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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 601

02/14/2013 Authored by Atkins; Johnson, S.; Sundin; Anzelc; Hausman and others
The bill was read for the first time and referred to the Committee on Labor, Workplace and Regulated Industries

1.1 A bill for an act
1.2 relating to labor; restricting public subsidies for certain organizations that engage
1.3 in lockouts; imposing penalties; amending Minnesota Statutes 2012, section
1.4 268.184, subdivision 1.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2012, section 268.184, subdivision 1, is amended to read:

1.7 Subdivision 1. **Administrative penalties.** (a) The commissioner must penalize
1.8 an employer if that employer or any employee, officer, or agent of that employer, is
1.9 in collusion with any applicant for the purpose of assisting the applicant to receive
1.10 unemployment benefits fraudulently. The penalty is \$500 or the amount of unemployment
1.11 benefits determined to be overpaid, whichever is greater.

1.12 (b) The commissioner must penalize an employer if that employer or any employee,
1.13 officer, or agent of that employer (1) made a false statement or representation knowing it
1.14 to be false, (2) made a false statement or representation without a good faith belief as to
1.15 correctness of the statement or representation, (3) knowingly failed to disclose a material
1.16 fact, or (4) made an offer of employment to an applicant when, in fact, the employer had
1.17 no employment available.

1.18 The penalty is the greater of \$500 or 50 percent of the following resulting from the
1.19 employer's action:

- 1.20 (i) the amount of any overpaid unemployment benefits to an applicant;
- 1.21 (ii) the amount of unemployment benefits not paid to an applicant that would
1.22 otherwise have been paid; or
- 1.23 (iii) the amount of any payment required from the employer under this chapter or
1.24 section 116L.20 that was not paid.

2.1 (c) The commissioner must penalize an employer if that employer failed or refused
 2.2 to honor a subpoena issued under section 268.105, subdivision 4, or section 268.188. The
 2.3 penalty is \$500 and any costs of enforcing the subpoena, including attorney fees.

2.4 (d) The commissioner must penalize an employer engaged in a lockout as defined
 2.5 under section 179.01, subdivision 9. The amount of the penalty shall be twice the amount
 2.6 of unemployment benefits paid during the period the employer engaged in the lockout.

2.7 ~~(d)~~ (e) Penalties under this subdivision and under section 268.047, subdivision 4,
 2.8 paragraph (b), are in addition to any other penalties and subject to the same collection
 2.9 procedures that apply to past due taxes. Penalties must be paid within 30 calendar days of
 2.10 issuance of the determination of penalty and credited to the trust fund.

2.11 ~~(e)~~ (f) The determination of penalty is final unless the employer files an appeal
 2.12 within 20 calendar days after the sending of the determination of penalty to the employer
 2.13 by mail or electronic transmission. Proceedings on the appeal are conducted in accordance
 2.14 with section 268.105.

2.15 Sec. 2. **PUBLIC SUBSIDIES FOR ORGANIZATIONS ENGAGED IN**
 2.16 **EMPLOYEE LOCKOUTS; PENALTIES.**

2.17 Subdivision 1. Definitions. (a) The terms defined in this section have the meanings
 2.18 given.

2.19 (b) "Lockout" has the meaning given under Minnesota Statutes, section 179.01,
 2.20 subdivision 9.

2.21 (c) "Local government agency" includes a statutory or home rule charter city,
 2.22 housing and redevelopment authority, town, county, port authority, economic development
 2.23 authority, community development agency, nonprofit entity created by a local government
 2.24 agency, or any other entity created by or authorized by a local government with authority
 2.25 to provide public subsidies.

2.26 (d) "Organization" means any nonprofit or for profit business entity that receives a
 2.27 public subsidy.

2.28 (e) "Public subsidy" means a state or local government agency grant, contribution
 2.29 of personal property, real property, infrastructure, the principal amount of a loan at rates
 2.30 below those commercially available to the recipient, any reduction or deferral of any tax
 2.31 or any fee, any guarantee of any payment under any loan, lease, or other obligation, or any
 2.32 preferential use of government facilities given to an organization. To qualify as a public
 2.33 subsidy, the value must be \$150,000 or greater.

3.1 Subd. 2. **Subsidies prohibited during a lockout.** (a) An organization that institutes,
3.2 causes, or declares a lockout may be issued a penalty under subdivision 4 by the state or
3.3 local government agency that provided the public subsidy.

3.4 Subd. 3. **Market analysis.** In the event of a lockout, the state or local government
3.5 agency shall contact the Minnesota State Board of Investment and request a valuation of
3.6 the public subsidy that was given to the organization. The board shall perform a market
3.7 analysis to determine the value of the public subsidy to the organization for the period of
3.8 time the organization is engaged in a lockout.

3.9 Subd. 4. **Penalty.** The state or local government agency is authorized to impose a
3.10 penalty on the organization equal to the value of the public subsidy determined by the
3.11 board under subdivision 3.