

Subject Jobs Omnibus Bill

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## Article 1: Appropriations

Provides appropriations. See spreadsheet for details.

## Article 2: Family and Medical Benefits

Section	Description – Article 2: Family and Medical Benefits
1	<b>Family and medical insurance data [§ 13.719, subd. 7]</b> Classifies data under chapter 268B as private or nonpublic under the Minnesota Data Practices Act, and allows sharing of the data between the Department of Employment and Economic Development and the Department of Labor and Industry.
2	<b>Compliance orders [§ 177.27, subd. 4]</b> Gives enforcement powers over chapter 268B to the Commissioner of Labor and Industry.
3	<b>Required statement of earnings by employer [§ 181.032]</b> Requires that employers include the amount deducted from employee paychecks for premiums under section 268B.12, subdivision 2, and the amount paid by employers as premiums be included on employee statement of earnings.
4	<b>Use of data [§ 268.19, subd. 1]</b> Allows data gathered under the administration of Minnesota’s unemployment insurance statute to be used by the Family and Benefits Division of the Department of Employment and Economic Development as necessary to administer chapter 268B.
5	<b>Definitions [§ 268B.01]</b> Provides a number of definitions of terms used throughout chapter 268B.
6	<b>Family and Medical Benefit Insurance Program creation [§ 268B.02]</b> <b>Subd. 1. Creation.</b> Creates the program and assigns responsibility for administration to the commissioner of employment and economic development.

Section Description – Article 2: Family and Medical Benefits

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**Subd. 2. Creation of division.** Creates a division within the Department of Employment and Economic Development for administration of the program and requires the commissioner to appoint a director of the division.

**Subd. 3. Rulemaking.** Allows the commissioner to adopt rules to implement the program under the normal, note and comment, rulemaking procedures that typically take 18 months to two years.

**Subd. 4. Account creation; appropriation.** Creates an account in the special revenue fund and appropriates all money in the account to the commissioner to pay benefits under and administer the program.

**Subd. 5. Information technology services and equipment.** Exempts the new department created under the bill from existing statutory requirements that the Office of MN.IT services be responsible for information technology and services.

7 **Eligibility [§ 268B.03]**

**Subd. 1. Applicant.** Specifies that an applicant who meets one of the criteria under the program is eligible for benefits.

**Subd. 2. Wage credits.** Requires an otherwise eligible applicant for benefits to have earned enough money through covered employment during the prior four complete quarters to qualify for unemployment insurance benefits. This is set in law as 5.3 percent of the state's average annual wage rounded to the next lowest \$100 increment, which equals \$2,900 for 2019.

**Subd. 3. Seven-day qualifying event.** Sets a requirement that benefits can only be paid for a qualifying event of, at least, seven days duration. The seven days need not be sequential. For example, if an otherwise eligible employee breaks her leg, and the injury requires three days of treatment in a hospital, two days recovery at home, and two follow-up visits to a doctor, that would count as a seven-day qualifying event. Leave and benefits for bonding with a child are not subject to this requirement.

**Subd. 4. Ineligible.** Provides that an applicant is ineligible for benefits for any portion of a day in which the applicant worked for pay.

**Subd. 5. Certification by health care provider.** Requires an application for benefits relating to an applicant's own serious health condition, care of a relative with a serious health condition, or pregnancy contain a written certification by a qualified health care professional. "Qualified healthcare professional" is defined in the bill as a healthcare professional who, in the judgment of the commissioner of employment and economic development, is qualified to assess the need for the benefits sought. "Healthcare practitioner" is broadly defined and includes physicians, osteopaths, physician assistants, chiropractors (with restrictions), advanced practice registered nurses, registered nurses, optometrists, licensed psychologists, licensed independent clinical social workers, dentists, and

Section	Description – Article 2: Family and Medical Benefits
	<p>podiatrists. The definition also includes that those professionals must be licensed and working within their scope of practice.</p> <p><b>Subd. 6. Records release.</b> Requires, for an applicant whose medical records are necessary to a determination of benefit eligibility, to provide the Department of Employment and Economic Development and the Department of Labor and Industry a legally effective release for those records. Data collected for the program is classified as private or nonpublic data elsewhere in the bill.</p> <p><b>Subd. 7. Self-employed applicant.</b> Sets eligibility requirements for a self-employed individual who has elected coverage under the program. The election of coverage is addressed in section 16 of the bill.</p>
8	<p><b>Applications [§ 268B.04]</b></p> <p><b>Subd. 1. Process; deadline.</b> Requires that all claims for benefits be filed within 90 days of the associated qualifying event, with exceptions for good cause, and that all claims include a certification supporting the right to benefits.</p> <p><b>Subd. 2. Certification.</b> Sets requirement for the content of certifications, as required under subdivision 1, for each category of benefits and leave.</p>
9	<p><b>Determination of application [§ 268B.05]</b></p> <p>Requires the commissioner to respond to applications of benefits within two weeks of receipt. The section also requires an applicant whose application is denied to appeal the denial within 30 days, or the determination is final. The commissioner has one year from a determination of benefits to revisit the decision for error or misrepresentation.</p>
10	<p><b>Employer notification [§ 268B.06]</b></p> <p>Provides for content of notification to employer when an employee is granted benefits under the program.</p>
11	<p><b>Appeal process [§ 268B.07]</b></p> <p>This structure created under this section is generally similar to the structure of appeals under the state’s unemployment insurance program.</p> <p><b>Subd. 1. Hearing.</b> Requires the commissioner to appoint a chief benefit judge, who, in turn, is required to appoint a benefit judge each time an applicant or employer appeals a determination of benefits. This subdivision also allows the commissioner to adopt rules for appeals hearings and provides discretion for the commissioner over how those hearings are structured.</p> <p><b>Subd. 2. Decision.</b> Requires a benefit judge to send a written decision, including reasons and finding of facts, upon completion of an appeals hearing.</p>

**Section**      **Description – Article 2: Family and Medical Benefits**

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**Subd. 3. Request for reconsideration.** Allows any party or the commissioner to seek reconsideration of an appeals decision within 30 days of receipt of the decision.

**Subd. 4. Appeal to court of appeals.** Allows any final decision on a request for reconsideration be appealed to the Minnesota Court of Appeals.

**Subd. 5. Benefit judges.** Requires the chief benefit judge and other benefit judges be attorneys, licensed in Minnesota, and employees of the Department of Employment and Economic Development. This subdivision also grants the power of the chief benefit judge to assign and reassign hearings to benefit judges.

12      **Benefits [§ 268B.08]**

**Subd. 1. Weekly benefit amount.** Sets the formula for calculating weekly benefit amount under the program. That formula works as follows:

- An applicant's weekly wage is calculated by finding the quarter, out of the prior four completed quarters, in which the applicant earned the most wages and dividing that wage amount by 13.
- An applicant is entitled to a weekly benefit amount equal to 90 percent of her weekly wages up to 50 percent of the state's average weekly wage (\$1,076 for 2019), plus benefits equal to 66 percent of weekly wages at 50 to 100 percent of the state's average weekly wage, plus 55 percent of any weekly wages that exceed 100 percent of the state's average weekly wage.
- Weekly benefits are capped at a maximum of the state's average weekly wage (again, \$1,076 for 2019).
- As an example, an applicant earning \$40,000 per year (evenly divided into \$10,000 quarters) has an average weekly wage of \$769.23 (\$10,000 divided by 13). The state's average weekly wage at the time of application is \$1,076 (with 50 percent equal to \$538). So, under the formula, the applicant would be entitled to \$636.81 ( $0.9 \times \$538 + 0.66 \times 231.23$ ).

**Subd. 2. Timing of payment.** Requires benefits be paid weekly.

**Subd. 3. Maximum length of benefits.** Sets maximum amount of benefits an applicant may receive within a 52-week period. Specifically, the subdivision allows up to 12 weeks of benefits for care of a family member with a serious health condition, for a qualifying exigency, for safety leave, or for bonding and up to 12 weeks of benefits for pregnancy or a serious health condition of the applicant.

**Section**      **Description – Article 2: Family and Medical Benefits**

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**Subd. 4. Minimum period for which benefits are payable.** An applicant must accrue, at least seven days for which they are eligible for benefits before making a claim for benefits. After that, benefits may be paid out in single-day minimum increments.

**Subd. 5. Withholding of federal tax.** If the I.R.S. finds benefits under the program to be taxable under federal law, and the applicant elects to have those federal taxes withheld, the commissioner must withhold the tax.

13            **Leave [§ 268B.085]**

**Subd. 1. Right to leave.** Provides that an employee, 90 days after date of hire, has a right to leave for any day, or portion of a day, in which the employee would be eligible for benefits under the chapter.

**Subd. 2. Notice to employer.** Provides for notice to employers about the need for leave, modeled on similar provisions from the federal Family and Medical Leave Act.

**Subd. 3. Bonding leave.** Provides that bonding leave begins at a time chosen by the employee, but such leave must begin within 12 months of the birth, adoption, or foster care placement of the child. There is an exception for children who must remain in the hospital longer than the child's mother. In that case, the 12-month clock begins when the child leaves the hospital.

**Subd. 4. Intermittent leave.** Provides that employment leave may be taken on an intermittent or reduced-schedule, modeled on similar language from the federal Family and Medical Leave Act.

14            **Employment protections [§ 268B.09]**

**Subd. 1. Retaliation prohibited.** Prohibits retaliation for requesting or obtaining benefits or for exercising any right granted under chapter 268B.

**Subd. 2. Interference prohibited.** Prohibits employer interference with an employee application for benefits.

**Subd. 3. Waiver of rights void.** Voids any agreement to waive, or otherwise give up the right to benefits under chapter 268B.

**Subd. 4. No assignment of benefits.** Voids any assignment of benefits under chapter 268B. This subdivision also exempts benefits from any type of debt collection.

**Subd. 5. Continued insurance.** Requires employers to continue any insurance or health plan during an employee's leave under the program. Employees continue to be responsible to pay any employee share of such program.

**Section**      **Description – Article 2: Family and Medical Benefits**

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**Subd. 6. Reinstatement after leave.** Entitles an employee on leave to reinstatement following the leave in a position with equivalent seniority, status, benefits, pay, and other terms and conditions.

**Subd. 7. Remedies.** Allows a person injured by a violation of section 268B.09 to bring a private lawsuit seeking damages, equitable remedies (such as reinstatement in a job), and attorney fees.

15              **Substitution of other plan; employer exclusion [§ 268B.10]**

**Subd. 1. Application for substitution.** Allows an employer to apply to the commissioner of employment and economic development to substitute a private plan for either, or both, the family and medical benefit programs under chapter 268B. Any private plan must confer the same rights, protections, and benefits as those conferred under chapter 268B.

**Subd. 2. Private plan requirements; medical benefit program.** Sets requirements for a private, employer-provided medical benefit program that would allow the employer to substitute the private plan under subdivision 1.

**Subd. 3. Employer plan requirements; family benefit program.** Sets requirements for a private, employer-provided family benefit program that would allow the employer to substitute the private plan under subdivision 1.

**Subd. 4. Use of private insurance products.** Clarifies that private insurance products may be used in the creation of a private plan.

**Subd. 5. Private plan approval and oversight fee.** Sets an annual fee for employers utilizing private plans, equal to five percent of the amount of premiums an employer would have been liable for if they had not substituted a private plan.

**Subd. 6. Plan duration.** Requires that private plans must be in effect for at least one year and continuously thereafter unless the commissioner approves a withdrawal. Employers can withdraw plans within 30 days of the effective date of a law increasing benefits under chapter 268B or a change in premium rates.

**Subd. 7. Appeals.** Provides that employers may use the appeals process under section 268B.07 to appeal a decision by the commissioner regarding the use of a private plan.

**Subd. 8. Employees no longer covered.** Provides the condition under which an employee is no longer covered by a private plan (termination of the employment relationship with the private-plan employer) and that such an employee is thereafter covered by the public insurance provisions of chapter 268B.

Section	Description – Article 2: Family and Medical Benefits
	<p><b>Subd. 9. Posting of notice regarding private plan.</b> Requires an employer with a private plan to notify affected employees following the requirements of section 268B.22.</p> <p><b>Subd. 10. Amendment.</b> Provides the conditions under which the commissioner must approve an amendment to a private plan.</p> <p><b>Subd. 11. Successor employer.</b> Provides for private plan continuation and termination when a business acquires an employer with a private plan. The acquiring business has a 90-day window after acquisition to terminate a private plan.</p> <p><b>Subd. 12. Revocation of approval by commissioner.</b> Provides that the commissioner may terminate a private plan if certain conditions are met.</p> <p><b>Subd. 13. Employer penalties.</b> Provides penalties that the Department of Labor and Industry may assess if an employer with a private plan violates chapter 268B.</p> <p><b>Subd. 14. Reports, information, and records.</b> Requires employers with private plans to keep all records relating to the plan for six years and give them to the commissioner of employment and economic development upon request.</p> <p><b>Subd. 15. Audit and investigation.</b> Allows the commissioner to investigate and audit opt-out plans under this section.</p>
16	<p><b>Self-employed election of coverage [§ 268B.11]</b></p> <p>Allows for self-employed people to elect participation in the program. Those electing to participate pay half of the employer premium under the program.</p>
17	<p><b>Premiums [§ 268B.12]</b></p> <p><b>Subd. 1. Employer.</b> Requires all employers subject to the state’s unemployment insurance statute to pay a yearly premium on employee wages, set in subdivision 4.</p> <p><b>Subd. 2. Employee charge back.</b> Allows an employer to charge an employee up to 50 percent of the premiums paid by the employer based on that employee’s wages.</p> <p><b>Subd. 3. Wages and payments subject to premium.</b> Sets the maximum earnings on which premiums are assessed at the Social Security wage base. For 2019, that wage base is \$132,900. So, if the law were in effect today, employers and employees would pay the percentage premium set in this section on all earnings up to that amount.</p> <p><b>Subd. 4. Annual premium rates.</b> Provides annual percentage rates of premiums.</p>

**Section Description – Article 2: Family and Medical Benefits**

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**Subd. 5. Premium rate adjustments.** Sets the formula by which annual percentage rates of premiums increase or decrease each year. Under the formula, the commissioner must calculate 1.45 times the amount disbursed under the program during the prior year, ending on September 30. The amount remaining in the program account is subtracted from the resulting sum. The resulting difference is divided by twice the total wages in covered employment (an amount determined currently by the Department of Employment and Economic Development). The resulting quotient is rounded down to the nearest one-hundredth of one percent. The result is the premium rate for the following year unless it would cause the premium to go above the maximum, or fall below the minimum, limits set in subdivision 6.

**Subd. 6. Deposit of premiums.** Requires all premiums collected be deposited in the account in the special revenue fund, established under section 268B.02, subdivision 4 (section 7 of this bill).

**Subd. 7. Nonpayment of premiums by employer.** Clarifies that nonpayment of premiums by an employer do not affect an employee's right to benefits under chapter 268B.

18 **Collection of premiums [§ 268B.13]**

Provides for treatment of premiums under chapter 268B, including with the language modeled from analogous sections under the state's unemployment insurance statutes.

19 **Administrative costs [§ 268B.14]**

Allows the commissioner of employment and economic development to use up to seven percent of projected benefit payments for a calendar year for the administration of the program in that year and allows interagency agreements with the Department of Labor and Industry for transferring funds for enforcement of the chapter.

20 **Public outreach [§ 268B.15]**

Requires the commissioner to use at least 0.5 percent of revenue collected under chapter 268B for outreach, education, and technical assistance about the program for employees and employers. At least half of the amount spent must be used for grants to community groups that will conduct the outreach, education, and technical assistance.

21 **Applicant's false representations; concealment of facts; penalty [§ 268B.16]**

Sets penalties for applicants who intentionally misrepresent or omit facts in an effort to obtain benefits for which they do not qualify. The language is modeled on analogous language under the state's unemployment insurance statutes.

22 **Employer misconduct; penalty [§ 268B.17]**

Sets circumstances and penalties for when an employer colludes with an employee to procure benefits for which the employee was not eligible and for when an employer



Section	Description – Article 2: Family and Medical Benefits
	intentionally misrepresents or omits facts. The language is modeled on analogous language under the state’s unemployment insurance statutes.
23	<b>Records; audits [§ 268B.18]</b> Requires employers to keep records related to the program that are prescribed by the commissioner. This section also grants the commissioner to conduct audits and investigations of employer, when necessary to administering chapter 268B, and sets penalties for failure to comply with such audits.
24	<b>Subpoenas; oaths [§ 268B.19]</b> Grants the commissioner power to administer oaths and issue subpoenas when necessary for the administration of chapter 268B.
25	<b>Conciliation services [§ 268B.20]</b> Allows the Department of Labor and Industry to offer conciliation services to help settle disputes that arise under chapter 268B.
26	<b>Annual reports [§ 268B.21]</b> Requires the commissioner of employment and economic development to annually report, to the legislative and executive branches, a number of items regarding the operation and finances of the program under chapter 268B.
27	<b>Notice requirements [§ 268B.22]</b> Requires employers to post notices, prepared by the commissioner of employment and economic development, regarding rights under chapter 268B. Employers must also provide separate notices to employees and contractors respectively.
28	<b>Relationship to other leave; construction [§ 268B.23]</b> <b>Subd. 1. Concurrent leave.</b> Provides that an employer may require leave taken under chapter 268B run concurrently with leave taken for the same purpose under the federal Family and Medical Leave Act or section 181.941 (Pregnancy and parenting leave). <b>Subd. 2. Construction.</b> Clarifies that nothing in chapter 268B is intended (1) to allow an employer to require an employee to exhaust accumulated employer-provided leave before taking leave under chapter 268B, or (2) to prohibit an employer from providing more generous benefits than those required under chapter 268B.
29	<b>Small business assistance grants [§ 268B.24]</b> Allows the commissioner to make grants to businesses with 50 or fewer employees to defray the cost of hiring replacement workers for employees on leave.

Section	Description – Article 2: Family and Medical Benefits
30	<b>Benefits under chapter 268B [§ 290.0132]</b> Classifies benefits under chapter 268B as a subtraction for state income tax purposes. This means benefits would not be subject to income tax at the state level.
31	<b>Effective dates</b>

### Article 3: Family and Medical Leave Benefit as Earnings

Section	Description – Article 3: Family and Medical Leave Benefit as Earnings
1	<b>Parents receiving family and medical leave benefits [§ 256J.561]</b> Exempts a parent receiving benefits under chapter 268B and participating in MFIP from the employment plan requirements of MFIP.
2	<b>Eligibility of diversionary work program [§ 256J.95]</b> Exempts single parents receiving benefits under chapter 268B from the diversionary work program requirements of MFIP.
3	<b>Universal participation required [§ 256J.95]</b> Exempts a parent, in a two-parent household, receiving benefits under chapter 268B from the MFIP diversionary work requirement, under certain circumstances.
4	<b>Earned income [§ 256P.01]</b> Defines benefits received under chapter 268B as earned income for the purposes of MFIP, general assistance, housing support services, and several other programs.
5	<b>Effective dates</b>

### Article 4: Economic Development Policy

Section	Description – Article 4: Economic Development Policy
1	<b>Getting to work grant program [§ 116J.545]</b> Codifies in statute the getting to work grant program, which was created in session law in 2017 and makes grants to nonprofit organizations to provide, repair, or maintain motor vehicles that will assist low-income individuals in obtaining or keeping employment. Outlines program and application criteria, including specifying that all grants are for two years and lowering the eligible age for participants from 22 to 18. Requires a biannual report to the legislature on program outcomes.

Section	Description – Article 4: Economic Development Policy
	The getting to work grant program was appropriated \$100,000 in each year of the 2017 Jobs Omnibus law as a onetime appropriation.
2	<b>Grant limits.</b> Allows Minnesota Investment Fund grants of up to \$2,000,000 for projects with at least \$25,000,000 of capital investment and that create at least 150 new jobs.
3	<b>Certification; benefits.</b> Changes the eligibility requirements for job creation fund businesses. Specifically, it requires eligible businesses pay each new employee a yearly amount at least equal to 125 percent of the federal poverty level for a family of four (currently the requirement is 110 percent).
4	<b>Job creation award.</b> Provides the conforming dollar values related to the change in section 3.
5	<b>Pathways to prosperity grant program [§ 116L.25]</b> Codifies the pathways to prosperity grant program which funds training in high-demand occupations for adults facing the greatest employment disparities. Allows grant funds to be used for multiple types of career-readiness programs, or pathways, that combine basic skills training, education, and support services and result in either an industry-specific skill set or an employer recognized credential. Outlines grant-making criteria, including alignment with the local labor market and previous grant performance, and requires consultation with workforce development service providers about how the program is run. Provides for clear application instructions and technical assistance for applicants.
6	<b>Inventory of workforce development programs [§ 116L.35]</b> Requires the department of employment and economic development (DEED) to make a report to the legislature every two years, starting by January 15, 2020, that provides an inventory of all workforce development programs provided by or overseen by the state of Minnesota. Mandates the inventory be broadly inclusive and include program costs, the number of staff and participants, explanations of what each program does, and any quantifiable measures of program success.
7	<b>Metropolitan job training grants.</b> Creates a parallel program to the existing job training grants program, which only serves greater Minnesota. This program serves only the seven-county metropolitan area.
8	<b>Minnesota Call Center Jobs Act [§ 116L.9761]</b> Provides act title.

<b>Section</b>	<b>Description – Article 4: Economic Development Policy</b>
9	<b>Definitions [§ 116L.9762]</b> Provides definitions.
10	<b>Call center relocations [§ 116L.9763]</b> Requires an employer to notify the commissioner of employment and economic development 120 days before the relocation to a foreign country of a call center, or a facility or operating unit of a call center handling at least 30 percent of a call center’s volume of calls. An employer who does not give the notification on time is liable for a civil penalty of up to \$10,000. The commissioner is required to compile a list, every other year, of all such relocations.
11	<b>Grants; loans; subsidies [§ 116L.9764]</b> If an employer relocates under section 3, that employer is ineligible for any state grants or guaranteed loans for a period of five years. The employer also has to refund any previously awarded, unspent grants or other subsidies from the state. The commissioner of management and budget can waive these requirements under certain circumstances.
12	<b>Procurement [§ 116.9765]</b> Commissioners of state agencies must ensure that any call center with whom the state contracts conducts operations entirely within the state. Any such call center that has out-of-state operations must comply with this section within two years.
13	<b>Employee benefits [§ 116L.9766]</b> Clarifies that nothing in the bill affects call center employees from any state payment, compensation, or benefit if their call center job is moved to a foreign country.
14	<b>Workforce development</b> Retroactively extends the \$230,000 appropriation from the workforce development fund that the Bois Forte Tribal Employment Rights Office (TERO) received as a grant in the 2017 Jobs Omnibus law. These funds would be kept available to the American Indian workforce development training pilot project until June 30, 2019.
15	<b>Plan to address barriers to employment</b> Requires the commissioner of employment and economic development to submit a detailed plan to the legislature by February 1, 2020, that identifies the barriers to employment for people with mental illnesses and makes recommendations for how to improve the employment rate for that population. Obliges the commissioner to consult with other departments and listed stakeholders and to identify all current programs that assist people with mental illnesses with employment.

Section	Description – Article 4: Economic Development Policy
16	<p data-bbox="355 275 894 302"><b>Special education employment pilot project.</b></p> <p data-bbox="355 317 1409 380">Creates the special education pilot project to help special education graduates transition into employment via job training, shadowing, and placement services.</p> <p data-bbox="453 422 1419 663"><b>Subd. 1. Definitions.</b> Defines “commissioner” as the commissioner of employment and economic development. Defines “eligible provider” as an organization currently eligible to provide services through the extended employment program under section 268A.15. Defines “eligible student” as: (1) a special education student who has completed at least three years of high school; or (2) a special education graduate under the age of 25 who has not had competitive employment in an integrated community setting.</p> <p data-bbox="453 705 1370 800"><b>Subd. 2. Establishment.</b> Creates the special education pilot project to help special education graduates transition into competitive wage employment in integrated community settings.</p> <p data-bbox="453 842 1419 1188"><b>Subd. 3. Services.</b> Requires providers who wish to participate in the program to notify the commissioner, on a form designated by the commissioner, of the intent to provide services to an eligible student. These services include: (1) job preparation training that includes at least 20 hours of classroom time, resume preparation, and assistance in setting up a bank account; (2) job shadowing that includes observing at least 30 hours of workplace activity at a job the student might apply to and assistance in transportation to the workplace; and (3) placing the student with appropriate employment paying at least the minimum wage in an integrated community setting, with supportive training for both employer and student.</p> <p data-bbox="453 1230 1403 1367"><b>Subd. 4. Payments.</b> Allows providers to apply to the commissioner for payment of \$1,000 for each student who completes job preparation training, \$1,000 for each student who completes job shadowing, and \$3,000 for each student who completes 90 days of employment after placement through the program.</p> <p data-bbox="453 1409 1386 1465"><b>Subd. 5. Forms.</b> Stipulates that the commissioner must make all the necessary forms for the pilot available by October 1, 2019.</p>
17	<p data-bbox="355 1524 802 1551"><b>Minnesota Innovation Collaborative.</b></p> <p data-bbox="355 1566 1398 1661">Creates a new program within the Department of Employment and Economic Development to provide grants and business assistance to entrepreneurs and emerging technology based companies.</p>
18	<p data-bbox="355 1719 956 1747"><b>Child care economic development grant program.</b></p> <p data-bbox="453 1766 1419 1892"><b>Subd. 1. Establishment.</b> Establishes the child care economic development grant program to increase the availability of child care in order to reduce the child care shortage, support increased workforce participation, business expansion and retention, and new business location.</p>

**Section**      **Description – Article 4: Economic Development Policy**

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- Subd. 2. Definitions.** Defines “commissioner,” “child care,” “political subdivision,” and “Indian tribe.”
- Subd. 3. Eligible expenditures.** Allows the commissioner to make grants to implement solutions to reduce the child care shortage in the state.
- Subd. 4. Eligible applicants.** Lists requirements eligible applicants must meet.
- Subd. 5. Application process.** Specifies the application process and the commissioner’s duties in administering the grant program.
- Subd. 6. Application contents.** Lists the information that must be included in the grant application.
- Subd. 7. Awarding grants.** Lists the considerations to which the commissioner may give priority in evaluating applications and awarding grants. Requires the commissioner to endeavor to award grants to qualified applicants in all regions of the state.
- Subd. 8. Limitation.** Prohibits grants from funding more than 50 percent of the total cost of a project. Limits grants awarded to a single project to no more than \$100,000.

- 19      **Community prosperity grant program.**  
Creates a grant program within the Department of Employment and Economic Development for local governments and nonprofits to implement innovative economic development projects.

## Article 5: Wage Theft

**Section**      **Description – Article 5: Wage Theft**

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- 1      **Minimum criteria [§ 16C.285, subd. 3]**  
Adds a conviction for criminal wage theft to the list of disqualifying violations from inclusion on the state’s “responsible contractor” list.
- 2      **Authority to investigate [§ 177.27, subd. 1a]**  
Allows the commissioner of labor and industry to enter the places of business of employers, during work hours, to investigate potential violations of chapters 177, 181, 181A, and 184. The investigation authority includes the ability to collect various evidence of potential violations of law. The commissioner has similar, but more limited, power under existing statute (section 177.27, subdivision 1).

<b>Section</b>	<b>Description – Article 5: Wage Theft</b>
3	<p><b>Submission of records; penalty [§ 177.27, subd. 2]</b></p> <p>Provides that the commissioner of labor and industry may require submission of employment records in a specific format. Creates a new maximum fine of \$10,000 for repeat violations of Department of Labor and Industry record requests.</p>
4	<p><b>Subpoenas [§ 177.27, subd. 11]</b></p> <p>Allows the commissioner of labor and industry to issue subpoenas, seeking testimony or production of documents or other things, in order to carry out enforcement responsibilities.</p>
5	<p><b>Court orders for entrance and inspection [§ 177.27, subd. 12]</b></p> <p>Allows the commissioner of labor and industry to obtain a court order to enter the place of business of an employer to exercise the investigation powers under section 177.27, subdivision 1a.</p>
6	<p><b>State licensing or regulatory power [§ 177.27, subd. 13]</b></p> <p>Expressly allows the commissioner of labor and industry to provide a copy of an order to comply with employment law under the commissioner’s purview to any entity that licenses or regulates that employer.</p>
7	<p><b>Public contracts [§ 177.27, subd. 14]</b></p> <p>Expressly allows the commissioner of labor and industry to provide a copy of an order to comply with employment law under the commissioner’s purview to a local government or state agency that contracts with the employer.</p>
8	<p><b>Notice to employees of compliance orders and citations [§ 177.27, subd. 15]</b></p> <p>Allows the commissioner of labor and industry to require an employer subject to a compliance order or citation to communicate information about relevant violations of law to employees.</p>
9	<p><b>Keeping records; penalties [§ 177.30]</b></p> <p>Requires employers to keep additional employment records, including basis of pay (hourly, salary, piece rate, etc.), personnel policies given to employees, and the notice required to be provided to employees under section 10 of this bill. The section also requires that all records be available for inspection and creates a new maximum fine of \$10,000 for repeat violations of Department of Labor and Industry record keeping requirements.</p>
10	<p><b>Misdemeanors [§ 177.32, subd. 1]</b></p> <p>Creates a misdemeanor offense for paying, or agreeing to pay, wages at a rate less than the rate described and provided by an employer pursuant to section 181.032. Creates an additional misdemeanor for committing wage theft as described in section 181.03,</p>

Section	Description – Article 5: Wage Theft
	subdivision 1. A person convicted of a misdemeanor may be sentenced to jail for up to 90 days, a fine of up to \$1,000, or both. States that intent is not an element of a misdemeanor under paragraph (a). Creates a gross misdemeanor offense for intentionally retaliating against an employee for asserting rights or remedies under sections 177.21 to 177.44, or the wage theft provision. A gross misdemeanor is punishable by up to one year in jail, a fine of up to \$3,000, or both.
11	<b>Enforcement; remedies [§ 177.45]</b> Expressly provides joint enforcement authority over chapter 177 to the Attorney General.
12	<b>Prohibited practices [§ 181.03, subd. 1]</b> Expands prohibited practices by employers with regard to wage payments or lack thereof.
13	<b>Enforcement [§ 181.03, subd. 4]</b> Provides that Department of Labor and Industry enforcement of wage theft provisions does not preclude other types of enforcement allowed by law.
14	<b>Citations [§ 181.03, subd. 5]</b> Allows the commissioner of labor and industry to issue citations, requiring employers that have failed to pay wages of up to \$1,000 to pay the employee the wages, along with any other damages owed, within 15 days. If the employer fails to remedy the failure within the 15 days, the commissioner can assess a penalty of up to \$1,000.
15	<b>Administrative review [§ 181.03, subd. 6]</b> Creates a hearing process, using the Office of Administrative Hearings, for citations under section 181.03, subdivision 5 (section 7 of the bill).
16	<b>Effect on other laws [§ 181.03, subd. 7]</b> Provides that section 181.03 should not be construed to limit application of federal or other state laws.
17	<b>Retaliation [§ 181.03, subd. 8]</b> Clarifies the prohibition on retaliation against an employee for asserting rights related to payment of wages. Creates a rebuttable presumption of retaliation when an adverse action happens within 90 days of an employee assertion of rights.
18	<b>Required statement of earnings by employer; notice to employee [§ 181.032]</b> Adds to information required on an employee earnings statement. The new information required includes the basis of pay (hourly, salary, piece rate, etc.), any allowances for meals or lodging, and the address and phone number of the employer. The section also requires an employer to give a written notice to an employee at the start of employment. That notice must include a variety of information about employee pay and the employer,



**Section Description – Article 5: Wage Theft**

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and must be signed by the employee and kept by the employer. Finally, the section requires an employer to provide written notice to an employee whenever anything in the original written notice changes.

**19 Wages; how often paid [§ 181.101]**

Changes the requirement in current law that an employee be paid at least once every 31 days, to a requirement that employees have pay periods of no more than 16 days, with pay for that period required to be paid within 16 days of the end of the pay period. The section also reduces the minimum time after a missed paycheck that the commissioner of labor and industry may intercede from ten days to five days.

**20 Enforcement; remedies [§ 181.1721]**

Expressly provides joint enforcement authority over sections 181.01 to 181.172 to the Attorney General.

**21 Definitions [§ 609.52, subd. 1]**

Amends the definition of “value” for use in determining the severity of a wage theft offense by clarifying that value means the difference between wages legally required to be reported or paid and the amount actually reported or paid.

**22 Acts constituting theft [§ 609.52, subd. 2]**

Adds intentionally authorizing or engaging in wage theft to the list of acts that constitute theft in the criminal statutes.

**23 Sentence [§ 609.52, subd. 3]**

Adds commission of the new offense of intentionally authorizing or engaging in wage theft to the list of actions that may be subject to the most severe penalty for committing theft. If the value of wage theft exceeds \$35,000, a person may be sentenced to prison for up to 20 years, a fine of up to \$100,000, or both. Under current law, the penalty applies to the theft of a firearm, or to thefts of over \$35,000 that involve false representation, swindle, fraudulently diverting corporate property, or fraudulently authorizing or causing a corporate distribution.

## **Article 6: Earned Sick and Safe Time**

**Section Description – Article 6: Earned Sick and Safe Time**

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**1 Earned sick and safe (ESS) time [§ 181.9445]**

**Subd. 1. Definitions.** Provides definitions for section 1. Notably, “employee” is defined as anyone who has worked at least 80 hours in a year for an employer.

**Section**      **Description – Article 6: Earned Sick and Safe Time**

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**Subd. 2. Accrual of earned sick and safe time.** Requires employers to allow employees to earn, at a minimum, one hour of paid, ESS time for every 30 hours worked, up to at least 48 hours per year. Employees must be able to carry over at least 80 accrued hours of ESS time from year to year. Accrual begins when a qualified employee begins employment, but an employee may not begin using ESS time until they have worked for the employer for a period of 90 calendar days. Salaried employees, who are exempt from the provisions of federal overtime laws, are deemed to work 40 hours per week for purposes of ESS accrual.

**Subd. 3. Use of ESS time.** Provides the conditions under which an employee may use ESS time. These include: (1) the employee's illness or preventative care; (2) care of a sick family member or family member in need of preventative care; (3) absence related to domestic abuse, sexual assault, or stalking of the employee or family member; (4) closure of the employee's workplace due to weather or public emergency or closure of a family member's school or care facility due to weather or public emergency; and (5) a determination by a health care provider that the employee or family member is at risk of infecting others with a communicable disease.

This subdivision also allows an employer to require reasonable notice of up to seven days when the need for ESS time is foreseeable and to require an employee to provide documentation justifying use of three or more consecutive days of ESS time. Employers are prohibited from making employees find replacement workers as a condition of ESS time.

**Subd. 4. Retaliation prohibited.** Prohibits an employer from retaliating against an employee for taking ESS time or for exercising another right under this section.

**Subd. 5. Reinstatement to comparable position after leave.** Requires an employer to reinstate an employee in the same or comparable position after return from use of ESS time.

**Subd. 6. Pay and benefits after leave.** Requires an employer to provide the same pay or benefits to an employee returning from use of ESS time.

**Subd. 7. Part-time return from leave.** Provides that an employee returning to work, on a part-time basis by agreement with the employer, after use of ESS time, gets the same benefits of reinstatement as an employee returning full time.

**Subd. 8. Notice and posting by employer.** Requires employers to post notice of employee rights under this section and provide similar notice to employees at commencement of employment or the effective date of this bill.

**Section Description – Article 6: Earned Sick and Safe Time**

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**Subd. 9. Required statement to employee.** Requires an employer, upon employee request, to provide a statement including the amount of ESS time available to the employee and the amount of ESS time used by the employee.

**Subd. 10. Employer records.** Requires an employer to keep records about ESS accrual and use, and allows an employee to view that employee's records.

**Subd. 11. Confidentiality and nondisclosure.** Sets requirements for confidential treatment of employee records collected in relation to ESS time.

**Subd. 12. No effect on more generous sick and safe time policies.** Clarifies that nothing in this section prohibits an employer from providing more generous leave policies than the minimum floor required by the bill.

**Subd. 13. Termination; separation; transfer.** Provides that employers are not required to pay out any accrued ESS time on termination. An employee transferred within a single employer retains accrued ESS time and an employee hired back by the same employer within 180 days of termination is entitled to reinstatement of accrued ESS time.

**Subd. 14. Employer succession.** Provides for the rights of accrued ESS time when ownership of an employer transfers. Employees generally have the right to their accrued ESS time when this happens.

**2 Repealer.**

Repeals the section of law that allows employees to use employer provided sick days to care for a sick relative or deal with the repercussions of domestic abuse, sexual assault, or stalking.

## **Article 7: Earned Sick and Safe Time Enforcement**

**Section Description – Article 7: Earned Sick and Safe Time Enforcement**

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**1 Submission of records; penalty [§ 177.27, subd. 2]**

Increases the maximum penalty for employers who fail to submit required records to the Department of Labor and Industry from \$1,000 to \$10,000 per violation.

**2 Compliance orders [§ 177.27, subd. 4]**

Adds earned sick and safe time to the list of laws that the Department of Labor and Industry may enforce through compliance orders.

Section	Description – Article 7: Earned Sick and Safe Time Enforcement
3	<p><b>Employer liability [§ 177.27, subd. 7]</b></p> <p>Increases the maximum civil penalty, from \$1,000 to \$10,000 for employers who violate any of the sections over which the Department of Labor and Industry has enforcement authority under section 177.27, subdivision 4.</p>
4	<p><b>ESS time enforcement [§ 177.50]</b></p> <p><b>Subd. 1. Definitions.</b> Provides that the same definitions from article 1 apply to this article.</p> <p><b>Subd. 2. Rulemaking authority.</b> Allows the commissioner of labor and industry to adopt rule under this section as well as under section created by article 1, section 181.9445.</p> <p><b>Subd. 3. Individual remedies.</b> Allows an employee affected by an employer violation of the ESS provisions to bring a civil law suit in court.</p> <p><b>Subd. 4. Grants to community organizations.</b> Allows DLI to make grants to community organizations for outreach and education about the ESS provisions.</p> <p><b>Subd. 5. Report to legislature.</b> Requires an annual report to the legislature, from DLI, addressing violations of the ESS provisions and trends in violations by industry or geography.</p> <p><b>Subd. 6. Contract for labor or services.</b> Prohibits an employer knowingly contracting with an entity that has violated this section within the last two years.</p>

## Article 8: Labor and Industry Policy

Section	Description – Article 8: Labor and Industry Policy
1	<p><b>Retainage.</b></p> <p>Adds specific requirements when using retainage in public building and construction contracts for public improvements. Retainage is the amount the contracting party keeps while waiting for the work to be completed. The existing section of law caps the amount that can be held back at five percent.</p> <p>This bill proposes new requirements and prohibitions on public construction contracts related to retainage, including the following:</p> <ul style="list-style-type: none"><li>• Requires subcontractors to have the same retainage percentage as prime contractors</li></ul>

**Section**      **Description – Article 8: Labor and Industry Policy**

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- Require that only 2.5 percent of retainage may be withheld for contracts greater than \$5,000,000 once 75 percent of the work has been completed
- Prohibits retainage for warranties or for warranty work
- Requires the final payment to be released to the contractor within 60 days of the owner being able to occupy or use the improvement, and provides limits to the amount a public contracting agent can withhold when there is a defect or incomplete work
- Requires subcontractors to be paid within ten days of a contractor receiving payment from a public contracting agent
- Requires prime contractors to provide contact information to subcontractors on the responsible public agent and allows subcontractor to request payment information to contractors so the subcontractor is aware that the payments went out to the prime contractor

This section applies to agreements entered into on or after August 1, 2019.

- 2      **Duties.**  
Adds that the youth skills training programs the commissioner of labor and industry approves must also train student learners for careers in high-growth, high-demand occupations.
- 3      **Grant awards.**  
Limits grant awards to local partnerships for youth skills training programs that train student learners for careers in high-growth, high-demand occupations to \$100,000 per grant.
- 4      **Filing and review [§ 176.1812, subd. 2]**  
Provides that the department of labor and industry is not required to approve entry of a new employer into the UCWCP; the employer need only notify the department within 30 days of joining or leaving the UCWCP. Requires the UCWCP to submit claim-specific dispute resolution data, rather than aggregate group data, to the department.
- 5      **Time limitation [§ 176.231, subd. 1]**  
Requires insurers and self-insured employers to report that a claim covered by the UWCWP at the same time that they submit a first report of injury to the department of labor and industry.
- 6      **Definition [§ 179.86, subd. 1]**  
Clarifies the definition of “employer” under the Packinghouse Workers Bill of Rights law. The section defines employer as those with employees who routinely pack, can, or

<b>Section</b>	<b>Description – Article 8: Labor and Industry Policy</b>
	process poultry or meat, or whose employees regularly clean or sterilize meat or poultry processing equipment.
7	<b>Information provided to employee by employer [§ 179.86, subd. 3]</b> Changes the requirement that certain notices to employees must be in the employee’s “native language” to a requirement that the notice be in a language the “employee speaks fluently.”
8	<b>Recruiting; required disclosure [§ 181.635, subd. 2]</b> Changes the requirement that certain notices to workers being recruited into the food processing industry from being in English and Spanish, to being in a language the employee speaks fluently, as well as read aloud if the employee cannot read the language of the disclosure.
9	<b>Protection from subpoena; data [§ 182.659, subd. 8]</b> Deletes antiquated language.
10	<b>Willful or repeated violations [§ 182.666, subd. 1]</b> Increases MNOSHA maximum fines to levels set by the federal government.
11	<b>Serious violations [§ 182.666, subd. 2]</b> Increases MNOSHA maximum fines to levels set by the federal government.
12	<b>Nonserious violations [§ 182.666, subd. 3]</b> Increases MNOSHA maximum fines to levels set by the federal government.
13	<b>Failure to correct a violation [§ 182.666, subd. 4]</b> Increases MNOSHA maximum fines to levels set by the federal government.
14	<b>Posting violations [§ 182.666, subd. 5]</b> Increases MNOSHA maximum fines to levels set by the federal government.
15	<b>Increases for inflation [§ 182.666, subd. 6a]</b> Increases maximum fines under MNOSHA for workplace safety violations for inflation on an ongoing basis. Fines are increased yearly by the lesser of (1) 2.5 percent or (2) the amount of inflation calculated using the implicit price deflator, but fines are capped at the applicable federal fine amount.

<b>Section</b>	<b>Description – Article 8: Labor and Industry Policy</b>
16	<b>Notices of violation [§ 326B.082, subd. 6]</b> Allows for use of email, in addition to existing methods, for transmitting notice of a violation under the construction codes and licensing statutes.
17	<b>Hearings related to administrative orders [§ 326B.082, subd. 8]</b> Allows for use of email, in addition to existing methods, for transmitting notice hearing on an administrative order under the construction codes and licensing statutes.
18	<b>Issuance of licensing orders; hearings related to licensing orders [§ 326B.082, subd. 12]</b> Allows for use of email, in addition to existing methods, for issuing administrative orders under the construction codes and licensing statutes.
19	<b>Public building [§ 326B.103, subd. 11]</b> Stylistic clarification of the definition of “public building” relating to building projects for school districts and charter schools.
20	<b>Accessibility</b> Clarifies statutory language without imposing any new requirements beyond those that already exist under state and federal law.
21	<b>License number to be displayed [§ 326B.46, subd. 7]</b> Adds requirement for plumbers to display their name and license number on their vehicle. The same is currently required of electricians.
22	<b>Renewal; use period for license [§ 326B.475, subd. 4]</b> Strikes outdated language related to “restricted” plumbers.
23	<b>Special skill [§ 326B.802, subd. 15]</b> Requires solar installers to be licensed as both electricians and residential contractors.
24	<b>Fees.</b> Decreases licensing fees for manufactured home installers.
25	<b>Residential building contractor, remodeler, and roofer education.</b> Adds yearly continuing education requirement for certain licensed contractors of one hour of business management education.
26	<b>Grounds for sanctions [§ 326B.84]</b> Clarifies that sanctions under the construction codes and licensing statutes can be applied to unlicensed individuals.

Section	Description – Article 8: Labor and Industry Policy
27	<p><b>Modular home.</b> Defines "modular home."</p>
28	<p><b>Placement of modular homes.</b> Allows placement of modular homes in manufactured home parks and grants them the same legal rights, obligations, duties, and tax treatment as manufactured homes.</p>
29	<p><b>Manufactured home installers.</b> Removes language stating that licensure as a manufactured home installer is a business license for the purposes of calculating fees under Minnesota Statutes, section 326B.092.</p>
30	<p><b>Intent to convert use of park at time of purchase.</b> Allows an entity to purchase a park during the statutory notice period only if the entity agrees in writing to continue to operate the park for at least six years after the date of closing.</p>
31	<p><b>Reporting of licensed manufactured home parks.</b> Adds a new subdivision requiring the Department of Health (and local governments it has delegated to) to provide the Department of Management and Budget license information for each manufactured home park by March 31 each year so invoices for assessments can be sent.</p>
32	<p><b>Progress payments and retainage.</b> Adds specific requirements when using retainage in building and construction contracts for the design, building, or repair of buildings, roads, and bridges. Retainage is the amount the contracting party keeps while waiting for the work to be completed. The existing section of law caps the amount that can be held back at five percent.</p> <p>This section proposes new requirements and prohibitions on construction contracts related to retainage but does not apply to public contracts governed by section 1. The changes include:</p> <ul style="list-style-type: none"><li>• Requires subcontractors to have the same retainage percentage as prime contractors</li><li>• Require that only 2.5 percent of retainage may be withheld for contracts greater than \$5,000,000 once 75 percent of the work has been completed</li><li>• Prohibits retainage for warranties or for warranty work</li><li>• Requires the final payment to be released to the contractor within 60 days of the owner being able to occupy or use the improvement</li></ul>



Section	Description – Article 8: Labor and Industry Policy
	<ul style="list-style-type: none"><li>Requires all disputes related to retainage payments, incomplete work, or defective work in construction contracts in the state to be documented and provided by the owner to the contractors, and by the owner and contractors to the subcontractors</li></ul> <p>This section would apply to agreements entered into on or after August 1, 2019.</p>
33	<b>Licensure; individuals [§ 341.30, subd. 1]</b> Removes requirement that combative sports managers and ring announcers be licensed.
34	<b>Annual licensure [§ 341.32, subd. 1]</b> Removes requirement that combative sports managers and ring announcers be licensed.
35	<b>Fee schedule [§ 341.321]</b> Reduces certain fees for combative sports licenses.
36	<b>Advances to the Minnesota manufactured home relocation trust fund.</b> Allows the Minnesota Housing Finance Agency or Department of Management and Budget to advance up to \$400,000 from its own resources to the Minnesota manufactured home relocation fund in order to pay claims. Provides for later reimbursement of any such advance.
37	<b>Repealer</b> Repeals outlier section related to plumber advertising from consumer protection chapter. The result is plumbers are treated the same as other licensed individuals under the construction codes and licensing statutes.

## Article 9: Commerce Policy

Section	Description – Article 9: Commerce Policy
1	<b>Contracts for Internet services; adherence to net neutrality.</b> <b>Subd. 1. Definitions.</b> Provides the following definitions: <ul style="list-style-type: none"><li>“Broadband Internet service” means any provider of Internet services, including wireless telephone companies, but does not include “dial up internet connection.”</li><li>“Edge provider” means a provider of content or applications over the Internet or device used to access those services or content, but not providers of obscene content.</li></ul>

Section	Description – Article 9: Commerce Policy
	<ul style="list-style-type: none"><li>▪ “Internet service provider” means any business who provides Internet service to customers in Minnesota.</li><li>▪ “Paid prioritization” means favoring certain Internet traffic over other traffic for money, or to provide a benefit to an affiliated party.</li></ul>
	<p><b>Subd. 2. Purchasing or funding broadband Internet access services; prohibitions.</b> Requires a state agency or political subdivision to include certain terms in contracts for purchase of Internet access, and for the Internet service provider to certify to the commissioner of commerce they will not engage in the prohibited activities. The requirements include:</p>
	<ul style="list-style-type: none"><li>▪ Internet provider will not block lawful content, devices, or services subject to reasonable network management.</li><li>▪ Internet providers will not impair or degrade Internet traffic based on the content the customer is accessing or the application, service, or device the customer is using, subject to reasonable network management.</li><li>▪ Internet providers will not engage in paid prioritization or interfere with a customer’s ability to select and access Internet services, content, or devices that consumer chooses, or an edge provider’s ability to provide content, services, or devices to customers except when the edge provider requires the ISP to pay them money.</li><li>▪ Internet service providers cannot engage in deceptive or misleading marketing practices that do not accurately provide how the company treats Internet traffic.</li><li>▪ Requiring the government agency to terminate contracts where the Internet service provider has violated any of the above provisions, and requiring the Internet provider to reimburse the state for revenue earned under the contract during the period that the company was violating those provisions.</li></ul>
	<p><b>Subd. 3. Other laws.</b> Nothing in this section supersedes the requirements of emergency communication with law enforcement, public safety, or national security as provided by other applicable law.</p>
	<p><b>Subd. 4. Exceptions.</b> Provides that this section only applies to state agencies and political subdivisions when more than one Internet provider is available in that area.</p>
	<p><b>Subd. 5. Enforcement.</b> Violations under this section are enforced by the commissioner of commerce with a fine or civil action.</p>
2	<p><b>Financial institutions account; appropriation</b></p> <p>Requires fees paid by financial institutions for licensing and renewal by the Department of Commerce to be deposited in the financial institutions account in the special revenue fund. Currently, fees for the licensing and renewal of financial institutions are deposited in the general fund.</p>

Section	Description – Article 9: Commerce Policy
	Funds are appropriated annually to the commissioner of commerce for the assessment and examination of financial institutions.
3	<b>Application.</b> Removes cross-reference to section 47.60.
4	<b>Authorization, terms, conditions, and prohibitions.</b> Allows a consumer small lender to charge interest, finance charges, and fees on a loan of up to 36 percent APR.
5	<b>Consumer short-term loan contract.</b> Removes cross-reference to section 47.59 and removes de minimus exception.
6	<b>Penalties for violation; private right of action.</b> Removes cross-reference to section 47.59.
7	<b>Loans.</b> Requires industrial loan and thrift companies making consumer small loans or consumer short-term loans to comply with the requirements of sections 47.60 and 47.601, as applicable.
8	<b>Interest rates and charges.</b> Requires regulated lenders (finance companies) making consumer small loans or consumer short-term loans to comply with the requirements of sections 47.60 and 47.601, as applicable.
9	<b>[58B.01] Definitions.</b> Provides definitions for borrower, financial institution, student loan, and student loan servicer.
10	<b>[58B.02] Student loan advocate.</b> <b>Subd. 1. Designation of student loan advocate.</b> Requires the commissioner to designate a student loan advocate within the Department of Commerce to provide assistance to borrowers. <b>Subd. 2. Duties.</b> Requires the student loan advocate to handle complaints from borrowers, compile and analyze data on borrower complaints, provide information to borrowers and the public, monitor new laws relating to student loans, review student loan histories, increase awareness of the advocate position, and take other necessary actions to fulfill their duties.

**Section**      **Description – Article 9: Commerce Policy**

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**Subd. 3. Student loan education course.** Requires the student loan advocate to establish and maintain a borrower education course that includes certain information.

**Subd. 4. Reporting.** Requires the advocate to report to the legislative committees with jurisdiction of commerce and higher education by January 15 of each odd-numbered year.

**11**            **[58B.03] Licensing of student loan servicers.**

**Subd. 1. License required.** Requires student loan servicers to obtain a license from the commissioner.

**Subd. 2. Exempt persons.** Exempts financial institutions, an agency, instrumentality, or political subdivision of this state that offers or services student loans, and certain other persons from the requirements of this chapter.

**Subd. 3. Application for licensure.** Requires an application for a student loan servicer license to be filed with the commissioner, contain certain financial and legal information, and such fees as the commissioner establishes. Allows the commissioner to conduct a state and national criminal history check for each applicant and persons in control of an applicant.

**Subd. 4. Issuance of license.** Allows the commissioner to issue a license if the applicant meets certain financial and business requirements.

**Subd. 5. Notification of change in status.** Requires an applicant or student loan servicer to notify the commissioner of any change from their initial or most recent renewal application.

**Subd. 6. Terms of license.** Provides that a license expires on December 31 and is renewable on January 1.

**Subd. 7. Exemption from application.**

(a) Provides a person servicing student loans in this state pursuant to a contract awarded by the United States Secretary of Education an exemption from the requirements of subdivision 3.

(b) Requires the commissioner to issue a license to a person exempt under paragraph (a).

**Subd. 8. Notice.**

(a) Requires a person issued a license under subdivision 7 to notify the commissioner if their contract with the United States Secretary of Education expires, is revoked, or terminated.

Section	Description – Article 9: Commerce Policy
12	<p>(b) Provides a person issued a license under subdivision 7 with 30 days to complete the requirements of subdivision 3 if their contract with the United States Secretary of Education expires, is revoked, or terminated.</p> <p><b>[58B.04] Licensing multiple places of business.</b></p> <p>(a) Requires a student loan servicer to service loans under one name and one location. Requires the servicer to notify the commissioner if their place of business changes. Allows the commissioner to issue a servicer more than one license.</p> <p>(b) Provides that a license is not transferable or assignable.</p>
13	<p><b>[58B.05] License Renewal.</b></p> <p><b>Subd. 1. Term.</b> Provides that licenses are renewable on January 1.</p> <p><b>Subd. 2. Timely renewal.</b></p> <p>(a) Provides the requirements for filing a timely license renewal.</p> <p>(b) Provides that person who does not timely file a license renewal is unlicensed until a renewal license is issued by the commissioner.</p> <p><b>Subd. 3. Contents of renewal application.</b> Requires certain information be submitted with the renewal application.</p> <p><b>Subd. 4. Cancellation.</b> Allows a student loan servicer that no longer wants to be licensed to inform the commissioner and surrender the license. A servicer must submit a plan for the withdrawal from student loan servicing.</p> <p><b>Subd. 5. Renewal fees.</b> Requires fees, as established by the commissioner, to be paid with a renewal application.</p>
14	<p><b>[58B.06] Duties of student loan servicers.</b></p> <p><b>Subd. 1. Response requirements.</b> Requires a student loan servicer to acknowledge receipt of a written communication from a borrower in less than ten days and provide information to the borrower regarding how/if the servicer can correct the borrower's issue in less than 30 days.</p> <p><b>Subd. 2. Overpayments.</b> Requires a student loan servicer to apply overpayments as instructed by the borrower.</p> <p><b>Subd. 3. Partial payments.</b> Requires a student loan servicer to apply partial payments in a way that minimizes late fees and the negative impact on the borrower's credit history. Requires partial payments, where a borrower has multiple loans, to be applied to satisfy as many individual loan payments as possible.</p>

**Section**      **Description – Article 9: Commerce Policy**

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**Subd. 4. Transfer of student loan.**

(a) Requires a student loan servicer that sells, assigns, or transfers servicing of a loan to require the new servicer to provide all benefits that were available to the borrower from the original servicer and transfer all information regarding the borrower to the new servicer.

(b) Requires a student loan servicer to complete the transfer of borrower information in less than 45 days from the date of the sale, assignment, or transfer.

(c) Requires a sale, assignment, or transfer of servicing to be completed no less than seven days from the date the next payment is due on the student loan.

(d) Requires a new student loan servicer to adopt policies and procedures to verify the original servicer meets the requirements of paragraph (a).

**Subd. 5. Income-driven.** Requires a student loan servicer to evaluate a borrower for eligibility for an income-driven repayment program before placing a borrower in forbearance or default.

**Subd. 6. Records.** Requires a student loan servicer to maintain adequate records of a student loan for two years following the last payment on the student loan or the sale, assignment, or transfer of the student loan.

Effective date. This section is effective July 1, 2019, and applies to student loan contracts executed on or after that date.

15      **[58B.07] Prohibited conduct.**

**Subd. 1. Misleading borrowers.** Prohibits a student loan servicer from directly or indirectly attempting to mislead a borrower.

**Subd. 2. Misrepresentation.** Prohibits a student loan servicer from engaging in unfair or deceptive practices or misrepresenting or omitting any material information relating to servicing. This includes misrepresenting the amount, nature, or terms of fees, payments due, terms and conditions, or the borrower's obligation.

**Subd. 3. Misapplication of payments.** Prohibits a student loan servicer from knowingly or negligently misapplying payments.

**Subd. 4. Inaccurate information.** Prohibits a student loan servicer from knowingly or negligently providing inaccurate information to a consumer reporting agency.

**Subd. 5. Reporting of payment history.** Requires a student loan servicer to report both favorable and unfavorable payment histories of a borrower to a

**Section**      **Description – Article 9: Commerce Policy**

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consumer reporting agency at least annually, if the servicer regularly reports such information.

**Subd. 6. Refusal to communicate with a borrower’s representative.** Prohibits a student loan borrower from refusing to communicate with a properly authorized borrower representative. A servicer may adopt reasonable verification procedures for representatives.

**Subd. 7. False statements and omissions.** Prohibits a student loan servicer from knowingly or negligently making any false statements or omissions of material fact in connection with an application, information, or reports filed with the commissioner or other government agency.

**Subd. 8. Noncompliance with applicable law.** Prohibits a student loan servicer from violating other laws, including those related to fraud, or coercive or dishonest practices.

**Subd. 9. Failure to respond to advocate.** Requires a student loan servicer to respond within 15 days of receipt of a communication from the student loan advocate. Allows an advocate to reasonably shorten the response time. Requires a student loan servicer to respond within 15 days of receipt of a consumer complaint from the advocate. A servicer can request an extension of up to 45 days from receipt if they explain why additional time is reasonable and necessary.

16      **[58B.08] Examinations.**

Provides the commissioner with the same powers to examine student loan servicers that the commissioner has under section 46.04

17      **[58B.09] Denial, suspension, revocation of licenses.**

**Subd. 1. Powers of commissioner.** Allows the commissioner to take action against a licensee, including barring a person from servicing loans, denying, suspending, or revoking a license, censuring a servicer, revoking an exemption, and imposing civil penalties. Requires the commissioner to ensure that before an action is taken the order is in the public interest and the servicer, applicant, person in control, employee, or agent has violated a requirement of this chapter, a standard of conduct, or engaged in any of the listed prohibited behaviors.

**Subd. 2. Orders of the commissioner.** Requires the commissioner, to begin a proceeding, to issue an order requiring the subject to show cause why an action should not be taken. Provides requirements relating to the order, suspension, and hearing.

**Subd. 3. Actions against lapsed license.** Allows the commissioner to institute a proceeding within two years of a license lapsing, being surrendered, withdrawn,

Section	Description – Article 9: Commerce Policy
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or terminated and impose a civil penalty under this section or section 45.024, subdivision 6.

18	<b>Internet service providers; prohibited actions.</b>
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**Subd. 1. Definitions.** Uses the definitions from section 1 to define broadband Internet access service, edge provider, Internet service provider, and paid prioritization.

**Subd. 2. Prohibited actions.** Prohibits Internet service providers from:

- blocking or changing the quality of traffic for lawful content, service, and devices;
- engaging in paid prioritization by favoring certain Internet traffic over other traffic for money, or in an effort to provide a benefit to an affiliated party;
- unreasonably interfering or disadvantaging a customer or edge provider’s ability to select Internet service, content, applications, services, or devices; or
- engaging in deceptive or misleading marketing practices that do not accurately reflect how they treat Internet content or traffic.

**Subd. 3. Certification required.** Requires Internet service providers to file a certification with the Department of Commerce prior to providing Internet service to Minnesota customers indicating they will not engage in any of the activities listed in subdivision 2.

**Subd. 4. Other laws.** Nothing in this section supersedes the requirements of emergency communication with law enforcement, public safety, or national security as provided by other applicable law.

**Subd. 5. Enforcement.** Provides that violations of the prohibitions in this section can be enforced by the commissioner of commerce or the Attorney General’s Office using their general enforcement authorities, including the ability to conduct investigations, subpoena information, and file lawsuits in matters of consumer protection.

## Article 10: Unemployment Insurance Advisory Council; Policy

Section	Description – Article 10: Unemployment Insurance Advisory Council; Policy
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1	<b>Covered employment [§ 268.035, subd. 12]</b>
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Makes several changes in the section of law addressing when employers pay Minnesota UI taxes related to employees who work both inside and outside of Minnesota. In particular, the bill replaces the term “primarily” with “50% or more” in the context of employees working both inside and outside Minnesota. The bill also eliminates the concept of employers having a “base of operations” and work being “directed or



Section	Description – Article 10: Unemployment Insurance Advisory Council; Policy
	controlled” from a particular place, and instead focuses on whether an employee lived and worked in Minnesota for certain periods of time. Finally, the section makes minor clarifying changes to the section.
2	<b>Noncovered employment [§ 268.035, subd. 20]</b> Adds work by employees under J-1 visas to the list of noncovered employment. “Noncovered employment” in the context of UI law, means employment for which employees are ineligible for UI benefits and for which employers do not have to pay UI taxes. Adding J-1 visa holders to the definition of noncovered employment will not affect the eligibility of these employees for benefits as they are already ineligible for UI benefits under federal law for an unrelated reason.
3	<b>Unemployment insurance tax limits [§ 268.051, subd. 2a]</b> Provides a statutory mechanism to transfer value of a tax reduction, under the UI tax reduction law passed in 2016, when a business is purchased or otherwise reorganized. This section also clarifies the application of the tax reduction for business with the maximum experience rating.
4	<b>Effective date</b>

## Article 11: Unemployment Insurance Advisory Council; Interest

Section	Description – Article 11: Unemployment Insurance Advisory Council; Interest
1	<b>Interest paid on past due amounts [§ 268.057, subd. 5]</b> Clarifies assessment of interest on applicant and employer applies to unpaid principal only.
2	<b>Interest [§ 268.18, subd. 2b]</b> Same as above.

## Article 12: Unemployment Insurance Advisory Council; Base Periods

The wages an applicant earns in a base period determine whether the applicant had a sufficient employment history to qualify for UI benefits and, if so: (1) the amount of benefits the applicant can be paid per week; and (2) the total amount of benefits the applicant may receive during the benefit year.

Wages for base periods come from “wage detail” reports submitted by all employers one month after the previously completed calendar quarter. Base periods are always four calendar quarters and intended to reflect the most recent work history that is

administratively practical. During the first month of each quarter, wages for the most recently completed quarter have not yet been reported by employer and are therefore not available.

For eight months of the year, Minnesota law automatically assigns each applicant the base period that provides the highest weekly benefit amount. During the first month of each quarter, however, it is not possible to complete this calculation because the most recently completed quarter has not yet been reported by employers.

Section	Description – Article 12: Unemployment Insurance Advisory Council; Base Periods
1	<p><b>Base period [§ 268.035, subd. 4]</b></p> <p>Along with section 2, clarifies that the base period for the first month of each quarter does not include the most recently completed calendar quarter.</p>
2	<p><b>Application for unemployment benefits; determination of benefit account [§ 268.07, subd. 1]</b></p> <p>Along with section 1, clarifies that the base period for the first month of each quarter does not include the most recently completed calendar quarter.</p>
3	<p><b>Effective date</b></p>

## Article 13: Unemployment Insurance Advisory Council; Housekeeping

Section	Description – Article 13: Unemployment Insurance Advisory Council; Housekeeping
1	<p><b>Employment [§ 268.035, subd. 15]</b></p> <p>Requested by the federal department of labor, clarifies UI coverage for certain travelling salespeople.</p>
2	<p><b>Failure to timely file report; late fees [§ 268.044, subds. 2 and 3]</b></p> <p>Changes cross reference to reflect current UI practices in reaching compromises in collection of employer fees.</p>
3	<p><b>Exceptions for taxpaying employers [§ 268.047, subd. 3]</b></p> <p>Benefits paid to a former employee are not used to calculate an employer’s experience rating under a number of conditions. There two most common reasons this occurs: (1) the employee quit the employment for a reason other than a good reason caused by the employer; or (2) the employee was discharged for misconduct. Current law is silent on</p>

Section	Description – Article 13: Unemployment Insurance Advisory Council; Housekeeping
	<p>the duration of this effect, implying the effect is indefinite. This change clarifies that the effect ends if the employee goes back to work with the same employer.</p>
4	<p><b>Vacation and sick payments that delay unemployment benefits [268.085, subd. 3]</b> Makes stylistic changes to clarify when payments that affect unemployment benefits take effect.</p>
5	<p><b>Workers' compensation and disability insurance offset [§ 268.085, subd. 3a]</b> Makes stylistic changes.</p>
6	<p><b>Separation, severance, or bonus payments that delay unemployment insurance benefits [§ 268.085, subd. 3b]</b> Makes stylistic changes to clarify when payments that affect unemployment benefits take effect.</p>
7	<p><b>Pension or retirement payment offset [§ 268.085, subd. 3c]</b> Makes stylistic changes to clarify when payments that affect unemployment benefits take effect.</p>
8	<p><b>Leave of absence [§ 268.085, subd. 13a]</b> Makes stylistic changes.</p>
9	<p><b>Employment misconduct defined [§ 268.095, subd. 6]</b> Removes one of the two standards for what constitutes employment misconduct for UI purposes. The intent is to clarify and simplify the section for the often pro se appellants of denied benefits.</p>
10	<p><b>Aggravated employment misconduct defined [§ 268.095, subd. 6a]</b> Codifies interpretation of the section under a court decision but does not change current law as applied.</p>
11	<p><b>Effective date</b></p>

## Article 14: Unemployment Insurance Advisory Council; Technical

Section	Description – Article 14: Unemployment Insurance Advisory Council; Technical
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| 1 | <b>Missing or erroneous information [§ 268.044, subd. 3]</b><br>Makes stylistic changes.                        |
| 2 | <b>Tax accounts assigned [§ 268.046, subd. 1]</b><br>Updates cross reference.                                   |
| 3 | <b>Requirements [§ 268.069, subd. 1]</b><br>Updates cross reference.  |
| 4 | <b>Representation; fees [§ 268.105, subd. 6]</b><br>Makes clarifying change.                                    |
| 5 | <b>Notification [§ 268.145, subd. 1]</b><br>Clarifies priority of deductions to payments to benefit applicants. |
| 6 | <b>Remedies [§ 268.18, subd. 5]</b><br>Clarifies priority of deductions to payments to benefit applicants.      |
| 7 | <b>Revisor's instruction</b><br>Directs a number of stylistic changes.  |
| 8 | <b>Repealer</b><br>Deletes two unnecessary subdivisions.  |
| 9 | <b>Effective date</b>   |

## Article 15: UI Policy

Section	Description – Article 15: UI Policy
1	<p><b>Services for school contractors</b></p> <p>Under Minnesota’s unemployment insurance statutes, there exists a general rule that employees are not eligible for unemployment insurance benefits, under most circumstances, related to work for an educational institution when the employee is not working between academic terms, for example, during the summer. There is an exception to this general rule for employees of contractors to elementary and secondary schools who provide food services to those schools. Employees of such contractors are eligible for unemployment insurance benefits between academic terms. This section would include employees of bus services contractors to that exception.</p>

## Article 16: Bureau of Mediation Services Policy

Section	Description – Article 16: Bureau of Mediation Services Policy
1	<p><b>Access by labor organizations, Bureau of Mediation Services, Public Employment Relations Board [§ 13.43, subd. 6]</b></p> <p>Allows PERB access to personnel data under the Government Data Practices Act to the same extent, and for the same purposes, as given to labor organizations and the Bureau of Mediation Services under current law.</p>
2	<p><b>Public Employment Relations Board data [§ 13.7909]</b></p> <p>Makes all data maintained by PERB nonpublic data under the Government Data Practices Act, with listed exceptions. Allows PERB to disclose otherwise nonpublic or confidential data if doing so would aid in the implementation of chapters 179 or 179a or would ensure due process protections of parties before PERB.</p>
3	<p><b>Open meetings [§ 179A.041, subd. 10]</b></p> <p>Exempts PERB from chapter 13D, the open meeting law, when the board is deliberating decisions, reviewing recommended decisions, or hiring employees.</p>
4	<p><b>Effective date.</b></p> <p>Changes the effective date for substantive portions of the PERB from July 2020, to January 2020.</p>

## Article 17: Unclaimed Property; General

Section	Description – Article 17: Unclaimed Property; General
1	<p><b>[345A.101] Definitions.</b></p> <p>Provides definitions for administrator, business association, financial organization, game-related digital content, loyalty card, non-freely transferable security, payroll card, stored-value card, and virtual currency, among others.</p>
2	<p><b>[345A.102] Inapplicability to foreign transaction.</b></p> <p>Clarifies that this chapter does not apply to property from a foreign transaction held, due, or owing in a foreign country.</p>

## Article 18: Unclaimed Property; Presumption of Abandonment

Section	Description – Article 18: Unclaimed Property; Presumption of Abandonment
1	<p><b>[345A.201] When property presumed abandoned.</b></p> <p>The following types of property are presumed abandoned when they become due and payable and the holder has allowed the applicable time period to elapse.</p>

Property Type	Time Period
Traveler's check	15 years
Money order Co-op Property (profit distribution, etc.)	7 years
State or municipal bond Debt of a business Demand, savings, or time deposit Money or credit owed from a retail business transaction Life or endowment insurance policy or annuity Proceeds from a class action held by a court Property where a time period is not otherwise specified	3 years
Life or endowment insurance policy where payment is owed on proof of death, but has not matured	2 or 3 years
Prepayment of funeral expenses	1 or 2 years, or 30 years after the contract was executed
Property from a business that has dissolved Property held by a government, including municipal bond interest Wages, commissions, bonuses, or reimbursement Utility deposit or refund	1 year

Section	Description – Article 18: Unclaimed Property; Presumption of Abandonment
2	<p><b>[345A.202] When tax deferred retirement account presumed abandoned.</b></p> <p>Abandonment occurs for property in tax-deferred pension accounts three years after certain events occur.</p>
3	<p><b>[345A.203] When other tax deferred account presumed abandoned.</b></p> <p>Abandonment occurs for property in other tax-deferred accounts, such as a health savings accounts, three years after certain events occur, and two years if the owner is deceased and certain events occur.</p>
4	<p><b>[345A.204] When custodial account for minor presumed abandoned.</b></p> <p>Abandonment occurs for property in an account held on behalf of a minor three years after certain events occur.</p>
5	<p><b>[345A.205] When contents of safe deposit box presumed abandoned.</b></p> <p>Abandonment occurs for property in a safe deposit box, and the proceeds of a sale of the property by the holder, five years after the lease ends or the earliest the holder can legally remove and dispose of safe deposit box property without the consent of the owner.</p>
6	<p><b>[345A.206] When stored-value card presumed abandoned.</b></p> <p>Abandonment occurs for stored-value cards, other than payroll or gift cards, three years after certain events occur. The amount abandoned is the net card value at the time it is presumed abandoned. If the card does not have an expiration date, the holder must honor the card indefinitely and then request reimbursement from the administrator.</p>
7	<p><b>[345A.208] When security presumed abandoned.</b></p> <p>Abandonment occurs for securities the earlier of three years after the date the holder sends a communication that is returned as undelivered, five years after the date of the owner's last indication of interest in the security, or two years after the date of the owner's death.</p>
8	<p><b>[345A.209] When related property presumed abandoned.</b></p> <p>After property is presumed abandoned any other property right or interest accrued or accruing from the property and not previously presumed abandoned—is also presumed abandoned.</p>
9	<p><b>[345A.210] Indication of apparent owner interest in property.</b></p> <p>Property is presumed abandoned from the later of the date provided by a section of this bill or the latest indication of interest by the owner. Interest is indicated through certain activities.</p>

Section	Description – Article 18: Unclaimed Property; Presumption of Abandonment
10	<p><b>[345A.211] Knowledge of death of insured or annuitant.</b></p> <p>Defines “death master file” as the United States Social Security Administration Death Master File or another equally comprehensive service. For life or endowment insurance policies or annuity contracts owed on proof of death, but that haven’t matured as of death, the holder has knowledge of the insured’s death under certain circumstances. Requires holders to compare current insurance policies and annuities at least semiannual by using the death master file. Provides directions as to what is considered an exact or partial match under the death master file.</p>
11	<p><b>[345A.211] Deposit account for proceeds of insurance policy or annuity contract.</b></p> <p>Clarifies that if proceeds from a life or endowment insurance policy or annuity contract are deposited into a checking account with the insurance company for the policy’s beneficiaries, the life or endowment insurance policy or annuity contract includes the amount deposited.</p>

## Article 19: Unclaimed Property; Rules for Taking Custody of Property Presumed Abandoned

Section	Description – Article 19: Unclaimed Property; Rules for Taking Custody of Property Presumed Abandoned
1	<p><b>[345A.301] Address of apparent owner to establish priority.</b></p> <p>Provides rules for determining an owner’s last known address.</p>
2	<p><b>[345A.302] Address of apparent owner in this state.</b></p> <p>Allows the administrator to take custody of property that is presumed abandoned whether located in this state or elsewhere if the last known address of the owner is in this state or the records of the holder do not identify the last known address, but the administrator has determined that it is in this state.</p>
3	<p><b>[345A.303] If records show multiple addresses of apparent owner.</b></p> <p>Provides rules for determining which state takes custody of property presumed abandoned when there are multiple addresses for the owner.</p>
4	<p><b>[345A.304] Holder domiciled in this state.</b></p> <p>Allows the administrator to take custody of property located in this state, another state, or a foreign country if the holder is located in this state and certain requirements are met.</p>



Section	Description – Article 19: Unclaimed Property; Rules for Taking Custody of Property Presumed Abandoned
5	<p><b>[345A.305] Custody if transaction took place in this state.</b></p> <p>Allows the administrator to take custody of property located in this state or another state if the transaction that led to the property took place in this state and certain requirements are met.</p>
6	<p><b>[345A.306] Traveler’s check, money order, or similar instrument.</b></p> <p>Allows the administrator to take custody of amounts payable on a traveler’s check, money order, or similar instrument, to the extent allowed under federal law.</p>
7	<p><b>[345A.307] Burden of proof to establish administrator’s right to custody.</b></p> <p>Gives the administrator the burden of proof to show the amount of the property, that it is presumed abandoned, and that the property is subject to custody of the administrator, if there is a dispute concerning property the administrator has asserted a right to.</p>

## Article 20: Unclaimed Property; Report by Holder

Section	Description – Article 20: Unclaimed Property; Report by Holder
1	<p><b>[345A.401] Report required by holder.</b></p> <p>Requires a holder of property to report it to the administrator. Requires a holder to submit the report electronically in a form acceptable to the administrator. Allows a holder to contract with a third party to complete the report. Clarifies that, in either case, the holder is responsible for submitting a complete, accurate, and timely report, and delivering property to the administrator.</p>
2	<p><b>[345A.402] Content of report.</b></p> <p>Requires the report by a holder of property to contain certain information, including information about the owner. Allows holders to aggregate items valued under \$50. Allows the administrator to waive reporting requirements relating to information about owners for aggregated amounts.</p>
3	<p><b>[345A.403] When report to be filed.</b></p> <p>Requires holders of property to file reports with the administrator by November 1, or May 1 for an insurance company. A holder may request an extension to file the report.</p>
4	<p><b>[345A.404] Retention of records by holder.</b></p> <p>Requires holders of property to retain records of reports submitted for ten years.</p>

Section	Description – Article 20: Unclaimed Property; Report by Holder
5	<p><b>[345A.405] Property reportable and payable or deliverable absent owner demand.</b></p> <p>Clarifies that property is reportable and payable under this chapter even if the owner fails to make a demand or present an instrument or document required to obtain payment.</p>

## **Article 21: Unclaimed Property; Notice to Apparent Owner of Property Presumed Abandoned**

Section	Description – Article 21: Unclaimed Property; Notice to Apparent Owner of Property Presumed Abandoned
1	<p><b>[345A.501] Notice to apparent owner by holder.</b></p> <p>Requires a holder to mail a notice to an owner not more than 180 days nor less than 60 days before the holder must report the property to the administrator if possible and the amount is over \$50. Clarifies that in addition to any other indication of an owner's interest in the property, a signed receipt from certified mail constitutes a recorded communication.</p>
2	<p><b>[345A.502] Contents of notice by holder</b></p> <p>Requires the notice from the holder of property to the owner to include certain information.</p>
3	<p><b>[345A.503] Notice by administrator.</b></p> <p>Requires the administrator to give notice to an owner that property is being held by the administrator. Requires the administrator to publish certain information every 12 months in a newspaper in each county of this state, and maintain a website or database accessible by the public. Allows the commissioner to publish information in other ways.</p>

## **Article 22: Unclaimed Property; Taking Custody of Property by Administrator**

Section	Description – Article 22: Unclaimed Property; Taking Custody of Property by Administrator
1	<p><b>[345A.601] Dormancy charge.</b></p> <p>Allows a holder of property to deduct a dormancy charge from property required to be paid to the administrator if certain requirements are met. Limits the amount of the deduction.</p>

Section	Description – Article 22: Unclaimed Property; Taking Custody of Property by Administrator
2	<p><b>[345A.602] Payment or delivery of property to administrator.</b></p> <p>Requires a holder of property to pay the administrator the property described in the report upon filing it with the administrator. Provides specific procedures for the payment of different types of property. Indemnifies a holder acting under this section for a claim related to the property after it has been delivered to the administrator.</p>
3	<p><b>[345A.603] Effect of payment or delivery of property to administrator.</b></p> <p>Clarifies that the administrator assumes custody and responsibility for property after it has been delivered. A holder of property that pays property to the administrator in good faith and in compliance with sections 345A.501 and 345A.502 is relieved of liability.</p>
4	<p><b>[345A.604] Recovery of property by holders from administrator.</b></p> <p>Allows a holder of property to file a claim for reimbursement from the administrator if the holder transferred property in error or paid the owner after transferring the property to the administrator. Requires the holder to submit sufficient evidence for reimbursement.</p>
5	<p><b>[345A.605] Crediting income or gain to owner’s account.</b></p> <p>Provides that if property other than money is delivered to the administrator, the owner is entitled to receive income or gain realized on the property before the property is sold. If the property was interest-bearing, the administrator must pay interest at a certain rate. Interest begins to accrue when the property is delivered to the administrator and ends the earlier of ten years after its delivery or the date it was paid to the owner.</p>
6	<p><b>[345A.606] Administrator’s options as to custody.</b></p> <p>Allows the administrator to decline to take custody of property under certain circumstances. Allows a holder of property to pay property to the administrator before the property is presumed abandoned if certain requirements are met. Upon payment to the administrator the property is presumed abandoned.</p>
7	<p><b>[345A.607] Disposition of property having no substantial value; Immunity from liability.</b></p> <p>Provides that if the administrator takes custody of property and later determines it has no value or that the cost of disposing the property will exceed its value, the administrator can return the property to the holder or destroy it. Prohibits a legal action against the administrator or the state based on steps taken under this section, except for intentional misconduct.</p>
8	<p><b>[345A.608] Periods of limitation and repose.</b></p> <p>Clarifies that a period of limitations on an owner’s right to receive or recover property does not prevent the property from being presumed abandoned or affect the duty of a holder to file a report and pay the property to the administrator. Limits the administrator’s ability to maintain a legal action to enforce the requirements of this act to</p>

Section	Description – Article 22: Unclaimed Property; Taking Custody of Property by Administrator
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ten years after the holder identified the property in a report to the administrator or otherwise notified the administrator.

## **Article 23: Unclaimed Property; Sale of Property by Administrator**

Section	Description – Article 23: Unclaimed Property; Sale of Property by Administrator
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- [345A.701] Public sale of property.**  
Allows the administrator to sell property that has been held by the administrator for at least three years. Requires the administrator to notify the public of the sale and include certain information. Allows the administrator to decline the highest bid at sale if it is insufficient and reoffer the property for sale at a later date.
- [345A.702] Disposal of securities.**  
Allows the administrator to sell a security if it has been held by the administrator for at least one year or if requested to do so by the owner. Prohibits the administrator for selling a publicly traded security for less than the prevailing price on the exchange.
- [345A.704] Purchaser owns property after sale.**  
Clarifies that a purchaser of property at a sale conducted by the administrator takes the property free of all claims of the prior holder or owner. Requires the administrator to execute documents necessary to complete the transfer of ownership to the purchaser.

## **Article 24: Unclaimed Property; Administration of Property**

Section	Description – Article 24: Unclaimed Property; Administration of Property
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- [345A.801] Deposit of funds by administrator.**  
Requires the administrator to deposit all funds from this chapter in the general fund except for expenses of disposition of property, expenses incurred in examining records or collecting property; and as otherwise provided in this chapter.
- [345A.802] Administrator to retain records of property.**  
Requires the administrator to keep certain records regarding owners, addresses, account numbers, company names, and amounts due or paid.

## Article 25: Unclaimed Property; Hearings, Procedure, and Judicial Review

Section	Description – Article 25: Unclaimed Property; Hearings, Procedure, and Judicial Review
1	<p><b>Agreements to locate reported property.</b></p> <p>Prohibits a person from receiving compensation for locating property if 24 months have not passed since the property was given to the administrator. Limits the compensation a person can receive for locating property to 15 percent of the amount collected.</p>
2	<p><b>Failure of person examined to retain records.</b></p> <p>Allows the commissioner to determine the value of property through estimation, where the holder has not retained the required records. Clarifies that a payment based on estimation for failure to maintain the required records does not relieve a holder from their obligation to report and deliver property.</p>



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