the payment of interest would result from paying the deposit
235.18 to the administrator at the time of the report, the date for payment of the property to the
235.19 administrator is extended until a penalty or forfeiture no longer would result from payment,
235.20 if the holder informs the administrator of the extended date.

235.21 (c) Tangible property in a safe deposit box may not be delivered to the administrator
235.22 until 60 days after filing the report under section 345A.401.

235.23 (d) If property reported to the administrator under section 345A.401 is a security, the
235.24 administrator may:

235.25 (1) make an endorsement, instruction, or entitlement order on behalf of the apparent
235.26 owner to invoke the duty of the issuer, its transfer agent, or the securities intermediary to
235.27 transfer the security; or

235.28 (2) dispose of the security under section 345A.702.

235.29 (e) If the holder of property reported to the administrator under section 345A.401 is the
235.30 issuer of a certificated security, the administrator may obtain a replacement certificate in
235.31 physical or book-entry form under section 336.8-405. An indemnity bond is not required.

236.1 (f) The administrator shall establish procedures for the registration, issuance, method
236.2 of delivery, transfer, and maintenance of securities delivered to the administrator by a holder.

236.3 (g) An issuer, holder, and transfer agent or other person acting under this section under
236.4 instructions of and on behalf of the issuer or holder is not liable to the apparent owner for,
236.5 and must be indemnified by the state against, a claim arising with respect to property after
236.6 the property has been delivered to the administrator.

236.7 (h) A holder is not required to deliver to the administrator a security identified by the
236.8 holder as a nonfreely transferable security. If the administrator or holder determines that a
236.9 security is no longer a nonfreely transferable security, the holder shall deliver the security
236.10 on the next regular date prescribed for delivery of securities under this chapter. The holder
236.11 shall make a determination annually whether a security identified in a report filed under
236.12 section 345A.401 as a nonfreely transferable security is no longer a nonfreely transferable
236.13 security.

236.14 **Sec. 3. [345A.603] EFFECT OF PAYMENT OR DELIVERY OF PROPERTY TO**
236.15 **ADMINISTRATOR.**

236.16 On payment or delivery of property to the administrator under this chapter, the
236.17 administrator, as agent for the state, assumes custody and responsibility for safekeeping the
236.18 property. A holder that pays or delivers property to the administrator in good faith and
236.19 substantially complies with sections 345A.501 and 345A.502 is relieved of liability which
236.20 may arise thereafter with respect to the property so paid or delivered.

236.21 **Sec. 4. [345A.604] RECOVERY OF PROPERTY BY HOLDERS FROM**
236.22 **ADMINISTRATOR.**

236.23 (a) A holder that under this chapter pays money to the administrator may file a claim
236.24 for reimbursement from the administrator of the amount paid if the holder:

236.25 (1) paid the money in error; or

236.26 (2) after paying the money to the administrator, paid money to a person the holder
236.27 reasonably believed entitled to the money.

236.28 (b) If a claim for return of property is made, the holder shall include with the claim
236.29 evidence sufficient to establish that the apparent owner has claimed the property from the
236.30 holder or that the property was delivered by the holder to the administrator in error.

237.1 Sec. 5. [345A.605] CREDITING INCOME OR GAIN TO OWNER'S ACCOUNT.

237.2 If property other than money is delivered to the administrator, the owner is entitled to
237.3 receive from the administrator income or gain realized or accrued on the property before
237.4 the property is sold. If the property was interest-bearing, the administrator shall pay interest
237.5 at the lesser of the rate of the weekly average one-year constant maturity treasury yield, as
237.6 published by the Board of Governors of the Federal Reserve System, for the calendar week
237.7 preceding the beginning of the fiscal quarter in which the property was sold or the rate the
237.8 property earned while in the possession of the holder. Interest begins to accrue when the
237.9 property is delivered to the administrator and ends on the earlier of the expiration of ten
237.10 years after its delivery or the date on which payment is made to the owner.

237.11 Sec. 6. [345A.606] ADMINISTRATOR'S OPTIONS AS TO CUSTODY.

237.12 (a) The administrator may decline to take custody of property reported under section
237.13 345A.401 if the administrator determines that:

237.14 (1) the property has a value less than the estimated expenses of notice and sale of the
237.15 property; or

237.16 (2) taking custody of the property would be unlawful.

237.17 (b) A holder may pay or deliver property to the administrator before the property is
237.18 presumed abandoned under this chapter if the holder:

237.19 (1) sends the apparent owner of the property notice required by section 345A.501 and
237.20 provides the administrator evidence of the holder's compliance with this paragraph;

237.21 (2) includes with the payment or delivery a report regarding the property conforming to
237.22 section 345A.402; and

237.23 (3) first obtains the administrator's written consent to accept payment or delivery.

237.24 (c) A holder's request for the administrator's consent under subsection (b)(3) must be in
237.25 a record. If the administrator fails to respond to the request not later than 30 days after
237.26 receipt of the request, the administrator is deemed to consent to the payment or delivery of
237.27 the property and the payment or delivery is considered to have been made in good faith.

237.28 (d) On payment or delivery of property under subsection (b), the property is presumed
237.29 abandoned.

238.1 Sec. 7. [345A.607] DISPOSITION OF PROPERTY HAVING NO SUBSTANTIAL
238.2 VALUE; IMMUNITY FROM LIABILITY.

238.3 (a) If the administrator takes custody of property delivered under this chapter and later
238.4 determines that the property has no substantial commercial value or that the cost of disposing
238.5 of the property will exceed the value of the property, the administrator may return the
238.6 property to the holder or destroy or otherwise dispose of the property.

238.7 (b) An action or proceeding may not be commenced against the state, an agency of the
238.8 state, the administrator, another officer, employee, or agent of the state, or a holder for or
238.9 because of an act of the administrator under this section, except for intentional misconduct
238.10 or malfeasance.

238.11 Sec. 8. [345A.608] PERIODS OF LIMITATION AND REPOSE.

238.12 (a) Expiration, before, on, or after the effective date of this chapter, of a period of
238.13 limitation on an owner's right to receive or recover property, whether specified by contract,
238.14 statute, or court order, does not prevent the property from being presumed abandoned or
238.15 affect the duty of a holder under this chapter to file a report or pay or deliver property to
238.16 the administrator.

238.17 (b) An action or proceeding may not be maintained by the administrator to enforce this
238.18 act's reporting, delivery, or payment requirements more than ten years after the holder
238.19 specifically identified the property in a report filed with the administrator, or gave express
238.20 notice to the administrator of a dispute regarding the property. In the absence of such a
238.21 report or other express notice, the period of limitation is tolled. The period of limitation is
238.22 also tolled by filing a fraudulent report.

238.23 ARTICLE 23

238.24 UNCLAIMED PROPERTY; SALE OF PROPERTY BY ADMINISTRATOR

238.25 Section 1. [345A.701] PUBLIC SALE OF PROPERTY.

238.26 (a) Subject to section 345A.702, not earlier than three years after receipt of property
238.27 presumed abandoned, the administrator may sell the property.

238.28 (b) Before selling property under subsection (a), the administrator shall give notice to
238.29 the public of:

238.30 (1) the date of the sale; and

238.31 (2) a reasonable description of the property.

239.1 (c) A sale under subsection (a) must be to the highest bidder:

239.2 (1) at public sale at a location in this state which the administrator determines to be the
239.3 most favorable market for the property;

239.4 (2) on the Internet; or

239.5 (3) on another forum the administrator determines is likely to yield the highest net
239.6 proceeds of sale.

239.7 (d) The administrator may decline the highest bid at a sale under this section and reoffer
239.8 the property for sale if the administrator determines the highest bid is insufficient.

239.9 (e) If a sale held under this section is to be conducted other than on the Internet, the
239.10 administrator must publish at least one notice of the sale, at least two weeks but not more
239.11 than five weeks before the sale, in a newspaper of general circulation in the county in which
239.12 the property is sold. For purposes of this subsection, the reasonable description of property
239.13 to be sold required by subsection (b) may be satisfied by posting such information on the
239.14 administrator's website so long as the newspaper notice includes the website address where
239.15 such information is posted.

239.16 **Sec. 2. [345A.702] DISPOSAL OF SECURITIES.**

239.17 (a) The administrator may not sell or otherwise liquidate a security until one year after
239.18 the administrator receives the security, unless requested to do so by the owner of the security
239.19 in making a claim for the property.

239.20 (b) The administrator may not sell a security listed on an established stock exchange for
239.21 less than the price prevailing on the exchange at the time of sale. The administrator may
239.22 sell a security not listed on an established exchange by any commercially reasonable method.

239.23 **Sec. 3. [345A.704] PURCHASER OWNS PROPERTY AFTER SALE.**

239.24 A purchaser of property at a sale conducted by the administrator under this chapter takes
239.25 the property free of all claims of the owner, a previous holder, or a person claiming through
239.26 the owner or holder. The administrator shall execute documents necessary to complete the
239.27 transfer of ownership to the purchaser.

ARTICLE 24**UNCLAIMED PROPERTY; ADMINISTRATION OF PROPERTY****Section 1. [345A.801] DEPOSIT OF FUNDS BY ADMINISTRATOR.**

(a) The administrator shall deposit in the general fund all funds received under this chapter, including proceeds from the sale of property under sections 345A.701 to 345A.704, except:

(1) expenses of disposition of property delivered to the administrator under this chapter;

(2) expenses incurred in examining records of or collecting property from a putative holder or holder; and

(3) as otherwise provided in this chapter.

Sec. 2. [345A.802] ADMINISTRATOR TO RETAIN RECORDS OF PROPERTY.

The administrator shall:

(1) record and retain the name and last known address of each person shown on a report filed under section 345A.401 to be the apparent owner of property delivered to the administrator;

(2) record and retain the name and last known address of each insured or annuitant and beneficiary shown on the report;

(3) for each policy of insurance or annuity contract listed in the report of an insurance company, record and retain the policy or account number, the name of the company, and the amount due or paid; and

(4) for each apparent owner listed in the report, record and retain the name of the holder that filed the report and the amount due or paid.

ARTICLE 25**UNCLAIMED PROPERTY; HEARINGS, PROCEDURE, AND JUDICIAL REVIEW**

Section 1. Minnesota Statutes 2018, section 345.515, is amended to read:

345.515 AGREEMENTS TO LOCATE REPORTED PROPERTY.

It is unlawful for a person to seek or receive from another person or contract with a person for a fee or compensation for locating property, ~~knowing it to have been reported or paid or delivered to the commissioner pursuant to chapter 345~~ prior to 24 months after the date the property is paid or delivered to the ~~commissioner~~ administrator.

241.1 ~~No~~ An agreement entered into after 24 months after the date the property is paid or
 241.2 delivered to the commissioner is valid only if a person thereby undertakes to locate property
 241.3 included in a report for a fee or other compensation exceeding ten percent of the value of
 241.4 the recoverable property unless the agreement is in writing and, is signed by the owner and,
 241.5 discloses the nature and value of the property and the name and address of the holder thereof
 241.6 as such facts have been reported, and provides for compensation in an amount that is no
 241.7 more than 15 percent of the amount collected. Nothing in this section shall be construed to
 241.8 prevent an owner from asserting at any time that an agreement to locate property is based
 241.9 upon an excessive or unjust consideration.

241.10 Sec. 2. Minnesota Statutes 2018, section 345.53, is amended by adding a subdivision to
 241.11 read:

241.12 Subd. 3. Failure of person examined to retain records. If a person subject to
 241.13 examination under this chapter does not retain the records required by section 345A.404,
 241.14 the administrator may determine the value of property due using a reasonable method of
 241.15 estimation based on all information available to the administrator, including extrapolation
 241.16 and use of statistical sampling when appropriate and necessary. A payment made based on
 241.17 estimation under this section is a penalty for failure to maintain the records required by
 241.18 section 345A.404, and does not relieve a person from an obligation to report and deliver
 241.19 property to a state in which the holder is domiciled."

241.20 Delete the title and insert:

241.21 "A bill for an act
 241.22 relating to economic development; appropriating money for jobs and economic
 241.23 development; establishing paid family leave insurance; modifying economic
 241.24 development programs; establishing wage theft prevention; providing for earned
 241.25 sick and safe time; modifying labor and industry policy provisions; modifying
 241.26 commerce policy provisions; adopting Unemployment Insurance Advisory Council
 241.27 provisions; modifying unemployment insurance policy; modifying Bureau of
 241.28 Mediation Services policy; establishing guidelines relating to unclaimed property;
 241.29 modifying fees; increasing civil and criminal penalties; authorizing rulemaking;
 241.30 amending Minnesota Statutes 2018, sections 13.43, subdivision 6; 13.719, by
 241.31 adding a subdivision; 15.72, subdivision 2; 16C.285, subdivision 3; 47.59,
 241.32 subdivision 2; 47.60, subdivision 2; 47.601, subdivisions 2, 6; 53.04, subdivision
 241.33 3a; 56.131, subdivision 1; 116J.8731, subdivision 5; 116J.8748, subdivisions 4,
 241.34 6; 175.46, subdivisions 3, 13; 176.1812, subdivision 2; 176.231, subdivision 1;
 241.35 177.27, subdivisions 2, 4, 7, by adding subdivisions; 177.30; 177.32, subdivision
 241.36 1; 179.86, subdivisions 1, 3; 179A.041, by adding a subdivision; 181.03,
 241.37 subdivision 1, by adding subdivisions; 181.032; 181.101; 181.635, subdivision 2;
 241.38 181.942, subdivision 1; 182.659, subdivision 8; 182.666, subdivisions 1, 2, 3, 4,
 241.39 5, by adding a subdivision; 256J.561, by adding a subdivision; 256J.95, subdivisions
 241.40 3, 11; 256P.01, subdivision 3; 268.035, subdivisions 4, 12, 15, 20; 268.044,
 241.41 subdivisions 2, 3; 268.046, subdivision 1; 268.047, subdivision 3; 268.051,
 241.42 subdivision 2a; 268.057, subdivision 5; 268.069, subdivision 1; 268.07, subdivision
 241.43 1; 268.085, subdivisions 3, 3a, 8, 13a, by adding subdivisions; 268.095, subdivisions

242.16, 6a; 268.105, subdivision 6; 268.145, subdivision 1; 268.18, subdivisions 2b, 5;
242.2268.19, subdivision 1; 290.0132, by adding a subdivision; 326B.082, subdivisions
242.36, 8, 12; 326B.103, subdivision 11; 326B.106, subdivision 9; 326B.46, by adding
242.4a subdivision; 326B.475, subdivision 4; 326B.802, subdivision 15; 326B.815,
242.5subdivision 1; 326B.821, subdivision 21; 326B.84; 327.31, by adding a subdivision;
242.6327B.041; 327C.095, subdivision 6, by adding a subdivision; 337.10, subdivision
242.74; 341.30, subdivision 1; 341.32, subdivision 1; 341.321; 345.515; 345.53, by
242.8adding a subdivision; 609.52, subdivisions 1, 2, 3; Laws 2014, chapter 211, section
242.913, as amended; Laws 2017, chapter 94, article 1, section 2, subdivision 3;
242.10proposing coding for new law in Minnesota Statutes, chapters 13; 16C; 116J; 116L;
242.11177; 181; 325F; 327; proposing coding for new law as Minnesota Statutes, chapters
242.1258B; 268B; 345A; repealing Minnesota Statutes 2018, sections 181.9413; 325F.75."

242.13With the recommendation that when so amended the bill be returned to the Committee

242.14on Ways and Means.

242.15This Division action taken April 4, 2019

242.16....., Chair