

1.1 Senator moves to amend S.F. No. 3945 as follows:
1.2 Delete everything after the enacting clause and insert:

"ARTICLE 1

JOBS AND ECONOMIC GROWTH

Section 1. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are added to the appropriations in Laws 2017, chapter 94, or appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal year indicated for each purpose. The figures "2018" and "2019" used in this article mean that the addition to the appropriations listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. Appropriations for fiscal year 2018 are effective the day following final enactment.

APPROPRIATIONS

Available for the Year

Ending June 30

1.18 Sec. 2. **DEPARTMENT OF EMPLOYMENT**
1.19 **AND ECONOMIC DEVELOPMENT**

1.20 **Subdivision 1. Total Appropriation** \$ **-0-** \$ **17,025,000**

1.21 The amounts that may be spent for each
1.22 purpose are specified in the following
1.23 subdivisions.

Appropriations by Fund

1.25 2018 2019

1.26 General -0- 17,000,000

1.27 Workforce
1.28 Development -0- 25,000

1.29 Subd. 2. **Business and Community Development** -0- 2,000,000

1.30 \$2,000,000 in fiscal year 2019 is for the

1.31 redevelopment grant and demolition loan

1.32 programs under Minnesota Statutes, sections

2.1 116J.571 to 116J.5764. This is a onetime
 2.2 appropriation and is available until spent.

2.3 Subd. 3. **Broadband Development** -0- 15,000,000

2.4 \$15,000,000 in fiscal year 2019 is for deposit
 2.5 in the border-to-border broadband fund
 2.6 account in the special revenue fund established
 2.7 under Minnesota Statutes, section 116J.396.
 2.8 This is a onetime appropriation and is
 2.9 available until spent.

2.10 Subd. 4. **Workforce Development** -0- 25,000

2.11 \$25,000 in fiscal year 2019 is from the
 2.12 workforce development fund for transfer to
 2.13 the Cook County Higher Education Board to
 2.14 provide educational programming and
 2.15 academic support services to remote regions
 2.16 in northeastern Minnesota. This is a onetime
 2.17 appropriation and is in addition to other funds
 2.18 previously appropriated for transfer to the
 2.19 board.

2.20 Sec. 3. **WORKERS' COMPENSATION COURT** § 0 \$ 33,000
OF APPEALS

2.22 This appropriation is from the workers'
 2.23 compensation fund.

ARTICLE 2

ECONOMIC DEVELOPMENT POLICY

2.26 Section 1. Minnesota Statutes 2016, section 116J.8747, subdivision 2, is amended to read:

2.27 Subd. 2. **Qualified job training program.** To qualify for grants under this section, a
 2.28 job training program must satisfy the following requirements:

2.29 (1) the program must be operated by a nonprofit corporation that qualifies under section
 2.30 501(c)(3) of the Internal Revenue Code;

2.31 (2) the program must spend, on average, \$15,000 or more per graduate of the program;

2.32 (3) the program must provide education and training in:

- 3.1 (i) basic skills, such as reading, writing, mathematics, and communications;
- 3.2 (ii) thinking skills, such as reasoning, creative thinking, decision making, and problem solving; and
- 3.3 (iii) personal qualities, such as responsibility, self-esteem, self-management, honesty, and integrity;
- 3.4 (4) the program may provide income supplements, when needed, to participants for housing, counseling, tuition, and other basic needs;
- 3.5 (5) ~~the program's education and training course must last for an average of at least six months;~~
- 3.6 (6) individuals served by the program must:
- 3.7 (i) be 18 years of age or older, as of the date of enrollment, and
- 3.8 (ii) have ~~federal adjusted gross household income of no more than \$12,000 per year~~ in the calendar year immediately before entering the program that is 100 percent or less of the federal poverty guideline for Minnesota, based on family size; and
- 3.9 (iii) ~~have assets of no more than \$10,000, excluding the value of a homestead~~; and
- 3.10 (iv) ~~not have been claimed as a dependent on the federal tax return of another person in the previous taxable year~~; and
- 3.11 (7) (6) the program must be certified by the commissioner of employment and economic development as meeting the requirements of this subdivision.

3.12 Sec. 2. Minnesota Statutes 2016, section 116J.8747, subdivision 4, is amended to read:

3.13 Subd. 4. **Duties of program.** (a) A program certified by the commissioner under subdivision 2 must comply with the requirements of this subdivision.

3.14 (b) A program must maintain records for each qualified graduate. The records must include information sufficient to verify the graduate's eligibility under this section, identify the employer, and describe the job including its compensation rate and benefits.

3.15 (c) A program ~~must report by January 1 of each year to the commissioner. The report must include, at least, information on:~~ is subject to the reporting requirements under section 116L.98.

- 3.16 (1) ~~the number of graduates placed;~~
- 3.17 (2) ~~demographic information on the graduates;~~

- 4.1 (3) the type of position in which each graduate is placed, including compensation
4.2 information;
4.3 (4) the tenure of each graduate at the placed position or in other jobs;
4.4 (5) the amount of employer fees paid to the program;
4.5 (6) the amount of money raised by the program from other sources; and
4.6 (7) the types and sizes of employers with which graduates have been placed and retained.

4.7 Sec. 3. Minnesota Statutes 2017 Supplement, section 298.292, subdivision 2, is amended
4.8 to read:

4.9 Subd. 2. **Use of money.** (a) Money in the Douglas J. Johnson economic protection trust
4.10 fund may be used for the following purposes:

4.11 (1) to provide loans, loan guarantees, interest buy-downs and other forms of participation
4.12 with private sources of financing, but a loan to a private enterprise shall be for a principal
4.13 amount not to exceed one-half of the cost of the project for which financing is sought, and
4.14 the rate of interest on a loan to a private enterprise shall be no less than the lesser of eight
4.15 percent or an interest rate three percentage points less than a full faith and credit obligation
4.16 of the United States government of comparable maturity, at the time that the loan is approved;

4.17 (2) to fund reserve accounts established to secure the payment when due of the principal
4.18 of and interest on bonds issued pursuant to section 298.2211;

4.19 (3) to pay in periodic payments or in a lump-sum payment any or all of the interest on
4.20 bonds issued pursuant to chapter 474 for the purpose of constructing, converting, or
4.21 retrofitting heating facilities in connection with district heating systems or systems utilizing
4.22 alternative energy sources;

4.23 (4) to invest in a venture capital fund or enterprise that will provide capital to other
4.24 entities that are engaging in, or that will engage in, projects or programs that have the
4.25 purposes set forth in subdivision 1. No investments may be made in a venture capital fund
4.26 or enterprise unless at least two other unrelated investors make investments of at least
4.27 \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas J.
4.28 Johnson economic protection trust fund may not exceed the amount of the largest investment
4.29 by an unrelated investor in the venture capital fund or enterprise. For purposes of this
4.30 subdivision, an "unrelated investor" is a person or entity that is not related to the entity in
4.31 which the investment is made or to any individual who owns more than 40 percent of the
4.32 value of the entity, in any of the following relationships: spouse, parent, child, sibling,

5.1 employee, or owner of an interest in the entity that exceeds ten percent of the value of all
5.2 interests in it. For purposes of determining the limitations under this clause, the amount of
5.3 investments made by an investor other than the Douglas J. Johnson economic protection
5.4 trust fund is the sum of all investments made in the venture capital fund or enterprise during
5.5 the period beginning one year before the date of the investment by the Douglas J. Johnson
5.6 economic protection trust fund; and

5.7 (5) to purchase forest land in the taconite assistance area defined in section 273.1341 to
5.8 be held and managed as a public trust for the benefit of the area for the purposes authorized
5.9 in section 298.22, subdivision 5a. Property purchased under this section may be sold by the
5.10 commissioner, after consultation with the advisory board. The net proceeds must be deposited
5.11 in the trust fund for the purposes and uses of this section.

5.12 (b) Money from the trust fund shall be expended only in or for the benefit of the taconite
5.13 assistance area defined in section 273.1341.

5.14 (c) Money devoted to the trust fund under this section shall not be expended, appropriated,
5.15 or transferred from the trust fund for any purpose except as provided in this section.

5.16 Sec. 4. Laws 2017, chapter 94, article 1, section 2, subdivision 2, is amended to read:

5.17 Subd. 2. **Business and Community Development** \$ 46,074,000 \$ 40,935,000

5.18 Appropriations by Fund

5.19 General	\$43,363,000	\$38,424,000
5.20 Remediation	\$700,000	\$700,000
5.21 Workforce		
5.22 Development	\$1,861,000	\$1,811,000
5.23 Special Revenue	\$150,000	-0-

5.24 (a) \$4,195,000 each year is for the Minnesota
5.25 job skills partnership program under
5.26 Minnesota Statutes, sections 116L.01 to
5.27 116L.17. If the appropriation for either year
5.28 is insufficient, the appropriation for the other
5.29 year is available. This appropriation is
5.30 available until spent.

5.31 (b) \$750,000 each year is for grants to the
5.32 Neighborhood Development Center for small
5.33 business programs:

6.1 (1) training, lending, and business services;
6.2 (2) model outreach and training in greater
6.3 Minnesota; and
6.4 (3) development of new business incubators.

6.5 This is a onetime appropriation.

6.6 (c) \$1,175,000 each year is for a grant to the
6.7 Metropolitan Economic Development
6.8 Association (MEDA) for statewide business
6.9 development and assistance services, including
6.10 services to entrepreneurs with businesses that
6.11 have the potential to create job opportunities
6.12 for unemployed and underemployed people,
6.13 with an emphasis on minority-owned
6.14 businesses. This is a onetime appropriation.

6.15 (d) \$125,000 each year is for a grant to the
6.16 White Earth Nation for the White Earth Nation
6.17 Integrated Business Development System to
6.18 provide business assistance with workforce
6.19 development, outreach, technical assistance,
6.20 infrastructure and operational support,
6.21 financing, and other business development
6.22 activities. This is a onetime appropriation.

6.23 (e)(1) \$12,500,000 each the first year is and
6.24 \$10,500,000 the second year are for the
6.25 Minnesota investment fund under Minnesota
6.26 Statutes, section 116J.8731. Of this amount,
6.27 the commissioner of employment and
6.28 economic development may use up to three
6.29 percent for administration and monitoring of
6.30 the program. This appropriation is available
6.31 until spent. In fiscal year 2020 and beyond,
6.32 the base amount is \$12,500,000.

6.33 (2) Of the amount appropriated in fiscal year
6.34 2018, \$4,000,000 is for a loan to construct and

7.1 equip a wholesale electronic component
7.2 distribution center investing a minimum of
7.3 \$200,000,000 and constructing a facility at
7.4 least 700,000 square feet in size. Loan funds
7.5 may be used for purchases of materials,
7.6 supplies, and equipment for the construction
7.7 of the facility and are available from July 1,
7.8 2017, to June 30, 2021. The commissioner of
7.9 employment and economic development shall
7.10 forgive the loan after verification that the
7.11 project has satisfied performance goals and
7.12 contractual obligations as required under
7.13 Minnesota Statutes, section 116J.8731.

7.14 (3) Of the amount appropriated in fiscal year
7.15 2018, \$700,000 is for a loan to extend an
7.16 effluent pipe that will deliver reclaimed water
7.17 to an innovative waste-to-biofuel project
7.18 investing a minimum of \$150,000,000 and
7.19 constructing a facility that is designed to
7.20 process approximately 400,000 tons of waste
7.21 annually. Loan funds are available until June
7.22 30, 2021.

7.23 (4) Of the amount appropriated in fiscal year
7.24 2019, \$1,000,000 is for a grant to the city of
7.25 Minnetonka for a forgivable loan to a
7.26 high-risk, high-return jobs retention and
7.27 creation initiative to be conducted by a local
7.28 business that produces lactic acid/lactate, to
7.29 help grow and expand the bioeconomy in
7.30 Minnesota. The grant under this section is not
7.31 subject to the limitations under Minnesota
7.32 Statutes, section 116J.8731, subdivision 5, or
7.33 the performance goals, contractual obligations,
7.34 and other requirements under sections
7.35 116J.8731, subdivision 7, 116J.993, and

8.1 116J.994. Grant funds are available until June
8.2 30, 2021.

8.3 (f) \$8,500,000 each year is for the Minnesota
8.4 job creation fund under Minnesota Statutes,
8.5 section 116J.8748. Of this amount, the
8.6 commissioner of employment and economic
8.7 development may use up to three percent for
8.8 administrative expenses. This appropriation
8.9 is available until expended. In fiscal year 2020
8.10 and beyond, the base amount is \$8,000,000.

8.11 (g) \$1,647,000 each year is for contaminated
8.12 site cleanup and development grants under
8.13 Minnesota Statutes, sections 116J.551 to
8.14 116J.558. This appropriation is available until
8.15 spent. In fiscal year 2020 and beyond, the base
8.16 amount is \$1,772,000.

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

8.19 (i) \$163,000 each year is for the Minnesota
8.20 Film and TV Board. The appropriation in each
8.21 year is available only upon receipt by the
8.22 board of \$1 in matching contributions of
8.23 money or in-kind contributions from nonstate
8.24 sources for every \$3 provided by this
8.25 appropriation, except that each year up to
8.26 \$50,000 is available on July 1 even if the
8.27 required matching contribution has not been
8.28 received by that date.

8.29 (j) \$500,000 each year is from the general fund
8.30 for a grant to the Minnesota Film and TV
8.31 Board for the film production jobs program
8.32 under Minnesota Statutes, section 116U.26.
8.33 This appropriation is available until June 30,
8.34 2021.

9.1 (k) \$139,000 each year is for a grant to the
9.2 Rural Policy and Development Center under
9.3 Minnesota Statutes, section 116J.421.

9.4 (l)(1) \$1,300,000 each year is for the greater
9.5 Minnesota business development public
9.6 infrastructure grant program under Minnesota
9.7 Statutes, section 116J.431. This appropriation
9.8 is available until spent. If the appropriation
9.9 for either year is insufficient, the appropriation
9.10 for the other year is available. In fiscal year
9.11 2020 and beyond, the base amount is
9.12 \$1,787,000. Funds available under this
9.13 paragraph may be used for site preparation of
9.14 property owned and to be used by private
9.15 entities.

9.16 (2) Of the amounts appropriated, \$1,600,000
9.17 in fiscal year 2018 is for a grant to the city of
9.18 Thief River Falls to support utility extensions,
9.19 roads, and other public improvements related
9.20 to the construction of a wholesale electronic
9.21 component distribution center at least 700,000
9.22 square feet in size and investing a minimum
9.23 of \$200,000,000. Notwithstanding Minnesota
9.24 Statutes, section 116J.431, a local match is
9.25 not required. Grant funds are available from
9.26 July 1, 2017, to June 30, 2021.

9.27 (m) \$876,000 the first year and \$500,000 the
9.28 second year are for the Minnesota emerging
9.29 entrepreneur loan program under Minnesota
9.30 Statutes, section 116M.18. Funds available
9.31 under this paragraph are for transfer into the
9.32 emerging entrepreneur program special
9.33 revenue fund account created under Minnesota
9.34 Statutes, chapter 116M, and are available until
9.35 spent. Of this amount, up to four percent is for

10.1 administration and monitoring of the program.
10.2 In fiscal year 2020 and beyond, the base
10.3 amount is \$1,000,000.

10.4 (n) \$875,000 each year is for a grant to
10.5 Enterprise Minnesota, Inc. for the small
10.6 business growth acceleration program under
10.7 Minnesota Statutes, section 116O.115. This
10.8 is a onetime appropriation.

10.9 (o) \$250,000 in fiscal year 2018 is for a grant
10.10 to the Minnesota Design Center at the
10.11 University of Minnesota for the greater
10.12 Minnesota community design pilot project.

10.13 (p) \$275,000 in fiscal year 2018 is from the
10.14 general fund to the commissioner of
10.15 employment and economic development for
10.16 a grant to Community and Economic
10.17 Development Associates (CEDA) for an
10.18 economic development study and analysis of
10.19 the effects of current and projected economic
10.20 growth in southeast Minnesota. CEDA shall
10.21 report on the findings and recommendations
10.22 of the study to the committees of the house of
10.23 representatives and senate with jurisdiction
10.24 over economic development and workforce
10.25 issues by February 15, 2019. All results and
10.26 information gathered from the study shall be
10.27 made available for use by cities in southeast
10.28 Minnesota by March 15, 2019. This
10.29 appropriation is available until June 30, 2020.

10.30 (q) \$2,000,000 in fiscal year 2018 is for a
10.31 grant to Pillsbury United Communities for
10.32 construction and renovation of a building in
10.33 north Minneapolis for use as the "North
10.34 Market" grocery store and wellness center,
10.35 focused on offering healthy food, increasing

11.1 health care access, and providing job creation
11.2 and economic opportunities in one place for
11.3 children and families living in the area. To the
11.4 extent possible, Pillsbury United Communities
11.5 shall employ individuals who reside within a
11.6 five mile radius of the grocery store and
11.7 wellness center. This appropriation is not
11.8 available until at least an equal amount of
11.9 money is committed from nonstate sources.
11.10 This appropriation is available until the project
11.11 is completed or abandoned, subject to
11.12 Minnesota Statutes, section 16A.642.
11.13 (r) \$1,425,000 each year is for the business
11.14 development competitive grant program. Of
11.15 this amount, up to five percent is for
11.16 administration and monitoring of the business
11.17 development competitive grant program. All
11.18 grant awards shall be for two consecutive
11.19 years. Grants shall be awarded in the first year.
11.20 (s) \$875,000 each year is for the host
11.21 community economic development grant
11.22 program established in Minnesota Statutes,
11.23 section 116J.548.
11.24 (t) \$700,000 each year is from the remediation
11.25 fund for contaminated site cleanup and
11.26 development grants under Minnesota Statutes,
11.27 sections 116J.551 to 116J.558. This
11.28 appropriation is available until spent.
11.29 (u) \$161,000 each year is from the workforce
11.30 development fund for a grant to the Rural
11.31 Policy and Development Center. This is a
11.32 onetime appropriation.
11.33 (v) \$300,000 each year is from the workforce
11.34 development fund for a grant to Enterprise

12.1 Minnesota, Inc. This is a onetime
12.2 appropriation.

12.3 (w) \$50,000 in fiscal year 2018 is from the
12.4 workforce development fund for a grant to
12.5 Fighting Chance for behavioral intervention
12.6 programs for at-risk youth.

12.7 (x) \$1,350,000 each year is from the
12.8 workforce development fund for job training
12.9 grants under Minnesota Statutes, section
12.10 116L.42.

12.11 (y)(1) \$519,000 in fiscal year 2018 is for
12.12 grants to local communities to increase the
12.13 supply of quality child care providers in order
12.14 to support economic development. At least 60
12.15 percent of grant funds must go to communities
12.16 located outside of the seven-county
12.17 metropolitan area, as defined under Minnesota
12.18 Statutes, section 473.121, subdivision 2. Grant
12.19 recipients must obtain a 50 percent nonstate
12.20 match to grant funds in either cash or in-kind
12.21 contributions. Grant funds available under this
12.22 paragraph must be used to implement solutions
12.23 to reduce the child care shortage in the state
12.24 including but not limited to funding for child
12.25 care business start-ups or expansions, training,
12.26 facility modifications or improvements
12.27 required for licensing, and assistance with
12.28 licensing and other regulatory requirements.
12.29 In awarding grants, the commissioner must
12.30 give priority to communities that have
12.31 documented a shortage of child care providers
12.32 in the area.

12.33 (2) Within one year of receiving grant funds,
12.34 grant recipients must report to the
12.35 commissioner on the outcomes of the grant

13.1 program including but not limited to the
13.2 number of new providers, the number of
13.3 additional child care provider jobs created, the
13.4 number of additional child care slots, and the
13.5 amount of local funds invested.

13.6 (3) By January 1 of each year, starting in 2019,
13.7 the commissioner must report to the standing
13.8 committees of the legislature having
13.9 jurisdiction over child care and economic
13.10 development on the outcomes of the program
13.11 to date.

13.12 (z) \$319,000 in fiscal year 2018 is from the
13.13 general fund for a grant to the East Phillips
13.14 Improvement Coalition to create the East
13.15 Phillips Neighborhood Institute (EPNI) to
13.16 expand culturally tailored resources that
13.17 address small business growth and create
13.18 green jobs. The grant shall fund the
13.19 collaborative work of Tamales y Bicicletas,
13.20 Little Earth of the United Tribes, a nonprofit
13.21 serving East Africans, and other coalition
13.22 members towards developing EPNI as a
13.23 community space to host activities including,
13.24 but not limited to, creation and expansion of
13.25 small businesses, culturally specific
13.26 entrepreneurial activities, indoor urban
13.27 farming, job training, education, and skills
13.28 development for residents of this low-income,
13.29 environmental justice designated
13.30 neighborhood. Eligible uses for grant funds
13.31 include, but are not limited to, planning and
13.32 start-up costs, staff and consultant costs,
13.33 building improvements, rent, supplies, utilities,
13.34 vehicles, marketing, and program activities.
13.35 The commissioner shall submit a report on

14.1 grant activities and quantifiable outcomes to
14.2 the committees of the house of representatives
14.3 and the senate with jurisdiction over economic
14.4 development by December 15, 2020. This
14.5 appropriation is available until June 30, 2020.

14.6 (aa) \$150,000 the first year is from the
14.7 renewable development account in the special
14.8 revenue fund established in Minnesota
14.9 Statutes, section 116C.779, subdivision 1, to
14.10 conduct the biomass facility closure economic
14.11 impact study.

14.12 (bb)(1)\$300,000 in fiscal year 2018 is for a
14.13 grant to East Side Enterprise Center (ESEC)
14.14 to expand culturally tailored resources that
14.15 address small business growth and job
14.16 creation. This appropriation is available until
14.17 June 30, 2020. The appropriation shall fund
14.18 the work of African Economic Development
14.19 Solutions, the Asian Economic Development
14.20 Association, the Dayton's Bluff Community
14.21 Council, and the Latino Economic
14.22 Development Center in a collaborative
14.23 approach to economic development that is
14.24 effective with smaller, culturally diverse
14.25 communities that seek to increase the
14.26 productivity and success of new immigrant
14.27 and minority populations living and working
14.28 in the community. Programs shall provide
14.29 minority business growth and capacity
14.30 building that generate wealth and jobs creation
14.31 for local residents and business owners on the
14.32 East Side of St. Paul.

14.33 (2) In fiscal year 2019 ESEC shall use funds
14.34 to share its integrated service model and
14.35 evolving collaboration principles with civic

15.1 and economic development leaders in greater
15.2 Minnesota communities which have diverse
15.3 populations similar to the East Side of St. Paul.
15.4 ESEC shall submit a report of activities and
15.5 program outcomes, including quantifiable
15.6 measures of success annually to the house of
15.7 representatives and senate committees with
15.8 jurisdiction over economic development.

15.9 (cc) \$150,000 in fiscal year 2018 is for a grant
15.10 to Mille Lacs County for the purpose of
15.11 reimbursement grants to small resort
15.12 businesses located in the city of Isle with less
15.13 than \$350,000 in annual revenue, at least four
15.14 rental units, which are open during both
15.15 summer and winter months, and whose
15.16 business was adversely impacted by a decline
15.17 in walleye fishing on Lake Mille Lacs.

15.18 (dd)(1) \$250,000 in fiscal year 2018 is for a
15.19 grant to the Small Business Development
15.20 Center hosted at Minnesota State University,
15.21 Mankato, for a collaborative initiative with
15.22 the Regional Center for Entrepreneurial
15.23 Facilitation. Funds available under this section
15.24 must be used to provide entrepreneur and
15.25 small business development direct professional
15.26 business assistance services in the following
15.27 counties in Minnesota: Blue Earth, Brown,
15.28 Faribault, Le Sueur, Martin, Nicollet, Sibley,
15.29 Watonwan, and Waseca. For the purposes of
15.30 this section, "direct professional business
15.31 assistance services" must include, but is not
15.32 limited to, pre-venture assistance for
15.33 individuals considering starting a business.
15.34 This appropriation is not available until the
15.35 commissioner determines that an equal amount

16.1 is committed from nonstate sources. Any
16.2 balance in the first year does not cancel and
16.3 is available for expenditure in the second year.

16.4 (2) Grant recipients shall report to the
16.5 commissioner by February 1 of each year and
16.6 include information on the number of
16.7 customers served in each county; the number
16.8 of businesses started, stabilized, or expanded;
16.9 the number of jobs created and retained; and
16.10 business success rates in each county. By April
16.11 1 of each year, the commissioner shall report
16.12 the information submitted by grant recipients
16.13 to the chairs of the standing committees of the
16.14 house of representatives and the senate having
16.15 jurisdiction over economic development
16.16 issues.

16.17 (ee) \$500,000 in fiscal year 2018 is for the
16.18 central Minnesota opportunity grant program
16.19 established under Minnesota Statutes, section
16.20 116J.9922. This appropriation is available until
16.21 June 30, 2022.

16.22 Sec. 5. Laws 2017, chapter 94, article 1, section 2, subdivision 3, is amended to read:

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

16.24 Appropriations by Fund

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

16.26 Workforce
16.27 Development \$25,259,000 \$24,342,000

16.28 (a) \$500,000 each year is for the
16.29 youth-at-work competitive grant program
16.30 under Minnesota Statutes, section 116L.562.
16.31 Of this amount, up to five percent is for
16.32 administration and monitoring of the youth
16.33 workforce development competitive grant
16.34 program. All grant awards shall be for two

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

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

17.7 (c) \$500,000 each year is for rural career
17.8 counseling coordinator positions in the
17.9 workforce service areas and for the purposes
17.10 specified in Minnesota Statutes, section
17.11 116L.667. The commissioner of employment
17.12 and economic development, in consultation
17.13 with local workforce investment boards and
17.14 local elected officials in each of the service
17.15 areas receiving funds, shall develop a method
17.16 of distributing funds to provide equitable
17.17 services across workforce service areas.

17.18 (d) \$1,000,000 each year is for a grant to the
17.19 Construction Careers Foundation for the
17.20 construction career pathway initiative to
17.21 provide year-round educational and
17.22 experiential learning opportunities for teens
17.23 and young adults under the age of 21 that lead
17.24 to careers in the construction industry. This is
17.25 a onetime appropriation. Grant funds must be
17.26 used to:

17.27 (1) increase construction industry exposure
17.28 activities for middle school and high school
17.29 youth, parents, and counselors to reach a more
17.30 diverse demographic and broader statewide
17.31 audience. This requirement includes, but is
17.32 not limited to, an expansion of programs to
17.33 provide experience in different crafts to youth
17.34 and young adults throughout the state;

18.1 (2) increase the number of high schools in
18.2 Minnesota offering construction classes during
18.3 the academic year that utilize a multicraft
18.4 curriculum;

18.5 (3) increase the number of summer internship
18.6 opportunities;

18.7 (4) enhance activities to support graduating
18.8 seniors in their efforts to obtain employment
18.9 in the construction industry;

18.10 (5) increase the number of young adults
18.11 employed in the construction industry and
18.12 ensure that they reflect Minnesota's diverse
18.13 workforce; and

18.14 (6) enhance an industrywide marketing
18.15 campaign targeted to youth and young adults
18.16 about the depth and breadth of careers within
18.17 the construction industry.

18.18 Programs and services supported by grant
18.19 funds must give priority to individuals and
18.20 groups that are economically disadvantaged
18.21 or historically underrepresented in the
18.22 construction industry, including but not limited
18.23 to women, veterans, and members of minority
18.24 and immigrant groups.

18.25 (e) \$1,539,000 each year from the general fund
18.26 and \$4,604,000 each year from the workforce
18.27 development fund are for the Pathways to
18.28 Prosperity adult workforce development
18.29 competitive grant program. Of this amount,
18.30 up to four percent is for administration and
18.31 monitoring of the program. When awarding
18.32 grants under this paragraph, the commissioner
18.33 of employment and economic development
18.34 may give preference to any previous grantee

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

19.5 (f) \$750,000 each year is for a competitive
19.6 grant program to provide grants to
19.7 organizations that provide support services for
19.8 individuals, such as job training, employment
19.9 preparation, internships, job assistance to
19.10 fathers, financial literacy, academic and
19.11 behavioral interventions for low-performing
19.12 students, and youth intervention. Grants made
19.13 under this section must focus on low-income
19.14 communities, young adults from families with
19.15 a history of intergenerational poverty, and
19.16 communities of color. Of this amount, up to
19.17 four percent is for administration and
19.18 monitoring of the program. In fiscal year 2020
19.19 and beyond, the base amount is \$1,000,000.

19.20 (g) \$500,000 each year is for the women and
19.21 high-wage, high-demand, nontraditional jobs
19.22 grant program under Minnesota Statutes,
19.23 section 116L.99. Of this amount, up to five
19.24 percent is for administration and monitoring
19.25 of the program. In fiscal year 2020 and
19.26 beyond, the base amount is \$750,000.

19.27 (h) \$500,000 each year is for a competitive
19.28 grant program for grants to organizations
19.29 providing services to relieve economic
19.30 disparities in the Southeast Asian community
19.31 through workforce recruitment, development,
19.32 job creation, assistance of smaller
19.33 organizations to increase capacity, and
19.34 outreach. Of this amount, up to five percent
19.35 is for administration and monitoring of the

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

20.3 (i) \$250,000 each year is for a grant to the
20.4 American Indian Opportunities and
20.5 Industrialization Center, in collaboration with
20.6 the Northwest Indian Community
20.7 Development Center, to reduce academic
20.8 disparities for American Indian students and
20.9 adults. This is a onetime appropriation. The
20.10 grant funds may be used to provide:

20.11 (1) student tutoring and testing support
20.12 services;
20.13 (2) training in information technology;
20.14 (3) assistance in obtaining a GED;
20.15 (4) remedial training leading to enrollment in
20.16 a postsecondary higher education institution;
20.17 (5) real-time work experience in information
20.18 technology fields; and
20.19 (6) contextualized adult basic education.

20.20 After notification to the legislature, the
20.21 commissioner may transfer this appropriation
20.22 to the commissioner of education.

20.23 (j) \$100,000 each year is for the getting to
20.24 work grant program. This is a onetime
20.25 appropriation and is available until June 30,
20.26 2021.

20.27 (k) \$525,000 each year is from the workforce
20.28 development fund for a grant to the YWCA
20.29 of Minneapolis to provide economically
20.30 challenged individuals the job skills training,
20.31 career counseling, and job placement
20.32 assistance necessary to secure a child
20.33 development associate credential and to have

- 21.1 a career path in early childhood education.
- 21.2 This is a onetime appropriation.
- 21.3 (l) \$1,350,000 each year is from the workforce
21.4 development fund for a grant to the Minnesota
21.5 High Tech Association to support
21.6 SciTechsperience, a program that supports
21.7 science, technology, engineering, and math
21.8 (STEM) internship opportunities for two- and
21.9 four-year college students and graduate
21.10 students in their field of study. The internship
21.11 opportunities must match students with paid
21.12 internships within STEM disciplines at small,
21.13 for-profit companies located in Minnesota,
21.14 having fewer than 250 employees worldwide.
21.15 At least 300 students must be matched in the
21.16 first year and at least 350 students must be
21.17 matched in the second year. No more than 15
21.18 percent of the hires may be graduate students.
21.19 Selected hiring companies shall receive from
21.20 the grant 50 percent of the wages paid to the
21.21 intern, capped at \$2,500 per intern. The
21.22 program must work toward increasing the
21.23 participation of women or other underserved
21.24 populations. This is a onetime appropriation.
- 21.25 (m) \$450,000 each year is from the workforce
21.26 development fund for grants to Minnesota
21.27 Diversified Industries, Inc. to provide
21.28 progressive development and employment
21.29 opportunities for people with disabilities. This
21.30 is a onetime appropriation.
- 21.31 (n) \$500,000 each year is from the workforce
21.32 development fund for a grant to Resource, Inc.
21.33 to provide low-income individuals career
21.34 education and job skills training that are fully

22.1 integrated with chemical and mental health
22.2 services. This is a onetime appropriation.

22.3 (o) \$750,000 each year is from the workforce
22.4 development fund for a grant to the Minnesota
22.5 Alliance of Boys and Girls Clubs to administer
22.6 a statewide project of youth job skills and
22.7 career development. This project, which may
22.8 have career guidance components including
22.9 health and life skills, is designed to encourage,
22.10 train, and assist youth in early access to
22.11 education and job-seeking skills, work-based
22.12 learning experience including career pathways
22.13 in STEM learning, career exploration and
22.14 matching, and first job placement through
22.15 local community partnerships and on-site job
22.16 opportunities. This grant requires a 25 percent
22.17 match from nonstate resources. This is a
22.18 onetime appropriation.

22.19 (p) \$215,000 each year is from the workforce
22.20 development fund for grants to Big Brothers,
22.21 Big Sisters of the Greater Twin Cities for
22.22 workforce readiness, employment exploration,
22.23 and skills development for youth ages 12 to
22.24 21. The grant must serve youth in the Twin
22.25 Cities, Central Minnesota, and Southern
22.26 Minnesota Big Brothers, Big Sisters chapters.
22.27 This is a onetime appropriation.

22.28 (q) \$250,000 each year is from the workforce
22.29 development fund for a grant to YWCA St.
22.30 Paul to provide job training services and
22.31 workforce development programs and
22.32 services, including job skills training and
22.33 counseling. This is a onetime appropriation.

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

23.1 Community Development, in collaboration
23.2 with community partners, for services
23.3 targeting Minnesota communities with the
23.4 highest concentrations of African and
23.5 African-American joblessness, based on the
23.6 most recent census tract data, to provide
23.7 employment readiness training, credentialed
23.8 training placement, job placement and
23.9 retention services, supportive services for
23.10 hard-to-employ individuals, and a general
23.11 education development fast track and adult
23.12 diploma program. This is a onetime
23.13 appropriation.

23.14 (s) \$1,000,000 each year is from the workforce
23.15 development fund for a grant to the
23.16 Minneapolis Foundation for a strategic
23.17 intervention program designed to target and
23.18 connect program participants to meaningful,
23.19 sustainable living-wage employment. This is
23.20 a onetime appropriation.

23.21 (t) \$750,000 each year is from the workforce
23.22 development fund for a grant to Latino
23.23 Communities United in Service (CLUES) to
23.24 expand culturally tailored programs that
23.25 address employment and education skill gaps
23.26 for working parents and underserved youth by
23.27 providing new job skills training to stimulate
23.28 higher wages for low-income people, family
23.29 support systems designed to reduce
23.30 intergenerational poverty, and youth
23.31 programming to promote educational
23.32 advancement and career pathways. At least
23.33 50 percent of this amount must be used for
23.34 programming targeted at greater Minnesota.
23.35 This is a onetime appropriation.

24.1 (u) \$600,000 each year is from the workforce
24.2 development fund for a grant to Ujamaa Place
24.3 for job training, employment preparation,
24.4 internships, education, training in the
24.5 construction trades, housing, and
24.6 organizational capacity building. This is a
24.7 onetime appropriation.

24.8 (v) \$1,297,000 in the first year and \$800,000
24.9 in the second year are from the workforce
24.10 development fund for performance grants
24.11 under Minnesota Statutes, section 116J.8747,
24.12 to Twin Cities R!SE to provide training to
24.13 hard-to-train individuals. Of the amounts
24.14 appropriated, \$497,000 in fiscal year 2018 is
24.15 for a grant to Twin Cities R!SE, in
24.16 collaboration with Metro Transit and Hennepin
24.17 Technical College for the Metro Transit
24.18 technician training program. This is a onetime
24.19 appropriation and funds are available until
24.20 June 30, 2020.

24.21 (w) \$230,000 in fiscal year 2018 is from the
24.22 workforce development fund for a grant to the
24.23 Bois Forte Tribal Employment Rights Office
24.24 (TERO) for an American Indian workforce
24.25 development training pilot project. This is a
24.26 onetime appropriation and is available until
24.27 June 30, 2019. Funds appropriated the first
24.28 year are available for use in the second year
24.29 of the biennium.

24.30 (x) \$40,000 in fiscal year 2018 is from the
24.31 workforce development fund for a grant to the
24.32 Cook County Higher Education Board to
24.33 provide educational programming and
24.34 academic support services to remote regions
24.35 in northeastern Minnesota. This appropriation

- 25.1 is in addition to other funds previously
25.2 appropriated to the board.
- 25.3 (y) \$250,000 each year is from the workforce
25.4 development fund for a grant to Bridges to
25.5 Healthcare to provide career education,
25.6 wraparound support services, and job skills
25.7 training in high-demand health care fields to
25.8 low-income parents, nonnative speakers of
25.9 English, and other hard-to-train individuals,
25.10 helping families build secure pathways out of
25.11 poverty while also addressing worker
25.12 shortages in one of Minnesota's most
25.13 innovative industries. Funds may be used for
25.14 program expenses, including, but not limited
25.15 to, hiring instructors and navigators; space
25.16 rental; and supportive services to help
25.17 participants attend classes, including assistance
25.18 with course fees, child care, transportation,
25.19 and safe and stable housing. In addition, up to
25.20 five percent of grant funds may be used for
25.21 Bridges to Healthcare's administrative costs.
25.22 This is a onetime appropriation and is
25.23 available until June 30, 2020.
- 25.24 (z) \$500,000 each year is from the workforce
25.25 development fund for a grant to the Nonprofits
25.26 Assistance Fund to provide capacity-building
25.27 grants to small, culturally specific
25.28 organizations that primarily serve historically
25.29 underserved cultural communities. Grants may
25.30 only be awarded to nonprofit organizations
25.31 that have an annual organizational budget of
25.32 less than \$500,000 and are culturally specific
25.33 organizations that primarily serve historically
25.34 underserved cultural communities. Grant funds
25.35 awarded must be used for:

26.1 (1) organizational infrastructure improvement,
26.2 including developing database management
26.3 systems and financial systems, or other
26.4 administrative needs that increase the
26.5 organization's ability to access new funding
26.6 sources;

26.7 (2) organizational workforce development,
26.8 including hiring culturally competent staff,
26.9 training and skills development, and other
26.10 methods of increasing staff capacity; or

26.11 (3) creation or expansion of partnerships with
26.12 existing organizations that have specialized
26.13 expertise in order to increase the capacity of
26.14 the grantee organization to improve services
26.15 for the community. Of this amount, up to five
26.16 percent may be used by the Nonprofits
26.17 Assistance Fund for administration costs and
26.18 providing technical assistance to potential
26.19 grantees. This is a onetime appropriation.

26.20 (aa) \$4,050,000 each year is from the
26.21 workforce development fund for the
26.22 Minnesota youth program under Minnesota
26.23 Statutes, sections 116L.56 and 116L.561.

26.24 (bb) \$1,000,000 each year is from the
26.25 workforce development fund for the
26.26 youthbuild program under Minnesota Statutes,
26.27 sections 116L.361 to 116L.366.

26.28 (cc) \$3,348,000 each year is from the
26.29 workforce development fund for the "Youth
26.30 at Work" youth workforce development
26.31 competitive grant program. Of this amount,
26.32 up to five percent is for administration and
26.33 monitoring of the youth workforce
26.34 development competitive grant program. All

27.1 grant awards shall be for two consecutive
27.2 years. Grants shall be awarded in the first year.

27.3 (dd) \$500,000 each year is from the workforce
27.4 development fund for the Opportunities
27.5 Industrialization Center programs.

27.6 (ee) \$750,000 each year is from the workforce
27.7 development fund for a grant to Summit
27.8 Academy OIC to expand its contextualized
27.9 GED and employment placement program.
27.10 This is a onetime appropriation.

27.11 (ff) \$500,000 each year is from the workforce
27.12 development fund for a grant to
27.13 Goodwill-Easter Seals Minnesota and its
27.14 partners. The grant shall be used to continue
27.15 the FATHER Project in Rochester, Park
27.16 Rapids, St. Cloud, Minneapolis, and the
27.17 surrounding areas to assist fathers in
27.18 overcoming barriers that prevent fathers from
27.19 supporting their children economically and
27.20 emotionally. This is a onetime appropriation.

27.21 (gg) \$150,000 each year is from the workforce
27.22 development fund for displaced homemaker
27.23 programs under Minnesota Statutes, section
27.24 116L.96. The commissioner shall distribute
27.25 the funds to existing nonprofit and state
27.26 displaced homemaker programs. This is a
27.27 onetime appropriation.

27.28 (hh)(1) \$150,000 in fiscal year 2018 is from
27.29 the workforce development fund for a grant
27.30 to Anoka County to develop and implement
27.31 a pilot program to increase competitive
27.32 employment opportunities for transition-age
27.33 youth ages 18 to 21.

28.1 (2) The competitive employment for
28.2 transition-age youth pilot program shall
28.3 include career guidance components, including
28.4 health and life skills, to encourage, train, and
28.5 assist transition-age youth in job-seeking
28.6 skills, workplace orientation, and job site
28.7 knowledge.

28.8 (3) In operating the pilot program, Anoka
28.9 County shall collaborate with schools,
28.10 disability providers, jobs and training
28.11 organizations, vocational rehabilitation
28.12 providers, and employers to build upon
28.13 opportunities and services, to prepare
28.14 transition-age youth for competitive
28.15 employment, and to enhance employer
28.16 connections that lead to employment for the
28.17 individuals served.

28.18 (4) Grant funds may be used to create an
28.19 on-the-job training incentive to encourage
28.20 employers to hire and train qualifying
28.21 individuals. A participating employer may
28.22 receive up to 50 percent of the wages paid to
28.23 the employee as a cost reimbursement for
28.24 on-the-job training provided.

28.25 (ii) \$500,000 each year is from the workforce
28.26 development fund for rural career counseling
28.27 coordinator positions in the workforce service
28.28 areas and for the purposes specified in
28.29 Minnesota Statutes, section 116L.667. The
28.30 commissioner of employment and economic
28.31 development, in consultation with local
28.32 workforce investment boards and local elected
28.33 officials in each of the service areas receiving
28.34 funds, shall develop a method of distributing

29.1 funds to provide equitable services across
29.2 workforce service areas.

29.3 (jj) In calendar year 2017, the public utility
29.4 subject to Minnesota Statutes, section
29.5 116C.779, must withhold \$1,000,000 from the
29.6 funds required to fulfill its financial
29.7 commitments under Minnesota Statutes,
29.8 section 116C.779, subdivision 1, and pay such
29.9 amounts to the commissioner of employment
29.10 and economic development for deposit in the
29.11 Minnesota 21st century fund under Minnesota
29.12 Statutes, section 116J.423.

29.13 (kk) \$350,000 in fiscal year 2018 is for a grant
29.14 to AccessAbility Incorporated to provide job
29.15 skills training to individuals who have been
29.16 released from incarceration for a felony-level
29.17 offense and are no more than 12 months from
29.18 the date of release. AccessAbility Incorporated
29.19 shall annually report to the commissioner on
29.20 how the money was spent and the results
29.21 achieved. The report must include, at a
29.22 minimum, information and data about the
29.23 number of participants; participant
29.24 homelessness, employment, recidivism, and
29.25 child support compliance; and training
29.26 provided to program participants.

ARTICLE 3

LABOR AND INDUSTRY

29.29 Section 1. Minnesota Statutes 2017 Supplement, section 175.46, subdivision 13, is amended
29.30 to read:

29.31 Subd. 13. **Grant awards.** (a) The commissioner shall award grants to local partnerships
29.32 located throughout the state, not to exceed \$100,000 per local partnership grant. The
29.33 commissioner may use up to five percent of this amount for administration of the grant
29.34 program.

30.1 (b) A local partnership awarded a grant under this section must use the grant award for
30.2 any of the following implementation and coordination activities:

30.3 (1) recruiting additional employers to provide on-the-job training and supervision for
30.4 student learners and providing technical assistance to those employers;

30.5 (2) recruiting students to participate in the local youth skills training program, monitoring
30.6 the progress of student learners participating in the program, and monitoring program
30.7 outcomes;

30.8 (3) coordinating youth skills training activities within participating school districts and
30.9 among participating school districts, postsecondary institutions, and employers;

30.10 (4) coordinating academic, vocational and occupational learning, school-based and
30.11 work-based learning, and secondary and postsecondary education for participants in the
30.12 local youth skills training program;

30.13 (5) coordinating transportation for student learners participating in the local youth skills
30.14 training program; and

30.15 (6) any other implementation or coordination activity that the commissioner may direct
30.16 or permit the local partnership to perform.

30.17 ~~(b)~~ (c) Grant awards may not be used to directly or indirectly pay the wages of a student
30.18 learner.

30.19 Sec. 2. Minnesota Statutes 2016, section 326B.106, subdivision 9, is amended to read:

30.20 **Subd. 9. Accessibility.** (a) **Public buildings.** The code must ~~provide for making require~~
30.21 ~~new public buildings constructed or remodeled after July 1, 1963, and existing public~~
30.22 ~~buildings when remodeled, to be accessible to and usable by persons with disabilities,~~
30.23 ~~although this does not require the remodeling of public buildings solely to provide~~
30.24 ~~accessibility and usability to persons with disabilities when remodeling would not otherwise~~
30.25 ~~be undertaken.~~

30.26 (b) **Leased space.** No agency of the state may lease space for agency operations in a
30.27 non-state-owned building unless the building satisfies the requirements of the State Building
30.28 Code for accessibility by persons with disabilities, or is eligible to display the state symbol
30.29 of accessibility. This limitation applies to leases of 30 days or more for space of at least
30.30 1,000 square feet.

30.31 (c) **Meetings or conferences.** Meetings or conferences for the public or for state
30.32 employees which are sponsored in whole or in part by a state agency must be held in

31.1 buildings that meet the State Building Code requirements relating to accessibility for persons
31.2 with disabilities. This subdivision does not apply to any classes, seminars, or training
31.3 programs offered by the Minnesota State Colleges and Universities or the University of
31.4 Minnesota. Meetings or conferences intended for specific individuals none of whom need
31.5 the accessibility features for persons with disabilities specified in the State Building Code
31.6 need not comply with this subdivision unless a person with a disability gives reasonable
31.7 advance notice of an intent to attend the meeting or conference. When sign language
31.8 interpreters will be provided, meetings or conference sites must be chosen which allow
31.9 participants who are deaf or hard-of-hearing to see the sign language interpreters clearly.

31.10 (d) **Exemptions.** The commissioner may grant an exemption from the requirements of
31.11 paragraphs (b) and (c) in advance if an agency has demonstrated that reasonable efforts
31.12 were made to secure facilities which complied with those requirements and if the selected
31.13 facilities are the best available for access for persons with disabilities. Exemptions shall be
31.14 granted using criteria developed by the commissioner in consultation with the Council on
31.15 Disability.

31.16 (e) **Symbol indicating access.** The wheelchair symbol adopted by Rehabilitation
31.17 International's Eleventh World Congress is the state symbol indicating buildings, facilities,
31.18 and grounds which are accessible to and usable by persons with disabilities. In the interests
31.19 of uniformity, this symbol is the sole symbol for display in or on all public or private
31.20 buildings, facilities, and grounds which qualify for its use. The secretary of state shall obtain
31.21 the symbol and keep it on file. No building, facility, or grounds may display the symbol
31.22 unless it is in compliance with the rules adopted by the commissioner under subdivision 1.
31.23 Before any rules are proposed for adoption under this paragraph, the commissioner shall
31.24 consult with the Council on Disability. Rules adopted under this paragraph must be enforced
31.25 in the same way as other accessibility rules of the State Building Code.

31.26 Sec. 3. Minnesota Statutes 2016, section 326B.815, subdivision 1, is amended to read:

31.27 Subdivision 1. **Fees.** (a) For the purposes of calculating fees under section 326B.092,
31.28 an initial or renewed residential contractor, residential remodeler, or residential roofer license
31.29 is a business license. Notwithstanding section 326B.092, the licensing fee for manufactured
31.30 home installers under section 327B.041 is \$300 \$180 for a three-year period.

31.31 (b) All initial and renewal licenses, except for manufactured home installer licenses,
31.32 shall be effective for two years and shall expire on March 31 of the year after the year in
31.33 which the application is made.

32.1 (c) The commissioner shall in a manner determined by the commissioner, without the
32.2 need for any rulemaking under chapter 14, phase in the renewal of residential contractor,
32.3 residential remodeler, and residential roofer licenses from one year to two years. By June
32.4 30, 2011, all renewed residential contractor, residential remodeler, and residential roofer
32.5 licenses shall be two-year licenses.

32.6 Sec. 4. Minnesota Statutes 2016, section 327B.041, is amended to read:

32.7 **327B.041 MANUFACTURED HOME INSTALLERS.**

32.8 (a) Manufactured home installers are subject to all of the fees in section 326B.092 and
32.9 the requirements of sections 326B.802 to 326B.885, except for the following:

32.10 (1) manufactured home installers are not subject to the continuing education requirements
32.11 of sections 326B.0981, 326B.099, and 326B.821, but are subject to the continuing education
32.12 requirements established in rules adopted under section 327B.10;

32.13 (2) the examination requirement of section 326B.83, subdivision 3, for manufactured
32.14 home installers shall be satisfied by successful completion of a written examination
32.15 administered and developed specifically for the examination of manufactured home installers.
32.16 The examination must be administered and developed by the commissioner. The
32.17 commissioner and the state building official shall seek advice on the grading, monitoring,
32.18 and updating of examinations from the Minnesota Manufactured Housing Association;

32.19 (3) a local government unit may not place a surcharge on a license fee, and may not
32.20 charge a separate fee to installers;

32.21 (4) a dealer or distributor who does not install or repair manufactured homes is exempt
32.22 from licensure under sections 326B.802 to 326B.885;

32.23 (5) the exemption under section 326B.805, subdivision 6, clause (5), does not apply;
32.24 and

32.25 (6) manufactured home installers are not subject to the contractor recovery fund in
32.26 section 326B.89.

32.27 (b) The commissioner may waive all or part of the requirements for licensure as a
32.28 manufactured home installer for any individual who holds an unexpired license or certificate
32.29 issued by any other state or other United States jurisdiction if the licensing requirements of
32.30 that jurisdiction meet or exceed the corresponding licensing requirements of the department
32.31 and the individual complies with section 326B.092, subdivisions 1 and 3 to 7. ~~For the~~

33.1 ~~purposes of calculating fees under section 326B.092, licensure as a manufactured home
33.2 installer is a business license.~~

33.3 Sec. 5. Laws 2017, chapter 94, article 1, section 4, subdivision 5, is amended to read:

33.4 Subd. 5. **General Support** 6,239,000 6,539,000

33.5 Appropriations by Fund

33.6 Workforce
33.7 Development Fund 200,000 500,000
33.8 Workers'
33.9 Compensation 6,039,000 6,039,000

33.10 (a) Except as provided in paragraphs (b) and

33.11 (c), this appropriation is from the workers'

33.12 compensation fund.

33.13 (b) \$200,000 in fiscal year 2018 is from the

33.14 workforce development fund for the

33.15 commissioner of labor and industry to convene

33.16 and collaborate with stakeholders as provided

33.17 under Minnesota Statutes, section 175.46,

33.18 subdivision 3, and to develop youth skills

33.19 training competencies for approved

33.20 occupations. This is a onetime appropriation.

33.21 (c) \$500,000 in fiscal year 2019 is from the

33.22 workforce development fund to administer the

33.23 youth skills training program under Minnesota

33.24 Statutes, section 175.46. The commissioner

33.25 shall award up to five grants each year to local

33.26 partnerships located throughout the state, not

33.27 to exceed \$100,000 per local partnership grant.

33.28 The commissioner may use ~~a portion up to~~

33.29 five percent of this appropriation for

33.30 administration of the grant program. The base

33.31 amount for this program is ~~\$500,000~~

33.32 \$1,000,000 each year beginning in fiscal year

33.33 2020.

34.1

ARTICLE 4

34.2

WORKERS' COMPENSATION

34.3 Section 1. Minnesota Statutes 2017 Supplement, section 15A.083, subdivision 7, is
34.4 amended to read:

34.5 **Subd. 7. Workers' Compensation Court of Appeals and compensation judges.**

34.6 Salaries of judges of the Workers' Compensation Court of Appeals are 98.52 105 percent
34.7 of the salary for district Court workers' compensation judges at the Office of Administrative
34.8 Hearings. The salary of the chief judge of the Workers' Compensation Court of Appeals is
34.9 98.52 107 percent of the salary for a chief district Court judge workers' compensation judges
34.10 at the Office of Administrative Hearings. Salaries of compensation judges are 98.52 percent
34.11 of the salary of district court judges.

34.12 Sec. 2. Minnesota Statutes 2016, section 175A.05, is amended to read:

34.13 **175A.05 QUORUM.**

34.14 Subdivision 1. Judges' quorum. A majority of the judges of the Workers' Compensation
34.15 Court of Appeals shall constitute a quorum for the exercise of the powers conferred and the
34.16 duties imposed on the Workers' Compensation Court of Appeals except that all appeals
34.17 shall be heard by no more than a panel of three of the five judges unless the case appealed
34.18 is determined to be of exceptional importance by the chief judge prior to assignment of the
34.19 case to a panel, or by a three-fifths vote of the judges prior to assignment of the case to a
34.20 panel or after the case has been considered by the panel but prior to the service and filing
34.21 of the decision.

34.22 Subd. 2. Vacancy. A vacancy shall not impair the ability of the remaining judges of the
34.23 Workers' Compensation Court of Appeals to exercise all the powers and perform all of the
34.24 duties of the Workers' Compensation Court of Appeals.

34.25 Subd. 3. Retired judges. Where the number of Workers' Compensation Court of Appeals
34.26 judges available to hear a case is insufficient to constitute a quorum, the chief judge of the
34.27 Workers' Compensation Court of Appeals may, with the retired judge's consent, assign a
34.28 judge who is retired from the Workers' Compensation Court of Appeals or the Office of
34.29 Administrative Hearings to hear any case properly assigned to a judge of the Workers'
34.30 Compensation Court of Appeals. The retired judge assigned to the case may act on it with
34.31 the full powers of the judge of the Workers' Compensation Court of Appeals. A retired
34.32 judge performing this service shall receive pay and expenses in the amount and manner

35.1 provided by law for judges serving on the court, less the amount of retirement pay the judge
35.2 is receiving under chapter 352 or 490.

35.3 **EFFECTIVE DATE.** This section is effective June 1, 2018.

35.4 Sec. 3. Minnesota Statutes 2016, section 176.231, subdivision 9, is amended to read:

35.5 **Subd. 9. Uses ~~which~~ that may be made of reports.** (a) Reports filed with the
35.6 commissioner under this section may be used in hearings held under this chapter, and for
35.7 the purpose of state investigations and for statistics. These reports are available to the
35.8 Department of Revenue for use in enforcing Minnesota income tax and property tax refund
35.9 laws, and the information shall be protected as provided in chapter 270B.

35.10 (b) The division or Office of Administrative Hearings or Workers' Compensation Court
35.11 of Appeals may permit the examination of its file by the employer, insurer, employee, or
35.12 dependent of a deceased employee or any person who furnishes ~~written~~ signed authorization
35.13 to do so from the employer, insurer, employee, or dependent of a deceased employee.
35.14 Reports filed under this section and other information the commissioner has regarding
35.15 injuries or deaths shall be made available to the Workers' Compensation Reinsurance
35.16 Association for use by the association in carrying out its responsibilities under chapter 79.

35.17 (c) The division may provide the worker identification number assigned under section
35.18 176.275, subdivision 1, without a written authorization required under paragraph (b) to an:

35.19 (1) attorney who represents one of the persons described in paragraph (b);
35.20 (2) attorney who represents an intervenor or potential intervenor under section 176.361;
35.21 (3) intervenor; or
35.22 (4) employee's assigned qualified rehabilitation consultant under section 176.102.

35.23 **EFFECTIVE DATE.** This section is effective June 1, 2018.

35.24 Sec. 4. **[176.2751] COORDINATION OF THE OFFICE OF ADMINISTRATIVE**
35.25 **HEARINGS' CASE MANAGEMENT SYSTEM AND THE WORKERS'**
35.26 **COMPENSATION IMAGING SYSTEM.**

35.27 **Subdivision 1. Definitions.** (a) For purposes of this section, the definitions in this
35.28 subdivision apply unless otherwise specified.

35.29 (b) "Commissioner" means the commissioner of labor and industry.

35.30 (c) "Department" means the Department of Labor and Industry.

36.1 (d) "Document" includes all data, whether in electronic or paper format, that is filed
36.2 with or issued by the office or department related to a claim-specific dispute resolution
36.3 proceeding under this section.

36.4 (e) "Office" means the Office of Administrative Hearings.

36.5 **Subd. 2. Applicability.** This section governs coordination of the office's case management
36.6 system and the workers' compensation imaging system pending completion of the workers'
36.7 compensation modernization program. This section prevails over any conflicting provision
36.8 in this chapter, Laws 1998, chapter 366, or corresponding rules.

36.9 **Subd. 3. Documents that must be filed with the office.** Except as provided in
36.10 subdivision 4 and section 176.421, all documents that require action by the office under
36.11 this chapter must be filed, electronically or in paper format, with the office as required by
36.12 the chief administrative law judge. Filing a document that initiates or is filed in preparation
36.13 for a proceeding at the office satisfies any requirement under this chapter that the document
36.14 must be filed with the commissioner.

36.15 **Subd. 4. Documents that must be filed with the commissioner.** (a) The following
36.16 documents must be filed directly with the commissioner in the format and manner prescribed
36.17 by the commissioner:

36.18 (1) all requests for an administrative conference under section 176.106, regardless of
36.19 the amount in dispute;

36.20 (2) a motion to intervene in an administrative conference that is pending at the department;

36.21 (3) any other document related to an administrative conference that is pending at the
36.22 department;

36.23 (4) an objection to a penalty assessed by the commissioner or department;

36.24 (5) requests for medical and rehabilitation dispute certification under section 176.081,
36.25 subdivision 1, paragraph (c), including related documents; and

36.26 (6) except as provided in this subdivision or subdivision 3, any other document required
36.27 to be filed with the commissioner.

36.28 (b) The filing requirement in paragraph (a), clause (1), makes no changes to the
36.29 jurisdictional provisions in section 176.106. A claim petition that contains only medical or
36.30 rehabilitation issues, unless primary liability is disputed, is considered to be a request for
36.31 an administrative conference and must be filed with the commissioner.

37.1 (c) The commissioner must refer a timely, unresolved objection to a penalty under
37.2 paragraph (a), clause (4), to the office within 60 calendar days.

37.3 Subd. 5. **Form revision.** The commissioner must revise dispute resolution forms, in
37.4 consultation with the chief administrative law judge, to reflect the filing requirements in
37.5 this section.

37.6 Subd. 6. **Data privacy.** (a) All documents filed with or issued by the department or
37.7 office under this chapter are private data on individuals and nonpublic data pursuant to
37.8 chapter 13, except that the documents are available to the following:

37.9 (1) the office;

37.10 (2) the department;

37.11 (3) the employer;

37.12 (4) the insurer;

37.13 (5) the employee;

37.14 (6) the dependent of a deceased employee;

37.15 (7) an intervenor in the dispute;

37.16 (8) the attorney to a party in the dispute;

37.17 (9) a person who furnishes written authorization from the employer, insurer, employee,
37.18 or dependent of a deceased employee; and

37.19 (10) a person, agency, or other entity allowed access to the documents under this chapter
37.20 or other law.

37.21 (b) The office and department may post notice of scheduled proceedings on the agencies'
37.22 Web sites and at their principal places of business in any manner that protects the employee's
37.23 identifying information.

37.24 **EFFECTIVE DATE.** This section is effective June 1, 2018.

37.25 ARTICLE 5

37.26 UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; POLICY

37.27 Section 1. Minnesota Statutes 2016, section 268.035, subdivision 12, is amended to read:

37.28 Subd. 12. **Covered employment.** (a) "Covered employment" means the following unless
37.29 excluded as "nonecovered employment" under subdivision 20:

- 38.1 (1) an employee's entire employment during the calendar quarter if:
- 38.2 (i) 50 percent or more of the employment during the quarter is performed ~~primarily~~
38.3 in Minnesota;
- 38.4 (ii) 50 percent or more of the employment during the quarter is not performed
38.5 ~~primarily~~ in Minnesota or any other state, or Canada, but some of the employment is
38.6 performed in Minnesota and the ~~base of operations or the place from which the employment~~
38.7 ~~is directed or controlled is in Minnesota~~; or
- 38.8 (iii) ~~the employment during the quarter is not performed primarily in Minnesota or any~~
38.9 ~~other state and the base of operations or place from which the employment is directed or~~
38.10 ~~controlled is not in any state where part of the employment is performed, but the employee's~~
38.11 ~~residence is in Minnesota during 50 percent or more of the calendar quarter~~;
- 38.12 (2) an employee's entire employment during the calendar quarter performed within the
38.13 ~~United States or Canada~~, if:
- 38.14 (i) ~~the employment is not covered employment under the unemployment insurance~~
38.15 ~~program of any other state, federal law, or the law of Canada~~; and
- 38.16 (ii) ~~the place from which the employment is directed or controlled is in Minnesota~~;
- 38.17 (3) the employment during the ~~calendar~~ quarter, is performed ~~entirely~~ outside the United
38.18 States and Canada, by an employee who is a United States citizen in the employ of an
38.19 American employer, if the employer's principal place of business in the United States is
38.20 located in Minnesota.
- 38.21 For the purposes of this clause, an "American employer," ~~for the purposes of this clause,~~
38.22 means a corporation organized under the laws of any state, an individual who is a resident
38.23 ~~of the United States, or a partnership if two-thirds or more of the partners are residents of~~
38.24 ~~the United States, or a trust, if all of the trustees are residents of the United States~~ is as
38.25 defined under the Federal Unemployment Tax Act, United States Code title 26, chapter 23,
38.26 section 3306, subsection (j)(3); and
- 38.27 (4) all ~~the~~ employment during the ~~calendar~~ quarter is performed by an officer or member
38.28 of the crew of an American vessel ~~on or in connection with the vessel, if the operating~~ on
38.29 navigable waters within, or within and without, the United States, and the office from which
38.30 the operations of the vessel ~~operating on navigable waters within, or within and without,~~
38.31 ~~the United States are ordinarily and regularly supervised, managed, directed, and controlled~~
38.32 is in Minnesota.

39.1 (b) "Covered employment" includes covered agricultural employment under subdivision

39.2 11.

39.3 (c) For the purposes of section 268.095, "covered employment" includes employment

39.4 covered under an unemployment insurance program:

39.5 (1) of any other state; or

39.6 (2) established by an act of Congress; or

39.7 (3) the law of Canada.

39.8 (d) The percentage of employment performed under paragraph (a) is determined by the

39.9 amount of hours worked.

39.10 (e) Covered employment does not include any employment defined as "noncovered

39.11 employment" under subdivision 20.

39.12 Sec. 2. Minnesota Statutes 2017 Supplement, section 268.035, subdivision 20, is amended

39.13 to read:

39.14 Subd. 20. **Noncovered employment.** "Noncovered employment" means:

39.15 (1) employment for the United States government or an instrumentality thereof, including

39.16 military service;

39.17 (2) employment for a state, other than Minnesota, or a political subdivision or

39.18 instrumentality thereof;

39.19 (3) employment for a foreign government;

39.20 (4) employment covered under the federal Railroad Unemployment Insurance Act;

39.21 (5) employment for a church or convention or association of churches, or a nonprofit

39.22 organization operated primarily for religious purposes that is operated, supervised, controlled,

39.23 or principally supported by a church or convention or association of churches;

39.24 (6) employment for an elementary or secondary school with a curriculum that includes

39.25 religious education that is operated by a church, a convention or association of churches,

39.26 or a nonprofit organization that is operated, supervised, controlled, or principally supported

39.27 by a church or convention or association of churches;

39.28 (7) employment for Minnesota or a political subdivision, or a nonprofit organization, of

39.29 a duly ordained or licensed minister of a church in the exercise of a ministry or by a member

39.30 of a religious order in the exercise of duties required by the order;

- 40.1 (8) employment for Minnesota or a political subdivision, or a nonprofit organization, of
40.2 an individual receiving rehabilitation of "sheltered" work in a facility conducted for the
40.3 purpose of carrying out a program of rehabilitation for individuals whose earning capacity
40.4 is impaired by age or physical or mental deficiency or injury or a program providing
40.5 "sheltered" work for individuals who because of an impaired physical or mental capacity
40.6 cannot be readily absorbed in the competitive labor market. This clause applies only to
40.7 services performed in a facility certified by the Rehabilitation Services Branch of the
40.8 department or in a day training or habilitation program licensed by the Department of Human
40.9 Services;
- 40.10 (9) employment for Minnesota or a political subdivision, or a nonprofit organization, of
40.11 an individual receiving work relief or work training as part of an unemployment work relief
40.12 or work training program financed in whole or in part by any federal agency or an agency
40.13 of a state or political subdivision thereof. This clause does not apply to programs that require
40.14 unemployment benefit coverage for the participants;
- 40.15 (10) employment for Minnesota or a political subdivision, as an elected official, a member
40.16 of a legislative body, or a member of the judiciary;
- 40.17 (11) employment as a member of the Minnesota National Guard or Air National Guard;
- 40.18 (12) employment for Minnesota or a political subdivision, or instrumentality thereof, of
40.19 an individual serving on a temporary basis in case of fire, flood, tornado, or similar
40.20 emergency;
- 40.21 (13) employment as an election official or election worker for Minnesota or a political
40.22 subdivision, if the compensation for that employment was less than \$1,000 in a calendar
40.23 year;
- 40.24 (14) employment for Minnesota that is a major policy-making or advisory position in
40.25 the unclassified service;
- 40.26 (15) employment for Minnesota in an unclassified position established under section
40.27 43A.08, subdivision 1a;
- 40.28 (16) employment for a political subdivision of Minnesota that is a nontenured major
40.29 policy making or advisory position;
- 40.30 (17) domestic employment in a private household, local college club, or local chapter
40.31 of a college fraternity or sorority, if the wages paid in any calendar quarter in either the
40.32 current or prior calendar year to all individuals in domestic employment totaled less than
40.33 \$1,000.

- 41.1 "Domestic employment" includes all service in the operation and maintenance of a
41.2 private household, for a local college club, or local chapter of a college fraternity or sorority
41.3 as distinguished from service as an employee in the pursuit of an employer's trade or business;
- 41.4 (18) employment of an individual by a son, daughter, or spouse, and employment of a
41.5 child under the age of 18 by the child's father or mother;
- 41.6 (19) employment of an inmate of a custodial or penal institution;
- 41.7 (20) employment for a school, college, or university, by a student who is enrolled and
41.8 whose primary relation to the school, college, or university is as a student. This does not
41.9 include an individual whose primary relation to the school, college, or university is as an
41.10 employee who also takes courses;
- 41.11 (21) employment of an individual who is enrolled as a student in a full-time program at
41.12 a nonprofit or public educational institution that maintains a regular faculty and curriculum
41.13 and has a regularly organized body of students in attendance at the place where its educational
41.14 activities are carried on, taken for credit at the institution, that combines academic instruction
41.15 with work experience, if the employment is an integral part of the program, and the institution
41.16 has so certified to the employer, except that this clause does not apply to employment in a
41.17 program established for or on behalf of an employer or group of employers;
- 41.18 (22) employment of a foreign college or university student who works on a seasonal or
41.19 temporary basis under the J-1 visa summer work travel program described in Code of Federal
41.20 Regulations, title 22, section 62.32;
- 41.21 ~~(22)~~(23) employment of university, college, or professional school students in an
41.22 internship or other training program with the city of St. Paul or the city of Minneapolis
41.23 under Laws 1990, chapter 570, article 6, section 3;
- 41.24 ~~(23)~~(24) employment for a hospital by a patient of the hospital. "Hospital" means an
41.25 institution that has been licensed by the Department of Health as a hospital;
- 41.26 ~~(24)~~(25) employment as a student nurse for a hospital or a nurses' training school by
41.27 an individual who is enrolled and is regularly attending classes in an accredited nurses'
41.28 training school;
- 41.29 ~~(25)~~(26) employment as an intern for a hospital by an individual who has completed a
41.30 four-year course in an accredited medical school;
- 41.31 ~~(26)~~(27) employment as an insurance salesperson, by other than a corporate officer, if
41.32 all the wages from the employment is solely by way of commission. The word "insurance"
41.33 includes an annuity and an optional annuity;

42.1 ~~(27)~~(28) employment as an officer of a township mutual insurance company or farmer's
42.2 mutual insurance company under chapter 67A;

42.3 ~~(28)~~(29) employment of a corporate officer, if the officer directly or indirectly, including
42.4 through a subsidiary or holding company, owns 25 percent or more of the employer
42.5 corporation, and employment of a member of a limited liability company, if the member
42.6 directly or indirectly, including through a subsidiary or holding company, owns 25 percent
42.7 or more of the employer limited liability company;

42.8 ~~(29)~~(30) employment as a real estate salesperson, other than a corporate officer, if all
42.9 the wages from the employment is solely by way of commission;

42.10 ~~(30)~~(31) employment as a direct seller as defined in United States Code, title 26, section
42.11 3508;

42.12 ~~(31)~~(32) employment of an individual under the age of 18 in the delivery or distribution
42.13 of newspapers or shopping news, not including delivery or distribution to any point for
42.14 subsequent delivery or distribution;

42.15 ~~(32)~~(33) casual employment performed for an individual, other than domestic
42.16 employment under clause (17), that does not promote or advance that employer's trade or
42.17 business;

42.18 ~~(33)~~(34) employment in "agricultural employment" unless it is "covered agricultural
42.19 employment" under subdivision 11; or

42.20 ~~(34)~~(35) if employment during one-half or more of any pay period was covered
42.21 employment, all the employment for the pay period is covered employment; but if during
42.22 more than one-half of any pay period the employment was noncovered employment, then
42.23 all of the employment for the pay period is noncovered employment. "Pay period" means
42.24 a period of not more than a calendar month for which a payment or compensation is ordinarily
42.25 made to the employee by the employer.

42.26 Sec. 3. Minnesota Statutes 2016, section 268.051, subdivision 2a, is amended to read:

42.27 Subd. 2a. **Unemployment insurance tax limits reduction.** (a) If the balance in the trust
42.28 fund on December 31 of any calendar year is four percent or more above the amount equal
42.29 to an average high cost multiple of 1.0, future unemployment taxes payable must be reduced
42.30 by all amounts above 1.0. The amount of tax reduction for any taxpaying employer is the
42.31 same percentage of the total amount above 1.0 as the percentage of taxes paid by the
42.32 employer during the calendar year is of the total amount of taxes that were paid by all
42.33 nonmaximum experience rated employers during the year except taxes paid by employers

43.1 assigned a tax rate equal to the maximum experience rating plus the applicable base tax
43.2 rate.

(b) For purposes of this subdivision, "average high cost multiple" has the meaning given in Code of Federal Regulations, title 20, section 606.3, as amended through December 31, 2015. An amount equal to an average high cost multiple of 1.0 is a federal measure of adequate reserves in relation to the state's current economy. The commissioner must calculate and publish, as soon as possible following December 31 of any calendar year, the trust fund balance on December 31 along with the amount an average high cost multiple of 1.0 equals. Actual wages paid must be used in the calculation and estimates may not be used.

43.10 (c) The unemployment tax reduction under this subdivision does not apply to employers
43.11 that were at assigned a tax rate equal to the maximum experience rating plus the applicable
43.12 base tax rate for the year, nor to high experience rating industry employers under subdivision
43.13 5, paragraph (b). Computations under paragraph (a) are not subject to the rounding
43.14 requirement of section 268.034. The refund provisions of section 268.057, subdivision 7,
43.15 do not apply.

43.16 (d) The unemployment tax reduction under this subdivision applies to taxes paid payable
43.17 between March 1 and December 15 of the year following the December 31 computation
43.18 under paragraph (a).

43.19 (e) The amount equal to the average high cost multiple of 1.0 on December 31, 2012,
43.20 must be used for the calculation under paragraph (a) but only for the calculation made on
43.21 December 31, 2015. Notwithstanding paragraph (d), the tax reduction resulting from the
43.22 application of this paragraph applies to unemployment taxes paid between July 1, 2016,
43.23 and June 30, 2017. If there was an experience rating history transfer under subdivision 4,
43.24 the successor employer must receive that portion of the predecessor employer's tax reduction
43.25 equal to that portion of the experience rating history transferred. The predecessor employer
43.26 retains that portion of tax reduction not transferred to the successor.

43.27 This paragraph applies to that portion of the tax reduction that remains unused at the
43.28 time notice of acquisition is provided under subdivision 4, paragraph (e).

43.29 **EFFECTIVE DATE.** This section is effective July 1, 2018.

ARTICLE 6

UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; INTEREST

43.32 Section 1. Minnesota Statutes 2016, section 268.057, subdivision 5, is amended to read:

44.1 Subd. 5. **Interest on amounts past due.** If any amounts due from an employer under
44.2 this chapter or section 116L.20, except late fees under section 268.044, are not received on
44.3 the date due ~~the unpaid balance bears~~ the commissioner must assess interest on any amount
44.4 that remains unpaid. Interest is assessed at the rate of one percent per month or any part of
44.5 a month. Interest is not assessed on unpaid interest. Interest collected under this subdivision
44.6 is credited to the contingent account.

EFFECTIVE DATE. This section is effective October 1, 2019.

44.8 Sec. 2. Minnesota Statutes 2017 Supplement, section 268.18, subdivision 2b, is amended
44.9 to read:

44.10 Subd. 2b. **Interest.** On any unemployment benefits obtained by misrepresentation, and
44.11 any penalty amounts assessed under subdivision 2, the commissioner must assess interest
44.12 at the rate of one percent per month on any amount that remains unpaid beginning 30 calendar
44.13 days after the date of a determination of overpayment penalty. Interest is assessed at the
44.14 rate of one percent per month or any part of a month. A determination of overpayment
44.15 penalty must state that interest will be assessed. Interest is not assessed in the same manner
44.16 as on employer debt under section 268.057, subdivision 5 on unpaid interest. Interest
44.17 payments collected under this subdivision are is credited to the trust fund.

44.18 **EFFECTIVE DATE.** This section is effective October 1, 2019.

ARTICLE 7

UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; BASE PERIODS

44.21 Section 1. Minnesota Statutes 2016, section 268.035, subdivision 4, is amended to read:

44.22 Subd. 4. **Base period.** (a) "Base period," unless otherwise provided in this subdivision,
44.23 means the most recent four completed calendar quarters before the effective date of an
44.24 applicant's application for unemployment benefits if the application has an effective date
44.25 occurring after the month following the most recent completed calendar quarter. The base
44.26 period under this paragraph is as follows:

44.27	If the application for unemployment benefits is effective on or between these dates:	The base period is the prior:
44.28		
44.29		
44.30	February 1 - March 31	January 1 - December 31
44.31	May 1 - June 30	April 1 - March 31
44.32	August 1 - September 30	July 1 - June 30
44.33	November 1 - December 31	October 1 - September 30

45.1 (b) If an application for unemployment benefits has an effective date that is during the
45.2 month following the most recent completed calendar quarter, then the base period is the
45.3 first four of the most recent five completed calendar quarters before the effective date of
45.4 an applicant's application for unemployment benefits. The base period under this paragraph
45.5 is as follows:

45.6 If the application for unemployment The base period is the prior:
45.7 benefits is effective on or between these
45.8 dates:

45.9 January 1 - January 31 October 1 - September 30

45.10 April 1 - April 30 January 1 - December 31

45.11 July 1 - July 31 April 1 - March 31

45.12 October 1 - October 31 July 1 - June 30

45.13 (c) Regardless of paragraph (a), a base period of the first four of the most recent five
45.14 completed calendar quarters must be used if the applicant would have more wage credits
45.15 under that base period than under a base period of the four most recent completed calendar
45.16 quarters.

45.17 (d) ~~If the applicant under paragraph (b) has insufficient wage credits to establish a benefit account, then a base period of the most recent four completed calendar quarters before the effective date of the applicant's application for unemployment benefits must be used.~~

45.20 (e) ~~(d)~~ If the applicant has insufficient wage credits to establish a benefit account under
45.21 a base period of the four most recent completed calendar quarters, or a base period of the
45.22 first four of the most recent five completed calendar quarters, but during either base period
45.23 the applicant received workers' compensation for temporary disability under chapter 176
45.24 or a similar federal law or similar law of another state, or if the applicant whose own serious
45.25 illness caused a loss of work for which the applicant received compensation for loss of
45.26 wages from some other source, the applicant may request a base period as follows:

45.27 (1) if an applicant was compensated for a loss of work of seven to 13 weeks; ~~during a base period referred to in paragraph (a) or (b), then~~ the base period is the first four of the
45.28 most recent six completed calendar quarters before the effective date of the application for
45.29 unemployment benefits;

45.31 (2) if an applicant was compensated for a loss of work of 14 to 26 weeks; ~~during a base period referred to in paragraph (a) or (b), then~~ the base period is the first four of the most
45.32 recent seven completed calendar quarters before the effective date of the application for
45.33 unemployment benefits;

46.1 (3) if an applicant was compensated for a loss of work of 27 to 39 weeks, during a base
46.2 period referred to in paragraph (a) or (b), then the base period is the first four of the most
46.3 recent eight completed calendar quarters before the effective date of the application for
46.4 unemployment benefits; and

46.5 (4) if an applicant was compensated for a loss of work of 40 to 52 weeks, during a base
46.6 period referred to in paragraph (a) or (b), then the base period is the first four of the most
46.7 recent nine completed calendar quarters before the effective date of the application for
46.8 unemployment benefits.

46.9 ~~(f)~~ (e) No base period under this subdivision may include wage credits upon which a
46.10 prior benefit account was established.

46.11 Sec. 2. Minnesota Statutes 2017 Supplement, section 268.07, subdivision 1, is amended
46.12 to read:

46.13 **Subdivision 1. Application for unemployment benefits; determination of benefit**
46.14 **account.** (a) An application for unemployment benefits may be filed in person, by mail, or
46.15 by electronic transmission as the commissioner may require. The applicant must be
46.16 unemployed at the time the application is filed and must provide all requested information
46.17 in the manner required. If the applicant is not unemployed at the time of the application or
46.18 fails to provide all requested information, the communication is not an application for
46.19 unemployment benefits.

46.20 (b) The commissioner must examine each application for unemployment benefits to
46.21 determine the base period and the benefit year, and based upon all the covered employment
46.22 in the base period the commissioner must determine the weekly unemployment benefit
46.23 amount available, if any, and the maximum amount of unemployment benefits available,
46.24 if any. The determination, which is a document separate and distinct from a document titled
46.25 a determination of eligibility or determination of ineligibility issued under section 268.101,
46.26 must be titled determination of benefit account. A determination of benefit account must
46.27 be sent to the applicant and all base period employers, by mail or electronic transmission.

46.28 (c) If a base period employer did not provide wage detail information for the applicant
46.29 as required under section 268.044, ~~or provided erroneous information, or wage detail is not~~
46.30 ~~yet due and the applicant is using a base period under section 268.035, subdivision 4,~~
46.31 ~~paragraph (d),~~ the commissioner may accept an applicant certification of wage credits, based
46.32 upon the applicant's records, and issue a determination of benefit account.

47.1 (d) An employer must provide wage detail information on an applicant within five
47.2 calendar days of request by the commissioner, in a manner and format requested, when:
47.3 (1) the applicant is using a base period under section 268.035, subdivision 4, paragraph
47.4 (d), and
47.5 (2) wage detail under section 268.044 is not yet required to have been filed by the
47.6 employer.

47.7 (e) (d) The commissioner may, at any time within 24 months from the establishment of
47.8 a benefit account, reconsider any determination of benefit account and make an amended
47.9 determination if the commissioner finds that the wage credits listed in the determination
47.10 were incorrect for any reason. An amended determination of benefit account must be
47.11 promptly sent to the applicant and all base period employers, by mail or electronic
47.12 transmission. This subdivision does not apply to documents titled determinations of eligibility
47.13 or determinations of ineligibility issued under section 268.101.

47.14 (f) (e) If an amended determination of benefit account reduces the weekly unemployment
47.15 benefit amount or maximum amount of unemployment benefits available, any unemployment
47.16 benefits that have been paid greater than the applicant was entitled is an overpayment of
47.17 unemployment benefits. A determination or amended determination issued under this section
47.18 that results in an overpayment of unemployment benefits must set out the amount of the
47.19 overpayment and the requirement under section 268.18, subdivision 1, that the overpaid
47.20 unemployment benefits must be repaid.

ARTICLE 8

UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; HOUSEKEEPING

47.23 Section 1. Minnesota Statutes 2017 Supplement, section 268.035, subdivision 15, is
47.24 amended to read:

47.25 Subd. 15. **Employment.** (a) "Employment" means service performed by:
47.26 (1) an individual who is an employee under the common law of employer-employee and
47.27 not an independent contractor;
47.28 (2) an officer of a corporation;
47.29 (3) a member of a limited liability company who is an employee under the common law
47.30 of employer-employee; or
47.31 (4) an individual who is an employee under the Federal Insurance Contributions Act,
47.32 United States Code, title 26, chapter 21, sections 3121 (d)(3)(A) and 3121 (d)(3)(D); or

48.1 (4)(5) product demonstrators in retail stores or other locations to aid in the sale of
48.2 products. The person that pays the wages is the employer.

48.3 (b) Employment does not include service as a juror.

48.4 (c) Construction industry employment is defined in subdivision 9a. Trucking and
48.5 messenger/courier industry employment is defined in subdivision 25b. Rules on determining
48.6 worker employment status are described under Minnesota Rules, chapter 3315.

48.7 Sec. 2. Minnesota Statutes 2016, section 268.044, subdivision 2, is amended to read:

48.8 **Subd. 2. Failure to timely file report; late fees.** (a) Any employer that fails to submit
48.9 the quarterly wage detail report when due must pay a late fee of \$10 per employee, computed
48.10 based upon the highest of:

48.11 (1) the number of employees reported on the last wage detail report submitted;

48.12 (2) the number of employees reported in the corresponding quarter of the prior calendar
48.13 year; or

48.14 (3) if no wage detail report has ever been submitted, the number of employees listed at
48.15 the time of employer registration.

48.16 The late fee is canceled if the wage detail report is received within 30 calendar days
48.17 after a demand for the report is sent to the employer by mail or electronic transmission. A
48.18 late fee assessed an employer may not be canceled more than twice each 12 months. The
48.19 amount of the late fee assessed may not be less than \$250.

48.20 (b) If the wage detail report is not received in a manner and format prescribed by the
48.21 commissioner within 30 calendar days after demand is sent under paragraph (a), the late
48.22 fee assessed under paragraph (a) doubles and a renewed demand notice and notice of the
48.23 increased late fee will be sent to the employer by mail or electronic transmission.

48.24 (c) Late fees due under this subdivision may be canceled, in whole or in part, under
48.25 section ~~268.066 where good cause for late submission is found by the commissioner~~ 268.067.

48.26 Sec. 3. Minnesota Statutes 2016, section 268.047, subdivision 3, is amended to read:

48.27 **Subd. 3. Exceptions for taxpaying employers.** Unemployment benefits paid will not
48.28 be used in computing the future tax rate of a taxpaying base period employer when:

48.29 (1) the applicant's wage credits from that employer are less than \$500;

49.1 (2) the applicant quit the employment, unless it was determined under section 268.095,
49.2 to have been because of a good reason caused by the employer or because the employer
49.3 notified the applicant of discharge within 30 calendar days. This exception applies only to
49.4 unemployment benefits paid for periods after the applicant's quitting the employment and,
49.5 if the applicant is rehired by the employer, continues only until the beginning of the week
49.6 the applicant is rehired; or

49.7 (3) the employer discharged the applicant from employment because of employment
49.8 misconduct as determined under section 268.095. This exception applies only to
49.9 unemployment benefits paid for periods after the applicant's discharge from employment
49.10 and, if the applicant is rehired by the employer, continues only until the beginning of the
49.11 week the applicant is rehired.

49.12 **EFFECTIVE DATE.** This section is effective October 1, 2019.

49.13 Sec. 4. Minnesota Statutes 2016, section 268.059, is amended to read:

49.14 **268.059 GARNISHMENT FOR DELINQUENT TAXES AND UNEMPLOYMENT
49.15 BENEFIT OVERPAYMENTS.**

49.16 Subdivision 1. Noticee Authority. ~~The commissioner may give notice to any employer~~
49.17 ~~that an employee owes any amounts due under this chapter or section 116L.20, and that the~~
49.18 ~~obligation should be withheld from the employee's wages. The commissioner may proceed~~
49.19 ~~only if the amount due is uncontested or if the time for any appeal has expired. The~~
49.20 ~~commissioner may garnish an employee's wages to collect amounts due under this chapter~~
49.21 ~~or section 116L.20, as set forth in this section. Chapter 571 does not apply, except as~~
49.22 ~~referenced in this section.~~

49.23 Subd. 1a. Notice. The commissioner may not proceed with a garnishment until 30
49.24 calendar days after sending to the debtor employee, by mail or electronic transmission, a
49.25 notice of intent to garnish wages and exemption notice. That notice must list include:

- 49.26 (1) the amount due from the debtor;
49.27 (2) demand for immediate payment; and
49.28 (3) the intention to serve a garnishment notice on the debtor's employer.

49.29 The notice expires 180 calendar days after it has been sent to the debtor provided that
49.30 the notice may be renewed by sending a new notice that is in accordance with this section.
49.31 The renewed notice has the effect of reinstating the priority of the original notice. ~~The~~
49.32 ~~exemption notice must be in substantially the same form as in section 571.72. The exemption~~

50.1 notice must inform the debtor of the right to claim exemptions contained in section 550.37,
50.2 subdivision 14. ~~If no claim of exemption is received by the commissioner within 30 calendar~~
50.3 ~~days after sending of the notice, the commissioner may proceed with the garnishment. The~~
50.4 ~~notice to the debtor's employer may be served by mail or electronic transmission and must~~
50.5 ~~be in substantially the same form as in section 571.75.~~

50.6 **Subd. 2. Employer action.** (a) Thirty calendar days after sending the notice of intent to
50.7 garnish, the commissioner may send to the debtor's employer, by mail or electronic
50.8 transmission, a notice of garnishment, including a worksheet for determining the amount
50.9 to be withheld from wages each pay period. The amount to be withheld from wages is
50.10 subject to the limitations in section 571.922. Upon receipt of the garnishment notice, the
50.11 employer must withhold from the ~~earnings~~ wages due or to become due to the employee,
50.12 the amount shown on the notice plus accrued interest, subject to section 571.922 determined
50.13 by the employer plus accrued interest. The employer must continue to withhold each pay
50.14 period the amount shown on the notice determined by the employer plus accrued interest
50.15 until the garnishment notice is released by the commissioner. Upon receipt of notice by the
50.16 employer, the claim of the commissioner has priority over any subsequent garnishments or
50.17 wage assignments. The commissioner may arrange between the employer and employee
50.18 for withholding a portion of the total amount due the employee each pay period, agree to
50.19 accept a withholding amount that is less than the amount determined by the employer on
50.20 the worksheet until the total amount shown on the notice due plus accrued interest has been
50.21 withheld.

50.22 (b) The "earnings due" any employee. For the purposes of this section, "wages" is as
50.23 defined in section 571.921 268.035, subdivision 29.

50.24 (f) (c) The maximum garnishment allowed for any one pay period must be decreased
50.25 by any amounts payable under any other garnishment action served before the garnishment
50.26 notice, and any amounts covered by any irrevocable and previously effective assignment
50.27 of wages;. The employer must give notice to the commissioner of the amounts and the facts
50.28 relating to the other garnishment or assignment within ten calendar days after the service
50.29 of the garnishment notice on the form worksheet provided by the commissioner.

50.30 (f) (d) Within ten calendar days after the expiration of the pay period, the employer must
50.31 remit to the commissioner, on a form and in the manner prescribed by the commissioner,
50.32 the amount withheld during each pay period.

50.33 **Subd. 3. Discharge or discipline prohibited.** (a) If the employee ceases to be employed
50.34 by the employer before the full amount set forth on the garnishment notice due plus accrued

51.1 interest has been withheld, the employer must immediately notify the commissioner in
51.2 writing or by electronic transmission, as prescribed by the commissioner, of the termination
51.3 date of the employee and the total amount withheld. No employer may discharge or discipline
51.4 any employee because the commissioner has proceeded under this section. If an employer
51.5 discharges an employee in violation of this section, the employee has the same remedy as
51.6 provided in section 571.927, subdivision 2.

51.7 (b) This section applies if the employer is the state of Minnesota or any political
51.8 subdivision.

51.9 (c) The commissioner must refund to the employee any excess amounts withheld from
51.10 the employee.

51.11 (d) An employer that fails or refuses to comply with this section is jointly and severally
51.12 liable for the total amount due from the employee. Any amount due from the employer
51.13 under this paragraph may be collected in the same manner as any other amounts due from
51.14 an employer under this chapter.

51.15 Sec. 5. Minnesota Statutes 2016, section 268.085, subdivision 3, is amended to read:

51.16 Subd. 3. **Vacation and sick payments that delay unemployment benefits.** (a) An
51.17 applicant is not eligible to receive unemployment benefits for any week the applicant is
51.18 receiving, has received, or will receive vacation pay, sick pay, or personal time off pay, also
51.19 known as "PTO."

51.20 This paragraph ~~only applies upon temporary, indefinite, or seasonal separation and does~~
51.21 not apply:

51.22 (1) upon a permanent separation from employment; or

51.23 (2) to payments from a vacation fund administered by a union or a third party not under
51.24 the control of the employer.

51.25 Payments under this ~~paragraph subdivision~~ are applied to the period immediately
51.26 following the ~~temporary, indefinite, or seasonal separation~~. ~~later of the date of separation~~
51.27 ~~from employment or the date the applicant first becomes aware that the employer will be~~
51.28 ~~making a payment. The date the payment is actually made or received, or that an applicant~~
51.29 ~~must agree to a release of claims, does not affect the application of this paragraph.~~

51.30 (b) This subdivision applies to all the weeks of payment. The weeks of payment is
51.31 determined as follows:

52.1 (1) if the payments are made periodically, the total of the payments to be received is
52.2 divided by the applicant's last level of regular weekly pay from the employer; or
52.3 (2) if the payment is made in a lump sum, that sum is divided by the applicant's last level
52.4 of regular weekly pay from the employer.

52.5 The "last level of regular weekly pay" includes commissions, bonuses, and overtime
52.6 pay if that is part of the applicant's ongoing regular compensation.

52.7 (c) Under this subdivision, if the payment with respect to a week is equal to or more
52.8 than the applicant's weekly unemployment benefit amount, the applicant is ineligible for
52.9 benefits for that week. If the payment with respect to a week is less than the applicant's
52.10 weekly unemployment benefit amount, unemployment benefits are reduced by the amount
52.11 of the payment.

52.12 ④(d) An applicant is not eligible to receive unemployment benefits for any week the
52.13 applicant is receiving, has received, or will receive severance pay, bonus pay, or any other
52.14 payments paid by an employer because of, upon, or after separation from employment.

52.15 This paragraph only applies if the payment is:

52.16 (1) considered wages under section 268.035, subdivision 29; or
52.17 (2) subject to the Federal Insurance Contributions Act (FICA) tax imposed to fund Social
52.18 Security and Medicare.

52.19 Payments under this paragraph are applied to the period immediately following the later
52.20 of the date of separation from employment or the date the applicant first becomes aware
52.21 that the employer will be making a payment. The date the payment is actually made or
52.22 received, or that an applicant must agree to a release of claims, does not affect the application
52.23 of this paragraph.

52.24 This paragraph does not apply to earnings under subdivision 5, back pay under
52.25 subdivision 6, or vacation pay, sick pay, or personal time off pay under paragraph (a).

52.26 (e) Paragraph (a) applies to all the weeks of payment. The weeks of payment is determined
52.27 in accordance with subdivision 3, paragraph (b).

52.28 (f) Under this subdivision, if the payment with respect to a week is equal to or more than
52.29 the applicant's weekly unemployment benefit amount, the applicant is ineligible for benefits
52.30 for that week. If the payment with respect to a week is less than the applicant's weekly
52.31 unemployment benefit amount, unemployment benefits are reduced by the amount of the
52.32 payment.

53.1 ~~(e)~~ (g) An applicant is not eligible to receive unemployment benefits for any week the
53.2 applicant is receiving, has received, will receive, or has applied for pension, retirement, or
53.3 annuity payments from any plan contributed to by a base period employer including the
53.4 United States government. The base period employer is considered to have contributed to
53.5 the plan if the contribution is excluded from the definition of wages under section 268.035,
53.6 subdivision 29. If the pension, retirement, or annuity payment is paid in a lump sum, an
53.7 applicant is not considered to have received a payment if:

53.8 (1) the applicant immediately deposits that payment in a qualified pension plan or
53.9 account; or

53.10 (2) that payment is an early distribution for which the applicant paid an early distribution
53.11 penalty under the Internal Revenue Code, United States Code, title 26, section 72(t)(1).

53.12 This paragraph does not apply to Social Security benefits under subdivision 4 or 4a.

53.13 ~~(d)~~ (h) This subdivision applies to all the weeks of payment. ~~The number of weeks of~~
53.14 ~~payment is determined as follows:~~

53.15 ~~(1) if the payments are made periodically, the total of the payments to be received is~~
53.16 ~~divided by the applicant's last level of regular weekly pay from the employer; or~~

53.17 ~~(2) If the payment is made in a lump sum, that sum is divided by the applicant's last~~
53.18 ~~level of regular weekly pay from the employer to determine the weeks of payment.~~

53.19 For purposes of this ~~paragraph subdivision~~, the "last level of regular weekly pay" includes
53.20 commissions, bonuses, and overtime pay if that is part of the applicant's ongoing regular
53.21 compensation.

53.22 ~~(e)~~ (i) Under this subdivision, if the payment with respect to a week is equal to or more
53.23 than the applicant's weekly unemployment benefit amount, the applicant is ineligible for
53.24 benefits for that week. If the payment with respect to a week is less than the applicant's
53.25 weekly unemployment benefit amount, unemployment benefits are reduced by the amount
53.26 of the payment.

53.27 Sec. 6. Minnesota Statutes 2016, section 268.085, subdivision 3a, is amended to read:

53.28 Subd. 3a. **Workers' compensation and disability insurance offset.** (a) An applicant
53.29 is not eligible to receive unemployment benefits for any week in which the applicant is
53.30 receiving or has received compensation for loss of wages equal to or in excess of the
53.31 applicant's weekly unemployment benefit amount under:

53.32 (1) the workers' compensation law of this state;

54.1 (2) the workers' compensation law of any other state or similar federal law; or

54.2 (3) any insurance or trust fund paid in whole or in part by an employer.

54.3 (b) This subdivision does not apply to an applicant who has a claim pending for loss of
54.4 wages under paragraph (a); however, before unemployment benefits may be paid when a
54.5 claim is pending, the issue of the applicant being available for suitable employment, as
54.6 required under subdivision 1, clause (4), ~~is must be~~ determined under section 268.101,
54.7 subdivision 2. If the applicant later receives compensation as a result of the pending claim,
54.8 the applicant is subject to ~~the provisions of~~ paragraph (a) and the unemployment benefits
54.9 paid are ~~subject to recoupment by the commissioner to the extent that the compensation~~
54.10 ~~eonstitutes overpaid unemployment benefits under section 268.18, subdivision 1.~~

54.11 (c) If the amount of compensation described under paragraph (a) for any week is less
54.12 than the applicant's weekly unemployment benefit amount, unemployment benefits requested
54.13 for that week are reduced by the amount of that compensation payment.

54.14 Sec. 7. Minnesota Statutes 2017 Supplement, section 268.085, subdivision 13a, is amended
54.15 to read:

54.16 Subd. 13a. **Leave of absence.** (a) An applicant on a voluntary leave of absence is
54.17 ineligible for unemployment benefits for the duration of the leave of absence. An applicant
54.18 on an involuntary leave of absence is not ineligible under this subdivision.

54.19 A leave of absence is voluntary when work that the applicant can then perform is available
54.20 with the applicant's employer but the applicant chooses not to work. A medical leave of
54.21 absence is not presumed to be voluntary.

54.22 (b) A period of vacation requested by the applicant, paid or unpaid, is a voluntary leave
54.23 of absence. A vacation period assigned by an employer under: (1) a uniform vacation
54.24 shutdown; (2) a collective bargaining agreement; or (3) an established employer policy, is
54.25 an involuntary leave of absence.

54.26 (c) A leave of absence is a temporary stopping of work that has been approved by the
54.27 employer. A ~~voluntary~~ leave of absence is not a quit ~~and an involuntary leave of absence~~
54.28 ~~is not or~~ a discharge from employment ~~for purposes of~~. Section 268.095 does not apply to
54.29 a leave of absence.

54.30 (d) An applicant who is on a paid leave of absence, whether the leave of absence is
54.31 voluntary or involuntary, is ineligible for unemployment benefits for the duration of the
54.32 leave.

55.1 (e) This subdivision applies to a leave of absence from a base period employer, an
55.2 employer during the period between the end of the base period and the effective date of the
55.3 benefit account, or an employer during the benefit year.

55.4 Sec. 8. Minnesota Statutes 2017 Supplement, section 268.095, subdivision 6, is amended
55.5 to read:

55.6 **Subd. 6. Employment misconduct defined.** (a) Employment misconduct means any
55.7 intentional, negligent, or indifferent conduct, on the job or off the job, that ~~displays clearly:~~

55.8 ~~(1) is a serious violation of the standards of behavior the employer has the right to~~
55.9 ~~reasonably expect of the employee; or,~~

55.10 ~~(2) a substantial lack of concern for the employment.~~

55.11 (b) Regardless of paragraph (a), the following is not employment misconduct:

55.12 (1) conduct that was a consequence of the applicant's mental illness or impairment;

55.13 (2) conduct that was a consequence of the applicant's inefficiency or inadvertence;

55.14 (3) simple unsatisfactory conduct;

55.15 (4) conduct an average reasonable employee would have engaged in under the
55.16 circumstances;

55.17 (5) conduct that was a consequence of the applicant's inability or incapacity;

55.18 (6) good faith errors in judgment if judgment was required;

55.19 (7) absence because of illness or injury of the applicant, with proper notice to the
55.20 employer;

55.21 (8) absence, with proper notice to the employer, in order to provide necessary care
55.22 because of the illness, injury, or disability of an immediate family member of the applicant;

55.23 (9) conduct that was a consequence of the applicant's chemical dependency, unless the
55.24 applicant was previously diagnosed chemically dependent or had treatment for chemical
55.25 dependency, and since that diagnosis or treatment has failed to make consistent efforts to
55.26 control the chemical dependency; or

55.27 (10) conduct that was a consequence of the applicant, or an immediate family member
55.28 of the applicant, being a victim of domestic abuse, sexual assault, or stalking. For the
55.29 purposes of this subdivision, "domestic abuse," "sexual assault," and "stalking" have the
55.30 meanings given them in subdivision 1.

56.1 (c) Regardless of paragraph (b), clause (9), conduct in violation of sections 169A.20,
56.2 169A.31, 169A.50 to 169A.53, or 171.177 that ~~interferes with or~~ adversely affects the
56.3 employment is employment misconduct.

56.4 (d) If the conduct for which the applicant was discharged involved only a single incident,
56.5 that is an important fact that must be considered in deciding whether the conduct rises to
56.6 the level of employment misconduct under paragraph (a). This paragraph does not require
56.7 that a determination under section 268.101 or decision under section 268.105 contain a
56.8 specific acknowledgment or explanation that this paragraph was considered.

56.9 (e) The definition of employment misconduct provided by this subdivision is exclusive
56.10 and no other definition applies.

56.11 Sec. 9. Minnesota Statutes 2016, section 268.095, subdivision 6a, is amended to read:

56.12 Subd. 6a. **Aggravated employment misconduct defined.** (a) For the purpose of this
56.13 section, "aggravated employment misconduct" means:

56.14 (+) The commission of any act, on the job or off the job, that would amount to a gross
56.15 misdemeanor or felony is aggravated employment misconduct if the act substantially
56.16 interfered with the employment or had a significant adverse effect on the employment; or.

56.17 A criminal charge or conviction is not necessary to determine aggravated employment
56.18 misconduct under this paragraph. If an applicant is convicted of a gross misdemeanor or
56.19 felony, the applicant is presumed to have committed the act.

56.20 (2) (b) For an employee of a facility as defined in section 626.5572, aggravated
56.21 employment misconduct includes an act of patient or resident abuse, financial exploitation,
56.22 or recurring or serious neglect, as defined in section 626.5572 and applicable rules.

56.23 (b) If an applicant is convicted of a gross misdemeanor or felony for the same act for
56.24 which the applicant was discharged, it is aggravated employment misconduct if the act
56.25 substantially interfered with the employment or had a significant adverse effect on the
56.26 employment.

56.27 **(e)(b)** The definition of aggravated employment misconduct provided by this subdivision
56.28 is exclusive and no other definition applies.

ARTICLE 9

UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; TECHNICAL

56.31 Section 1. Minnesota Statutes 2016, section 268.044, subdivision 3, is amended to read:

57.1 **Subd. 3. Missing or erroneous information.** (a) Any employer that submits the wage
57.2 detail report, but fails to include all required employee information or enters erroneous
57.3 information, is subject to an administrative service fee of \$25 for each employee for whom
57.4 the information is partially missing or erroneous.

57.5 (b) Any employer that submits the wage detail report, but fails to include an employee,
57.6 is subject to an administrative service fee equal to two percent of the total wages for each
57.7 employee for whom the information is completely missing.

57.8 (c) An administrative service fee under this subdivision must be canceled under section
57.9 268.067 if the commissioner determines that the failure or error by the employer occurred
57.10 because of ignorance or inadvertence.

57.11 Sec. 2. Minnesota Statutes 2017 Supplement, section 268.046, subdivision 1, is amended
57.12 to read:

57.13 **Subdivision 1. Tax accounts assigned.** (a) Any person that contracts with a taxpaying
57.14 employer to have that person obtain the taxpaying employer's workforce and provide workers
57.15 to the taxpaying employer for a fee is, as of the effective date of the contract, assigned for
57.16 the duration of the contract the taxpaying employer's account under section 268.045. That
57.17 tax account must be maintained by the person separate and distinct from every other tax
57.18 account held by the person and identified in a manner prescribed by the commissioner. The
57.19 tax account is, for the duration of the contract, considered that person's account for all
57.20 purposes of this chapter. The workers obtained from the taxpaying employer and any other
57.21 workers provided by that person to the taxpaying employer, including officers of the
57.22 taxpaying employer as defined in section 268.035, subdivision 20, clause ~~(28)~~(29), whose
57.23 wages paid by the person are considered paid in covered employment under section 268.035,
57.24 subdivision 24, for the duration of the contract between the taxpaying employer and the
57.25 person, must, under section 268.044, be reported on the wage detail report under that tax
57.26 account, and that person must pay any taxes due at the tax rate computed for that account
57.27 under section 268.051, subdivision 2.

57.28 (b) Any workers of the taxpaying employer who are not covered by the contract under
57.29 paragraph (a) must be reported by the taxpaying employer as a separate unit on the wage
57.30 detail report under the tax account assigned under paragraph (a). Taxes and any other
57.31 amounts due on the wages reported by the taxpaying employer under this paragraph may
57.32 be paid directly by the taxpaying employer.

57.33 (c) If the taxpaying employer that contracts with a person under paragraph (a) does not
57.34 have a tax account at the time of the execution of the contract, an account must be registered

58.1 for the taxpaying employer under section 268.042 and the new employer tax rate under
58.2 section 268.051, subdivision 5, must be assigned. The tax account is then assigned to the
58.3 person as provided for in paragraph (a).

58.4 (d) A person that contracts with a taxpaying employer under paragraph (a) must, within
58.5 30 calendar days of the execution or termination of a contract, notify the commissioner by
58.6 electronic transmission, in a format prescribed by the commissioner, of that execution or
58.7 termination. The taxpaying employer's name, the account number assigned, and any other
58.8 information required by the commissioner must be provided by that person.

58.9 (e) Any contract subject to paragraph (a) must specifically inform the taxpaying employer
58.10 of the assignment of the tax account under this section and the taxpaying employer's
58.11 obligation under paragraph (b). If there is a termination of the contract, the tax account is,
58.12 as of the date of termination, immediately assigned to the taxpaying employer.

58.13 Sec. 3. Minnesota Statutes 2016, section 268.051, subdivision 3, is amended to read:

58.14 **Subd. 3. Computation of a taxpaying employer's experience rating.** (a) On or before
58.15 each December 15, the commissioner must compute an experience rating for each taxpaying
58.16 employer who has ~~been required to file~~ filed wage detail reports for the ~~12~~ four calendar
58.17 ~~months~~ quarters ending on the prior June 30. The experience rating computed is applicable
58.18 for the following calendar year.

58.19 The experience rating is the ratio obtained by dividing 125 percent of the total
58.20 unemployment benefits required under section 268.047 to be used in computing the
58.21 employer's tax rate during the ~~48~~ 16 calendar ~~months~~ quarters ending on the prior June 30,
58.22 by the employer's total taxable payroll for that same period.

58.23 (b) The experience rating is computed to the nearest one-hundredth of a percent, to a
58.24 maximum of 8.90 percent.

58.25 (c) The use of 125 percent of unemployment benefits paid under paragraph (a), rather
58.26 than 100 percent of the amount of unemployment benefits paid, is done in order for the trust
58.27 fund to recover from all taxpaying employers a portion of the costs of unemployment benefits
58.28 paid that do not affect any individual employer's future experience rating because of the
58.29 reasons set out in subdivision 2, paragraph (f).

58.30 Sec. 4. Minnesota Statutes 2016, section 268.053, subdivision 1, is amended to read:

58.31 Subdivision 1. **Election.** (a) Any nonprofit organization that has employees in covered
58.32 employment must pay taxes on a quarterly basis in accordance with section 268.051 unless

59.1 it elects to make reimbursements to the trust fund the amount of unemployment benefits
59.2 charged to its reimbursable account under section 268.047.

59.3 The organization may elect to make reimbursements for a period of not less than 24
59.4 calendar months beginning with the date that the organization was determined to be an
59.5 employer with covered employment by filing a notice of election not later than 30 calendar
59.6 days after the date of the determination.

59.7 (b) Any nonprofit organization that makes an election will continue to be liable for
59.8 reimbursements until it files a notice terminating its election before the beginning of the
59.9 calendar quarter the termination is to be effective.

59.10 A nonprofit organization that has been making reimbursements that files a notice of
59.11 termination of election must be assigned the new employer tax rate under section 268.051,
59.12 subdivision 5, until it qualifies for an experience rating under section 268.051, subdivision
59.13 3.

59.14 (c) Any nonprofit organization that has been paying taxes may elect to make
59.15 reimbursements by filing a notice of election. The election is effective at the beginning of
59.16 the next calendar quarter. The election is not terminable by the organization for 24 calendar
59.17 months.

59.18 ~~(d) The commissioner may for good cause extend the period that a notice of election,~~
59.19 ~~or a notice of termination, must be filed and may permit an election to be retroactive.~~

59.20 ~~(e)~~ (d) A notice of election or notice terminating election must be filed by electronic
59.21 transmission in a format prescribed by the commissioner.

59.22 Sec. 5. Minnesota Statutes 2016, section 268.066, is amended to read:

59.23 **268.066 CANCELLATION OF AMOUNTS DUE FROM AN EMPLOYER.**

59.24 (a) The commissioner must cancel as uncollectible any amounts due from an employer
59.25 under this chapter or section 116L.20, that remain unpaid six years after the amounts have
59.26 been first determined due, except where the delinquent amounts are secured by a notice of
59.27 lien, a judgment, are in the process of garnishment, or are under a payment plan.

59.28 (b) The commissioner may cancel at any time as uncollectible any amount due, or any
59.29 portion of an amount due, from an employer under this chapter or section 116L.20, that (1)
59.30 are uncollectible due to death or bankruptcy, or (2) the Collection Division of the Department
59.31 of Revenue under section 16D.04 was unable to collect.

60.1 (c) ~~The commissioner may cancel at any time any interest, penalties, or fees due from~~
60.2 ~~an employer, or any portions due, if the commissioner determines that it is not in the public~~
60.3 ~~interest to pursue collection of the amount due. This paragraph does not apply to~~
60.4 ~~unemployment insurance taxes or reimbursements due.~~

60.5 Sec. 6. Minnesota Statutes 2016, section 268.067, is amended to read:

60.6 **268.067 COMPROMISE.**

60.7 (a) The commissioner may compromise in whole or in part any action, determination,
60.8 or decision that affects only an employer and not an applicant. This paragraph applies if it
60.9 is determined by a court of law, or a confession of judgment, that an applicant, while
60.10 employed, wrongfully took from the employer \$500 or more in money or property.

60.11 (b) The commissioner may at any time compromise any unemployment insurance tax
60.12 or, reimbursement, interest, penalty, fee, costs, or any other amount due from an employer
60.13 under this chapter or section 116L.20.

60.14 (c) Any compromise involving an amount over \$10,000 must be authorized by an attorney
60.15 licensed to practice law in Minnesota who is an employee of the department designated by
60.16 the commissioner for that purpose.

60.17 (d) Any compromise must be in the best interest of the state of Minnesota.

60.18 Sec. 7. Minnesota Statutes 2016, section 268.069, subdivision 1, is amended to read:

60.19 Subdivision 1. **Requirements.** The commissioner must pay unemployment benefits
60.20 from the trust fund to an applicant who has met each of the following requirements:

60.21 (1) the applicant has filed an application for unemployment benefits and established a
60.22 benefit account in accordance with section 268.07;

60.23 (2) the applicant has not been held ineligible for unemployment benefits under section
60.24 268.095 because of a quit or discharge;

60.25 (3) the applicant has met all of the ongoing eligibility requirements under section 268.085;

60.26 (4) the applicant does not have an outstanding overpayment of unemployment benefits,
60.27 including any penalties or interest; and

60.28 (5) the applicant has not been held ineligible for unemployment benefits under section
60.29 268.182 because of a false representation or concealment of facts 268.183.

61.1 Sec. 8. Minnesota Statutes 2016, section 268.105, subdivision 6, is amended to read:

61.2 Subd. 6. **Representation; fees.** (a) In any proceeding under subdivision 1 or 2, an
61.3 applicant or employer may be represented by any authorized representative.

61.4 Except for services provided by an attorney-at-law, no person may charge an applicant
61.5 a fee of any kind for advising, assisting, or representing an applicant in a hearing ~~or~~, on
61.6 reconsideration, or a proceeding under subdivision 7.

61.7 (b) An applicant may not be charged fees, costs, or disbursements of any kind in a
61.8 proceeding before an unemployment law judge, the Minnesota Court of Appeals, or the
61.9 Supreme Court of Minnesota.

61.10 (c) No attorney fees may be awarded, or costs or disbursements assessed, against the
61.11 department as a result of any proceedings under this section.

61.12 Sec. 9. Minnesota Statutes 2016, section 268.145, subdivision 1, is amended to read:

61.13 Subdivision 1. **Notification.** (a) Upon filing an application for unemployment benefits,
61.14 the applicant must be informed that:

61.15 (1) unemployment benefits are subject to federal and state income tax;

61.16 (2) there are requirements for filing estimated tax payments;

61.17 (3) the applicant may elect to have federal income tax withheld from unemployment
61.18 benefits;

61.19 (4) if the applicant elects to have federal income tax withheld, the applicant may, in
61.20 addition, elect to have Minnesota state income tax withheld; and

61.21 (5) at any time during the benefit year the applicant may change a prior election.

61.22 (b) If an applicant elects to have federal income tax withheld, the commissioner must
61.23 deduct ten percent for federal income tax. If an applicant also elects to have Minnesota state
61.24 income tax withheld, the commissioner must make an additional five percent deduction for
61.25 state income tax. Any ~~amounts~~ deducted ~~or offset under sections 268.155, 268.18,~~
61.26 ~~and 268.184 have~~ section 268.085 has priority over any amounts deducted under this section.

61.27 Federal income tax withholding has priority over state income tax withholding.

61.28 (c) An election to have income tax withheld may not be retroactive and only applies to
61.29 unemployment benefits paid after the election.

62.1 Sec. 10. Minnesota Statutes 2017 Supplement, section 268.18, subdivision 5, is amended
62.2 to read:

62.3 Subd. 5. **Remedies.** (a) Any method undertaken to recover an overpayment of
62.4 unemployment benefits, including any penalties and interest, is not an election of a method
62.5 of recovery.

62.6 (b) Intervention or lack thereof, in whole or in part, in a workers' compensation matter
62.7 under section 176.361 is not an election of a remedy and does not prevent the commissioner
62.8 from determining an applicant ineligible for unemployment benefits ~~or taking action under~~
62.9 ~~section 268.183.~~

62.10 Sec. 11. **REVISOR'S INSTRUCTION.**

62.11 The revisor of statutes is instructed to make the following changes in Minnesota Statutes:

62.12 (1) change the term "fraud" to "misrepresentation" in sections 268.085, subdivision 2,
62.13 and 268.186, subdivision 1;

62.14 (2) delete the term "bona fide" wherever it appears in section 268.035;

62.15 (3) replace the term "under" with "subject to" in section 268.047, subdivision 2, clause
62.16 (8);

62.17 (4) replace the term "displays clearly" with "shows" in chapter 268;

62.18 (5) replace the term "entire" with "hearing" in section 268.105;

62.19 (6) replace "24 calendar months" with "eight calendar quarters" in section 268.052,
62.20 subdivision 2.

62.21 Sec. 12. **REPEALER.**

62.22 Minnesota Statutes 2016, section 268.053, subdivisions 4 and 5, are repealed.

62.23 Sec. 13. **EFFECTIVE DATE.**

62.24 Unless otherwise specified, articles 5 through 9 are effective September 16, 2018."

62.25 Delete the title and insert:

62.26 "A bill for an act
62.27 relating to jobs and economic development; modifying job training program
62.28 requirements; limiting use of funds in the Douglas J. Johnson economic protection
62.29 trust fund; modifying the youth skills training program; modifying accessibility
62.30 requirements for public buildings; modifying fees for manufactured home installers;
62.31 adopting recommendations of the Workers' Compensation Advisory Council;
62.32 adjusting basis for determining salary for judges of Workers' Compensation Court

63.1 of Appeals; adopting recommendations of the Unemployment Insurance Advisory
63.2 Council; appropriating money; amending Minnesota Statutes 2016, sections
63.3 116J.8747, subdivisions 2, 4; 175A.05; 176.231, subdivision 9; 268.035,
63.4 subdivisions 4, 12; 268.044, subdivisions 2, 3; 268.047, subdivision 3; 268.051,
63.5 subdivisions 2a, 3; 268.053, subdivision 1; 268.057, subdivision 5; 268.059;
63.6 268.066; 268.067; 268.069, subdivision 1; 268.085, subdivisions 3, 3a; 268.095,
63.7 subdivision 6a; 268.105, subdivision 6; 268.145, subdivision 1; 326B.106,
63.8 subdivision 9; 326B.815, subdivision 1; 327B.041; Minnesota Statutes 2017
63.9 Supplement, sections 15A.083, subdivision 7; 175.46, subdivision 13; 268.035,
63.10 subdivisions 15, 20; 268.046, subdivision 1; 268.07, subdivision 1; 268.085,
63.11 subdivision 13a; 268.095, subdivision 6; 268.18, subdivisions 2b, 5; 298.292,
63.12 subdivision 2; Laws 2017, chapter 94, article 1, sections 2, subdivisions 2, 3; 4,
63.13 subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 176;
63.14 repealing Minnesota Statutes 2016, section 268.053, subdivisions 4, 5."