

SENATE
STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 3945

(SENATE AUTHORS: MILLER)

DATE	D-PG	OFFICIAL STATUS
04/12/2018	7291	Introduction and first reading
		Referred to Jobs and Economic Growth Finance and Policy
04/19/2018	7506a	Comm report: To pass as amended and re-refer to Finance

1.1 A bill for an act

1.2 relating to jobs and economic development; modifying job training program

1.3 requirements; limiting use of funds in the Douglas J. Johnson economic protection

1.4 trust fund; modifying the youth skills training program; modifying accessibility

1.5 requirements for public buildings; modifying fees for manufactured home installers;

1.6 adopting recommendations of the Workers' Compensation Advisory Council;

1.7 adjusting basis for determining salary for judges of Workers' Compensation Court

1.8 of Appeals; adopting recommendations of the Unemployment Insurance Advisory

1.9 Council; appropriating money; amending Minnesota Statutes 2016, sections

1.10 116J.8747, subdivisions 2, 4; 175A.05; 176.231, subdivision 9; 268.035,

1.11 subdivisions 4, 12; 268.044, subdivisions 2, 3; 268.047, subdivision 3; 268.051,

1.12 subdivisions 2a, 3; 268.053, subdivision 1; 268.057, subdivision 5; 268.059;

1.13 268.066; 268.067; 268.069, subdivision 1; 268.085, subdivisions 3, 3a; 268.095,

1.14 subdivision 6a; 268.105, subdivision 6; 268.145, subdivision 1; 326B.106,

1.15 subdivision 9; 326B.815, subdivision 1; 327B.041; Minnesota Statutes 2017

1.16 Supplement, sections 15A.083, subdivision 7; 175.46, subdivision 13; 268.035,

1.17 subdivisions 15, 20; 268.046, subdivision 1; 268.07, subdivision 1; 268.085,

1.18 subdivision 13a; 268.095, subdivision 6; 268.18, subdivisions 2b, 5; 298.292,

1.19 subdivision 2; Laws 2017, chapter 94, article 1, sections 2, subdivisions 2, 3; 4,

1.20 subdivision 5; 9; proposing coding for new law in Minnesota Statutes, chapter

1.21 176; repealing Minnesota Statutes 2016, section 268.053, subdivisions 4, 5.

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

1.23 style="text-align:center">**ARTICLE 1**

1.24 style="text-align:center">**JOBS AND ECONOMIC GROWTH**

1.25 Section 1. **APPROPRIATIONS.**

1.26 The sums shown in the columns marked "Appropriations" are added to the appropriations

1.27 in Laws 2017, chapter 94, or appropriated to the agencies and for the purposes specified in

1.28 this article. The appropriations are from the general fund, or another named fund, and are

1.29 available for the fiscal year indicated for each purpose. The figures "2018" and "2019" used

1.30 in this article mean that the addition to the appropriations listed under them are available

4.1 ~~(ii) have federal adjusted gross household income of no more than \$12,000 per year in~~
 4.2 ~~the calendar year immediately before entering the program that is 100 percent or less of the~~
 4.3 ~~federal poverty guideline for Minnesota, based on family size; and~~

4.4 ~~(iii) have assets of no more than \$10,000, excluding the value of a homestead; and~~

4.5 ~~(iv) not have been claimed as a dependent on the federal tax return of another person in~~
 4.6 ~~the previous taxable year; and~~

4.7 ~~(7) (6) the program must be certified by the commissioner of employment and economic~~
 4.8 ~~development as meeting the requirements of this subdivision.~~

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

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

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

4.15 (c) A program ~~must report by January 1 of each year to the commissioner. The report~~
 4.16 ~~must include, at least, information on:~~ is subject to the reporting requirements under section
 4.17 116L.98.

4.18 ~~(1) the number of graduates placed;~~

4.19 ~~(2) demographic information on the graduates;~~

4.20 ~~(3) the type of position in which each graduate is placed, including compensation~~
 4.21 ~~information;~~

4.22 ~~(4) the tenure of each graduate at the placed position or in other jobs;~~

4.23 ~~(5) the amount of employer fees paid to the program;~~

4.24 ~~(6) the amount of money raised by the program from other sources; and~~

4.25 ~~(7) the types and sizes of employers with which graduates have been placed and retained.~~

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

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

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

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

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

5.13 (4) to invest in a venture capital fund or enterprise that will provide capital to other
5.14 entities that are engaging in, or that will engage in, projects or programs that have the
5.15 purposes set forth in subdivision 1. No investments may be made in a venture capital fund
5.16 or enterprise unless at least two other unrelated investors make investments of at least
5.17 \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas J.
5.18 Johnson economic protection trust fund may not exceed the amount of the largest investment
5.19 by an unrelated investor in the venture capital fund or enterprise. For purposes of this
5.20 subdivision, an "unrelated investor" is a person or entity that is not related to the entity in
5.21 which the investment is made or to any individual who owns more than 40 percent of the
5.22 value of the entity, in any of the following relationships: spouse, parent, child, sibling,
5.23 employee, or owner of an interest in the entity that exceeds ten percent of the value of all
5.24 interests in it. For purposes of determining the limitations under this clause, the amount of
5.25 investments made by an investor other than the Douglas J. Johnson economic protection
5.26 trust fund is the sum of all investments made in the venture capital fund or enterprise during
5.27 the period beginning one year before the date of the investment by the Douglas J. Johnson
5.28 economic protection trust fund; and

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

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

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

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

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

6.7 Appropriations by Fund			
6.8	General	\$43,363,000	\$38,424,000
6.9	Remediation	\$700,000	\$700,000
6.10	Workforce		
6.11	Development	\$1,861,000	\$1,811,000
6.12	Special Revenue	\$150,000	-0-

6.13 (a) \$4,195,000 each year is for the Minnesota
6.14 job skills partnership program under
6.15 Minnesota Statutes, sections 116L.01 to
6.16 116L.17. If the appropriation for either year
6.17 is insufficient, the appropriation for the other
6.18 year is available. This appropriation is
6.19 available until spent.

6.20 (b) \$750,000 each year is for grants to the
6.21 Neighborhood Development Center for small
6.22 business programs:

6.23 (1) training, lending, and business services;

6.24 (2) model outreach and training in greater
6.25 Minnesota; and

6.26 (3) development of new business incubators.

6.27 This is a onetime appropriation.

6.28 (c) \$1,175,000 each year is for a grant to the
6.29 Metropolitan Economic Development
6.30 Association (MEDA) for statewide business
6.31 development and assistance services, including
6.32 services to entrepreneurs with businesses that
6.33 have the potential to create job opportunities

7.1 for unemployed and underemployed people,
7.2 with an emphasis on minority-owned
7.3 businesses. This is a onetime appropriation.

7.4 (d) \$125,000 each year is for a grant to the
7.5 White Earth Nation for the White Earth Nation
7.6 Integrated Business Development System to
7.7 provide business assistance with workforce
7.8 development, outreach, technical assistance,
7.9 infrastructure and operational support,
7.10 financing, and other business development
7.11 activities. This is a onetime appropriation.

7.12 (e)(1) ~~\$12,500,000 each~~ the first year is and
7.13 \$10,500,000 the second year are for the
7.14 Minnesota investment fund under Minnesota
7.15 Statutes, section 116J.8731. Of this amount,
7.16 the commissioner of employment and
7.17 economic development may use up to three
7.18 percent for administration and monitoring of
7.19 the program. This appropriation is available
7.20 until spent. In fiscal year 2020 and beyond,
7.21 the base amount is \$12,500,000.

7.22 (2) Of the amount appropriated in fiscal year
7.23 2018, \$4,000,000 is for a loan to construct and
7.24 equip a wholesale electronic component
7.25 distribution center investing a minimum of
7.26 \$200,000,000 and constructing a facility at
7.27 least 700,000 square feet in size. Loan funds
7.28 may be used for purchases of materials,
7.29 supplies, and equipment for the construction
7.30 of the facility and are available from July 1,
7.31 2017, to June 30, 2021. The commissioner of
7.32 employment and economic development shall
7.33 forgive the loan after verification that the
7.34 project has satisfied performance goals and

8.1 contractual obligations as required under
8.2 Minnesota Statutes, section 116J.8731.

8.3 (3) Of the amount appropriated in fiscal year
8.4 2018, \$700,000 is for a loan to extend an
8.5 effluent pipe that will deliver reclaimed water
8.6 to an innovative waste-to-biofuel project
8.7 investing a minimum of \$150,000,000 and
8.8 constructing a facility that is designed to
8.9 process approximately 400,000 tons of waste
8.10 annually. Loan funds are available until June
8.11 30, 2021.

8.12 (4) Of the amount appropriated in fiscal year
8.13 2019, \$1,000,000 is for a grant to the city of
8.14 Minnetonka for a forgivable loan to a
8.15 high-risk, high-return jobs retention and
8.16 creation initiative to be conducted by a local
8.17 business that produces lactic acid/lactate, to
8.18 help grow and expand the bioeconomy in
8.19 Minnesota. The grant under this section is not
8.20 subject to the limitations under Minnesota
8.21 Statutes, section 116J.8731, subdivision 5, or
8.22 the performance goals, contractual obligations,
8.23 and other requirements under sections
8.24 116J.8731, subdivision 7, 116J.993, and
8.25 116J.994. Grant funds are available until June
8.26 30, 2021.

8.27 (5) Of the amount appropriated in fiscal year
8.28 2019, \$1,500,000 is for a loan to a paper mill
8.29 in Duluth to support the operation and
8.30 manufacture of packaging paper grades. The
8.31 company that owns the paper mill must spend
8.32 \$15,000,000 on expansion activities by
8.33 December 31, 2019, in order to be eligible to
8.34 receive funds in this appropriation. This
8.35 appropriation is onetime and may be used for

9.1 the mill's equipment, materials, supplies, and
9.2 other operating expenses. The commissioner
9.3 of employment and economic development
9.4 shall forgive a portion of the loan each year
9.5 after verification that the mill has retained 195
9.6 full-time jobs over a period of five years and
9.7 has satisfied other performance goals and
9.8 contractual obligations as required under
9.9 Minnesota Statutes, section 116J.8731.

9.10 (f) \$8,500,000 each year is for the Minnesota
9.11 job creation fund under Minnesota Statutes,
9.12 section 116J.8748. Of this amount, the
9.13 commissioner of employment and economic
9.14 development may use up to three percent for
9.15 administrative expenses. This appropriation
9.16 is available until expended. In fiscal year 2020
9.17 and beyond, the base amount is \$8,000,000.

9.18 (g) \$1,647,000 each year is for contaminated
9.19 site cleanup and development grants under
9.20 Minnesota Statutes, sections 116J.551 to
9.21 116J.558. This appropriation is available until
9.22 spent. In fiscal year 2020 and beyond, the base
9.23 amount is \$1,772,000.

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

9.26 (i) \$163,000 each year is for the Minnesota
9.27 Film and TV Board. The appropriation in each
9.28 year is available only upon receipt by the
9.29 board of \$1 in matching contributions of
9.30 money or in-kind contributions from nonstate
9.31 sources for every \$3 provided by this
9.32 appropriation, except that each year up to
9.33 \$50,000 is available on July 1 even if the
9.34 required matching contribution has not been
9.35 received by that date.

- 10.1 (j) \$500,000 each year is from the general fund
10.2 for a grant to the Minnesota Film and TV
10.3 Board for the film production jobs program
10.4 under Minnesota Statutes, section 116U.26.
10.5 This appropriation is available until June 30,
10.6 2021.
- 10.7 (k) \$139,000 each year is for a grant to the
10.8 Rural Policy and Development Center under
10.9 Minnesota Statutes, section 116J.421.
- 10.10 (l)(1) \$1,300,000 each year is for the greater
10.11 Minnesota business development public
10.12 infrastructure grant program under Minnesota
10.13 Statutes, section 116J.431. This appropriation
10.14 is available until spent. If the appropriation
10.15 for either year is insufficient, the appropriation
10.16 for the other year is available. In fiscal year
10.17 2020 and beyond, the base amount is
10.18 \$1,787,000. Funds available under this
10.19 paragraph may be used for site preparation of
10.20 property owned and to be used by private
10.21 entities.
- 10.22 (2) Of the amounts appropriated, \$1,600,000
10.23 in fiscal year 2018 is for a grant to the city of
10.24 Thief River Falls to support utility extensions,
10.25 roads, and other public improvements related
10.26 to the construction of a wholesale electronic
10.27 component distribution center at least 700,000
10.28 square feet in size and investing a minimum
10.29 of \$200,000,000. Notwithstanding Minnesota
10.30 Statutes, section 116J.431, a local match is
10.31 not required. Grant funds are available from
10.32 July 1, 2017, to June 30, 2021.
- 10.33 (m) \$876,000 the first year and \$500,000 the
10.34 second year are for the Minnesota emerging
10.35 entrepreneur loan program under Minnesota

11.1 Statutes, section 116M.18. Funds available
11.2 under this paragraph are for transfer into the
11.3 emerging entrepreneur program special
11.4 revenue fund account created under Minnesota
11.5 Statutes, chapter 116M, and are available until
11.6 spent. Of this amount, up to four percent is for
11.7 administration and monitoring of the program.
11.8 In fiscal year 2020 and beyond, the base
11.9 amount is \$1,000,000.

11.10 (n) \$875,000 each year is for a grant to
11.11 Enterprise Minnesota, Inc. for the small
11.12 business growth acceleration program under
11.13 Minnesota Statutes, section 116O.115. This
11.14 is a onetime appropriation.

11.15 (o) \$250,000 in fiscal year 2018 is for a grant
11.16 to the Minnesota Design Center at the
11.17 University of Minnesota for the greater
11.18 Minnesota community design pilot project.

11.19 (p) \$275,000 in fiscal year 2018 is from the
11.20 general fund to the commissioner of
11.21 employment and economic development for
11.22 a grant to Community and Economic
11.23 Development Associates (CEDA) for an
11.24 economic development study and analysis of
11.25 the effects of current and projected economic
11.26 growth in southeast Minnesota. CEDA shall
11.27 report on the findings and recommendations
11.28 of the study to the committees of the house of
11.29 representatives and senate with jurisdiction
11.30 over economic development and workforce
11.31 issues by February 15, 2019. All results and
11.32 information gathered from the study shall be
11.33 made available for use by cities in southeast
11.34 Minnesota by March 15, 2019. This
11.35 appropriation is available until June 30, 2020.

12.1 (q) \$2,000,000 in fiscal year 2018 is for a
12.2 grant to Pillsbury United Communities for
12.3 construction and renovation of a building in
12.4 north Minneapolis for use as the "North
12.5 Market" grocery store and wellness center,
12.6 focused on offering healthy food, increasing
12.7 health care access, and providing job creation
12.8 and economic opportunities in one place for
12.9 children and families living in the area. To the
12.10 extent possible, Pillsbury United Communities
12.11 shall employ individuals who reside within a
12.12 five mile radius of the grocery store and
12.13 wellness center. This appropriation is not
12.14 available until at least an equal amount of
12.15 money is committed from nonstate sources.
12.16 This appropriation is available until the project
12.17 is completed or abandoned, subject to
12.18 Minnesota Statutes, section 16A.642.

12.19 (r) \$1,425,000 each year is for the business
12.20 development competitive grant program. Of
12.21 this amount, up to five percent is for
12.22 administration and monitoring of the business
12.23 development competitive grant program. All
12.24 grant awards shall be for two consecutive
12.25 years. Grants shall be awarded in the first year.

12.26 (s) \$875,000 each year is for the host
12.27 community economic development grant
12.28 program established in Minnesota Statutes,
12.29 section 116J.548.

12.30 (t) \$700,000 each year is from the remediation
12.31 fund for contaminated site cleanup and
12.32 development grants under Minnesota Statutes,
12.33 sections 116J.551 to 116J.558. This
12.34 appropriation is available until spent.

- 13.1 (u) \$161,000 each year is from the workforce
13.2 development fund for a grant to the Rural
13.3 Policy and Development Center. This is a
13.4 onetime appropriation.
- 13.5 (v) \$300,000 each year is from the workforce
13.6 development fund for a grant to Enterprise
13.7 Minnesota, Inc. This is a onetime
13.8 appropriation.
- 13.9 (w) \$50,000 in fiscal year 2018 is from the
13.10 workforce development fund for a grant to
13.11 Fighting Chance for behavioral intervention
13.12 programs for at-risk youth.
- 13.13 (x) \$1,350,000 each year is from the
13.14 workforce development fund for job training
13.15 grants under Minnesota Statutes, section
13.16 116L.42.
- 13.17 (y)(1) \$519,000 in fiscal year 2018 is for
13.18 grants to local communities to increase the
13.19 supply of quality child care providers in order
13.20 to support economic development. At least 60
13.21 percent of grant funds must go to communities
13.22 located outside of the seven-county
13.23 metropolitan area, as defined under Minnesota
13.24 Statutes, section 473.121, subdivision 2. Grant
13.25 recipients must obtain a 50 percent nonstate
13.26 match to grant funds in either cash or in-kind
13.27 contributions. Grant funds available under this
13.28 paragraph must be used to implement solutions
13.29 to reduce the child care shortage in the state
13.30 including but not limited to funding for child
13.31 care business start-ups or expansions, training,
13.32 facility modifications or improvements
13.33 required for licensing, and assistance with
13.34 licensing and other regulatory requirements.
13.35 In awarding grants, the commissioner must

14.1 give priority to communities that have
14.2 documented a shortage of child care providers
14.3 in the area.

14.4 (2) Within one year of receiving grant funds,
14.5 grant recipients must report to the
14.6 commissioner on the outcomes of the grant
14.7 program including but not limited to the
14.8 number of new providers, the number of
14.9 additional child care provider jobs created, the
14.10 number of additional child care slots, and the
14.11 amount of local funds invested.

14.12 (3) By January 1 of each year, starting in 2019,
14.13 the commissioner must report to the standing
14.14 committees of the legislature having
14.15 jurisdiction over child care and economic
14.16 development on the outcomes of the program
14.17 to date.

14.18 (z) \$319,000 in fiscal year 2018 is from the
14.19 general fund for a grant to the East Phillips
14.20 Improvement Coalition to create the East
14.21 Phillips Neighborhood Institute (EPNI) to
14.22 expand culturally tailored resources that
14.23 address small business growth and create
14.24 green jobs. The grant shall fund the
14.25 collaborative work of Tamales y Bicicletas,
14.26 Little Earth of the United Tribes, a nonprofit
14.27 serving East Africans, and other coalition
14.28 members towards developing EPNI as a
14.29 community space to host activities including,
14.30 but not limited to, creation and expansion of
14.31 small businesses, culturally specific
14.32 entrepreneurial activities, indoor urban
14.33 farming, job training, education, and skills
14.34 development for residents of this low-income,
14.35 environmental justice designated

15.1 neighborhood. Eligible uses for grant funds
15.2 include, but are not limited to, planning and
15.3 start-up costs, staff and consultant costs,
15.4 building improvements, rent, supplies, utilities,
15.5 vehicles, marketing, and program activities.
15.6 The commissioner shall submit a report on
15.7 grant activities and quantifiable outcomes to
15.8 the committees of the house of representatives
15.9 and the senate with jurisdiction over economic
15.10 development by December 15, 2020. This
15.11 appropriation is available until June 30, 2020.

15.12 (aa) \$150,000 the first year is from the
15.13 renewable development account in the special
15.14 revenue fund established in Minnesota
15.15 Statutes, section 116C.779, subdivision 1, to
15.16 conduct the biomass facility closure economic
15.17 impact study.

15.18 (bb)(1)\$300,000 in fiscal year 2018 is for a
15.19 grant to East Side Enterprise Center (ESEC)
15.20 to expand culturally tailored resources that
15.21 address small business growth and job
15.22 creation. This appropriation is available until
15.23 June 30, 2020. The appropriation shall fund
15.24 the work of African Economic Development
15.25 Solutions, the Asian Economic Development
15.26 Association, the Dayton's Bluff Community
15.27 Council, and the Latino Economic
15.28 Development Center in a collaborative
15.29 approach to economic development that is
15.30 effective with smaller, culturally diverse
15.31 communities that seek to increase the
15.32 productivity and success of new immigrant
15.33 and minority populations living and working
15.34 in the community. Programs shall provide
15.35 minority business growth and capacity

16.1 building that generate wealth and jobs creation
16.2 for local residents and business owners on the
16.3 East Side of St. Paul.

16.4 (2) In fiscal year 2019 ESEC shall use funds
16.5 to share its integrated service model and
16.6 evolving collaboration principles with civic
16.7 and economic development leaders in greater
16.8 Minnesota communities which have diverse
16.9 populations similar to the East Side of St. Paul.
16.10 ESEC shall submit a report of activities and
16.11 program outcomes, including quantifiable
16.12 measures of success annually to the house of
16.13 representatives and senate committees with
16.14 jurisdiction over economic development.

16.15 (cc) \$150,000 in fiscal year 2018 is for a grant
16.16 to Mille Lacs County for the purpose of
16.17 reimbursement grants to small resort
16.18 businesses located in the city of Isle with less
16.19 than \$350,000 in annual revenue, at least four
16.20 rental units, which are open during both
16.21 summer and winter months, and whose
16.22 business was adversely impacted by a decline
16.23 in walleye fishing on Lake Mille Lacs.

16.24 (dd)(1) \$250,000 in fiscal year 2018 is for a
16.25 grant to the Small Business Development
16.26 Center hosted at Minnesota State University,
16.27 Mankato, for a collaborative initiative with
16.28 the Regional Center for Entrepreneurial
16.29 Facilitation. Funds available under this section
16.30 must be used to provide entrepreneur and
16.31 small business development direct professional
16.32 business assistance services in the following
16.33 counties in Minnesota: Blue Earth, Brown,
16.34 Faribault, Le Sueur, Martin, Nicollet, Sibley,
16.35 Watonwan, and Waseca. For the purposes of

17.1 this section, "direct professional business
 17.2 assistance services" must include, but is not
 17.3 limited to, pre-venture assistance for
 17.4 individuals considering starting a business.
 17.5 This appropriation is not available until the
 17.6 commissioner determines that an equal amount
 17.7 is committed from nonstate sources. Any
 17.8 balance in the first year does not cancel and
 17.9 is available for expenditure in the second year.

17.10 (2) Grant recipients shall report to the
 17.11 commissioner by February 1 of each year and
 17.12 include information on the number of
 17.13 customers served in each county; the number
 17.14 of businesses started, stabilized, or expanded;
 17.15 the number of jobs created and retained; and
 17.16 business success rates in each county. By April
 17.17 1 of each year, the commissioner shall report
 17.18 the information submitted by grant recipients
 17.19 to the chairs of the standing committees of the
 17.20 house of representatives and the senate having
 17.21 jurisdiction over economic development
 17.22 issues.

17.23 (ee) \$500,000 in fiscal year 2018 is for the
 17.24 central Minnesota opportunity grant program
 17.25 established under Minnesota Statutes, section
 17.26 116J.9922. This appropriation is available until
 17.27 June 30, 2022.

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

17.29	Subd. 3. Workforce Development	\$	31,498,000	\$	30,231,000
17.30	Appropriations by Fund				
17.31	General	\$6,239,000	\$5,889,000		
17.32	Workforce				
17.33	Development	\$25,259,000	\$24,342,000		

- 18.1 (a) \$500,000 each year is for the
18.2 youth-at-work competitive grant program
18.3 under Minnesota Statutes, section 116L.562.
18.4 Of this amount, up to five percent is for
18.5 administration and monitoring of the youth
18.6 workforce development competitive grant
18.7 program. All grant awards shall be for two
18.8 consecutive years. Grants shall be awarded in
18.9 the first year. In fiscal year 2020 and beyond,
18.10 the base amount is \$750,000.
- 18.11 (b) \$250,000 each year is for pilot programs
18.12 in the workforce service areas to combine
18.13 career and higher education advising.
- 18.14 (c) \$500,000 each year is for rural career
18.15 counseling coordinator positions in the
18.16 workforce service areas and for the purposes
18.17 specified in Minnesota Statutes, section
18.18 116L.667. The commissioner of employment
18.19 and economic development, in consultation
18.20 with local workforce investment boards and
18.21 local elected officials in each of the service
18.22 areas receiving funds, shall develop a method
18.23 of distributing funds to provide equitable
18.24 services across workforce service areas.
- 18.25 (d) \$1,000,000 each year is for a grant to the
18.26 Construction Careers Foundation for the
18.27 construction career pathway initiative to
18.28 provide year-round educational and
18.29 experiential learning opportunities for teens
18.30 and young adults under the age of 21 that lead
18.31 to careers in the construction industry. This is
18.32 a onetime appropriation. Grant funds must be
18.33 used to:
- 18.34 (1) increase construction industry exposure
18.35 activities for middle school and high school

19.1 youth, parents, and counselors to reach a more
19.2 diverse demographic and broader statewide
19.3 audience. This requirement includes, but is
19.4 not limited to, an expansion of programs to
19.5 provide experience in different crafts to youth
19.6 and young adults throughout the state;

19.7 (2) increase the number of high schools in
19.8 Minnesota offering construction classes during
19.9 the academic year that utilize a multicraft
19.10 curriculum;

19.11 (3) increase the number of summer internship
19.12 opportunities;

19.13 (4) enhance activities to support graduating
19.14 seniors in their efforts to obtain employment
19.15 in the construction industry;

19.16 (5) increase the number of young adults
19.17 employed in the construction industry and
19.18 ensure that they reflect Minnesota's diverse
19.19 workforce; and

19.20 (6) enhance an industrywide marketing
19.21 campaign targeted to youth and young adults
19.22 about the depth and breadth of careers within
19.23 the construction industry.

19.24 Programs and services supported by grant
19.25 funds must give priority to individuals and
19.26 groups that are economically disadvantaged
19.27 or historically underrepresented in the
19.28 construction industry, including but not limited
19.29 to women, veterans, and members of minority
19.30 and immigrant groups.

19.31 (e) \$1,539,000 each year from the general fund
19.32 and \$4,604,000 each year from the workforce
19.33 development fund are for the Pathways to
19.34 Prosperity adult workforce development

20.1 competitive grant program. Of this amount,
20.2 up to four percent is for administration and
20.3 monitoring of the program. When awarding
20.4 grants under this paragraph, the commissioner
20.5 of employment and economic development
20.6 may give preference to any previous grantee
20.7 with demonstrated success in job training and
20.8 placement for hard-to-train individuals. In
20.9 fiscal year 2020 and beyond, the general fund
20.10 base amount for this program is \$4,039,000.

20.11 (f) \$750,000 each year is for a competitive
20.12 grant program to provide grants to
20.13 organizations that provide support services for
20.14 individuals, such as job training, employment
20.15 preparation, internships, job assistance to
20.16 fathers, financial literacy, academic and
20.17 behavioral interventions for low-performing
20.18 students, and youth intervention. Grants made
20.19 under this section must focus on low-income
20.20 communities, young adults from families with
20.21 a history of intergenerational poverty, and
20.22 communities of color. Of this amount, up to
20.23 four percent is for administration and
20.24 monitoring of the program. In fiscal year 2020
20.25 and beyond, the base amount is \$1,000,000.

20.26 (g) \$500,000 each year is for the women and
20.27 high-wage, high-demand, nontraditional jobs
20.28 grant program under Minnesota Statutes,
20.29 section 116L.99. Of this amount, up to five
20.30 percent is for administration and monitoring
20.31 of the program. In fiscal year 2020 and
20.32 beyond, the base amount is \$750,000.

20.33 (h) \$500,000 each year is for a competitive
20.34 grant program for grants to organizations
20.35 providing services to relieve economic

21.1 disparities in the Southeast Asian community
21.2 through workforce recruitment, development,
21.3 job creation, assistance of smaller
21.4 organizations to increase capacity, and
21.5 outreach. Of this amount, up to five percent
21.6 is for administration and monitoring of the
21.7 program. In fiscal year 2020 and beyond, the
21.8 base amount is \$1,000,000.

21.9 (i) \$250,000 each year is for a grant to the
21.10 American Indian Opportunities and
21.11 Industrialization Center, in collaboration with
21.12 the Northwest Indian Community
21.13 Development Center, to reduce academic
21.14 disparities for American Indian students and
21.15 adults. This is a onetime appropriation. The
21.16 grant funds may be used to provide:

21.17 (1) student tutoring and testing support
21.18 services;

21.19 (2) training in information technology;

21.20 (3) assistance in obtaining a GED;

21.21 (4) remedial training leading to enrollment in
21.22 a postsecondary higher education institution;

21.23 (5) real-time work experience in information
21.24 technology fields; and

21.25 (6) contextualized adult basic education.

21.26 After notification to the legislature, the
21.27 commissioner may transfer this appropriation
21.28 to the commissioner of education.

21.29 (j) \$100,000 each year is for the getting to
21.30 work grant program. This is a onetime
21.31 appropriation and is available until June 30,
21.32 2021.

- 22.1 (k) \$525,000 each year is from the workforce
22.2 development fund for a grant to the YWCA
22.3 of Minneapolis to provide economically
22.4 challenged individuals the job skills training,
22.5 career counseling, and job placement
22.6 assistance necessary to secure a child
22.7 development associate credential and to have
22.8 a career path in early childhood education.
22.9 This is a onetime appropriation.
- 22.10 (l) \$1,350,000 each year is from the workforce
22.11 development fund for a grant to the Minnesota
22.12 High Tech Association to support
22.13 SciTechsperience, a program that supports
22.14 science, technology, engineering, and math
22.15 (STEM) internship opportunities for two- and
22.16 four-year college students and graduate
22.17 students in their field of study. The internship
22.18 opportunities must match students with paid
22.19 internships within STEM disciplines at small,
22.20 for-profit companies located in Minnesota,
22.21 having fewer than 250 employees worldwide.
22.22 At least 300 students must be matched in the
22.23 first year and at least 350 students must be
22.24 matched in the second year. No more than 15
22.25 percent of the hires may be graduate students.
22.26 Selected hiring companies shall receive from
22.27 the grant 50 percent of the wages paid to the
22.28 intern, capped at \$2,500 per intern. The
22.29 program must work toward increasing the
22.30 participation of women or other underserved
22.31 populations. This is a onetime appropriation.
- 22.32 (m) \$450,000 each year is from the workforce
22.33 development fund for grants to Minnesota
22.34 Diversified Industries, Inc. to provide
22.35 progressive development and employment

23.1 opportunities for people with disabilities. This
23.2 is a onetime appropriation.

23.3 (n) \$500,000 each year is from the workforce
23.4 development fund for a grant to Resource, Inc.
23.5 to provide low-income individuals career
23.6 education and job skills training that are fully
23.7 integrated with chemical and mental health
23.8 services. This is a onetime appropriation.

23.9 (o) \$750,000 each year is from the workforce
23.10 development fund for a grant to the Minnesota
23.11 Alliance of Boys and Girls Clubs to administer
23.12 a statewide project of youth job skills and
23.13 career development. This project, which may
23.14 have career guidance components including
23.15 health and life skills, is designed to encourage,
23.16 train, and assist youth in early access to
23.17 education and job-seeking skills, work-based
23.18 learning experience including career pathways
23.19 in STEM learning, career exploration and
23.20 matching, and first job placement through
23.21 local community partnerships and on-site job
23.22 opportunities. This grant requires a 25 percent
23.23 match from nonstate resources. This is a
23.24 onetime appropriation.

23.25 (p) \$215,000 each year is from the workforce
23.26 development fund for grants to Big Brothers,
23.27 Big Sisters of the Greater Twin Cities for
23.28 workforce readiness, employment exploration,
23.29 and skills development for youth ages 12 to
23.30 21. The grant must serve youth in the Twin
23.31 Cities, Central Minnesota, and Southern
23.32 Minnesota Big Brothers, Big Sisters chapters.
23.33 This is a onetime appropriation.

23.34 (q) \$250,000 each year is from the workforce
23.35 development fund for a grant to YWCA St.

24.1 Paul to provide job training services and
24.2 workforce development programs and
24.3 services, including job skills training and
24.4 counseling. This is a onetime appropriation.

24.5 (r) \$1,000,000 each year is from the workforce
24.6 development fund for a grant to EMERGE
24.7 Community Development, in collaboration
24.8 with community partners, for services
24.9 targeting Minnesota communities with the
24.10 highest concentrations of African and
24.11 African-American joblessness, based on the
24.12 most recent census tract data, to provide
24.13 employment readiness training, credentialed
24.14 training placement, job placement and
24.15 retention services, supportive services for
24.16 hard-to-employ individuals, and a general
24.17 education development fast track and adult
24.18 diploma program. This is a onetime
24.19 appropriation.

24.20 (s) \$1,000,000 each year is from the workforce
24.21 development fund for a grant to the
24.22 Minneapolis Foundation for a strategic
24.23 intervention program designed to target and
24.24 connect program participants to meaningful,
24.25 sustainable living-wage employment. This is
24.26 a onetime appropriation.

24.27 (t) \$750,000 each year is from the workforce
24.28 development fund for a grant to Latino
24.29 Communities United in Service (CLUES) to
24.30 expand culturally tailored programs that
24.31 address employment and education skill gaps
24.32 for working parents and underserved youth by
24.33 providing new job skills training to stimulate
24.34 higher wages for low-income people, family
24.35 support systems designed to reduce

- 25.1 intergenerational poverty, and youth
- 25.2 programming to promote educational
- 25.3 advancement and career pathways. At least
- 25.4 50 percent of this amount must be used for
- 25.5 programming targeted at greater Minnesota.
- 25.6 This is a onetime appropriation.
- 25.7 (u) \$600,000 each year is from the workforce
- 25.8 development fund for a grant to Ujamaa Place
- 25.9 for job training, employment preparation,
- 25.10 internships, education, training in the
- 25.11 construction trades, housing, and
- 25.12 organizational capacity building. This is a
- 25.13 onetime appropriation.
- 25.14 (v) \$1,297,000 in the first year and \$800,000
- 25.15 in the second year are from the workforce
- 25.16 development fund for performance grants
- 25.17 under Minnesota Statutes, section 116J.8747,
- 25.18 to Twin Cities R!SE to provide training to
- 25.19 hard-to-train individuals. Of the amounts
- 25.20 appropriated, \$497,000 in fiscal year 2018 is
- 25.21 for a grant to Twin Cities R!SE, in
- 25.22 collaboration with Metro Transit and Hennepin
- 25.23 Technical College for the Metro Transit
- 25.24 technician training program. This is a onetime
- 25.25 appropriation and funds are available until
- 25.26 June 30, 2020.
- 25.27 (w) \$230,000 in fiscal year 2018 is from the
- 25.28 workforce development fund for a grant to the
- 25.29 Bois Forte Tribal Employment Rights Office
- 25.30 (TERO) for an American Indian workforce
- 25.31 development training pilot project. This is a
- 25.32 onetime appropriation and is available until
- 25.33 June 30, 2019. Funds appropriated the first
- 25.34 year are available for use in the second year
- 25.35 of the biennium.

26.1 (x) \$40,000 in fiscal year 2018 is from the
26.2 workforce development fund for a grant to the
26.3 Cook County Higher Education Board to
26.4 provide educational programming and
26.5 academic support services to remote regions
26.6 in northeastern Minnesota. This appropriation
26.7 is in addition to other funds previously
26.8 appropriated to the board.

26.9 (y) \$250,000 each year is from the workforce
26.10 development fund for a grant to Bridges to
26.11 Healthcare to provide career education,
26.12 wraparound support services, and job skills
26.13 training in high-demand health care fields to
26.14 low-income parents, nonnative speakers of
26.15 English, and other hard-to-train individuals,
26.16 helping families build secure pathways out of
26.17 poverty while also addressing worker
26.18 shortages in one of Minnesota's most
26.19 innovative industries. Funds may be used for
26.20 program expenses, including, but not limited
26.21 to, hiring instructors and navigators; space
26.22 rental; and supportive services to help
26.23 participants attend classes, including assistance
26.24 with course fees, child care, transportation,
26.25 and safe and stable housing. In addition, up to
26.26 five percent of grant funds may be used for
26.27 Bridges to Healthcare's administrative costs.
26.28 This is a onetime appropriation and is
26.29 available until June 30, 2020.

26.30 (z) \$500,000 each year is from the workforce
26.31 development fund for a grant to the Nonprofits
26.32 Assistance Fund to provide capacity-building
26.33 grants to small, culturally specific
26.34 organizations that primarily serve historically
26.35 underserved cultural communities. Grants may

27.1 only be awarded to nonprofit organizations
27.2 that have an annual organizational budget of
27.3 less than \$500,000 and are culturally specific
27.4 organizations that primarily serve historically
27.5 underserved cultural communities. Grant funds
27.6 awarded must be used for:

27.7 (1) organizational infrastructure improvement,
27.8 including developing database management
27.9 systems and financial systems, or other
27.10 administrative needs that increase the
27.11 organization's ability to access new funding
27.12 sources;

27.13 (2) organizational workforce development,
27.14 including hiring culturally competent staff,
27.15 training and skills development, and other
27.16 methods of increasing staff capacity; or

27.17 (3) creation or expansion of partnerships with
27.18 existing organizations that have specialized
27.19 expertise in order to increase the capacity of
27.20 the grantee organization to improve services
27.21 for the community. Of this amount, up to five
27.22 percent may be used by the Nonprofits
27.23 Assistance Fund for administration costs and
27.24 providing technical assistance to potential
27.25 grantees. This is a onetime appropriation.

27.26 (aa) \$4,050,000 each year is from the
27.27 workforce development fund for the
27.28 Minnesota youth program under Minnesota
27.29 Statutes, sections 116L.56 and 116L.561.

27.30 (bb) \$1,000,000 each year is from the
27.31 workforce development fund for the
27.32 youthbuild program under Minnesota Statutes,
27.33 sections 116L.361 to 116L.366.

28.1 (cc) \$3,348,000 each year is from the
28.2 workforce development fund for the "Youth
28.3 at Work" youth workforce development
28.4 competitive grant program. Of this amount,
28.5 up to five percent is for administration and
28.6 monitoring of the youth workforce
28.7 development competitive grant program. All
28.8 grant awards shall be for two consecutive
28.9 years. Grants shall be awarded in the first year.

28.10 (dd) \$500,000 each year is from the workforce
28.11 development fund for the Opportunities
28.12 Industrialization Center programs.

28.13 (ee) \$750,000 each year is from the workforce
28.14 development fund for a grant to Summit
28.15 Academy OIC to expand its contextualized
28.16 GED and employment placement program.
28.17 This is a onetime appropriation.

28.18 (ff) \$500,000 each year is from the workforce
28.19 development fund for a grant to
28.20 Goodwill-Easter Seals Minnesota and its
28.21 partners. The grant shall be used to continue
28.22 the FATHER Project in Rochester, Park
28.23 Rapids, St. Cloud, Minneapolis, and the
28.24 surrounding areas to assist fathers in
28.25 overcoming barriers that prevent fathers from
28.26 supporting their children economically and
28.27 emotionally. This is a onetime appropriation.

28.28 (gg) \$150,000 each year is from the workforce
28.29 development fund for displaced homemaker
28.30 programs under Minnesota Statutes, section
28.31 116L.96. The commissioner shall distribute
28.32 the funds to existing nonprofit and state
28.33 displaced homemaker programs. This is a
28.34 onetime appropriation.

29.1 (hh)(1) \$150,000 in fiscal year 2018 is from
29.2 the workforce development fund for a grant
29.3 to Anoka County to develop and implement
29.4 a pilot program to increase competitive
29.5 employment opportunities for transition-age
29.6 youth ages 18 to 21.

29.7 (2) The competitive employment for
29.8 transition-age youth pilot program shall
29.9 include career guidance components, including
29.10 health and life skills, to encourage, train, and
29.11 assist transition-age youth in job-seeking
29.12 skills, workplace orientation, and job site
29.13 knowledge.

29.14 (3) In operating the pilot program, Anoka
29.15 County shall collaborate with schools,
29.16 disability providers, jobs and training
29.17 organizations, vocational rehabilitation
29.18 providers, and employers to build upon
29.19 opportunities and services, to prepare
29.20 transition-age youth for competitive
29.21 employment, and to enhance employer
29.22 connections that lead to employment for the
29.23 individuals served.

29.24 (4) Grant funds may be used to create an
29.25 on-the-job training incentive to encourage
29.26 employers to hire and train qualifying
29.27 individuals. A participating employer may
29.28 receive up to 50 percent of the wages paid to
29.29 the employee as a cost reimbursement for
29.30 on-the-job training provided.

29.31 (ii) \$500,000 each year is from the workforce
29.32 development fund for rural career counseling
29.33 coordinator positions in the workforce service
29.34 areas and for the purposes specified in
29.35 Minnesota Statutes, section 116L.667. The

30.1 commissioner of employment and economic
 30.2 development, in consultation with local
 30.3 workforce investment boards and local elected
 30.4 officials in each of the service areas receiving
 30.5 funds, shall develop a method of distributing
 30.6 funds to provide equitable services across
 30.7 workforce service areas.

30.8 (jj) In calendar year 2017, the public utility
 30.9 subject to Minnesota Statutes, section
 30.10 116C.779, must withhold \$1,000,000 from the
 30.11 funds required to fulfill its financial
 30.12 commitments under Minnesota Statutes,
 30.13 section 116C.779, subdivision 1, and pay such
 30.14 amounts to the commissioner of employment
 30.15 and economic development for deposit in the
 30.16 Minnesota 21st century fund under Minnesota
 30.17 Statutes, section 116J.423.

30.18 (kk) \$350,000 in fiscal year 2018 is for a grant
 30.19 to AccessAbility Incorporated to provide job
 30.20 skills training to individuals who have been
 30.21 released from incarceration for a felony-level
 30.22 offense and are no more than 12 months from
 30.23 the date of release. AccessAbility Incorporated
 30.24 shall annually report to the commissioner on
 30.25 how the money was spent and the results
 30.26 achieved. The report must include, at a
 30.27 minimum, information and data about the
 30.28 number of participants; participant
 30.29 homelessness, employment, recidivism, and
 30.30 child support compliance; and training
 30.31 provided to program participants.

30.32 Sec. 6. Laws 2017, chapter 94, article 1, section 9, is amended to read:

30.33 **Sec. 9. PUBLIC FACILITIES AUTHORITY \$ 1,800,000 \$ -0-**

31.1 (a) \$300,000 in fiscal year 2018 is for a grant
31.2 to the city of New Trier to replace water
31.3 infrastructure under Hogan Avenue, including
31.4 related road reconstruction, and to acquire land
31.5 for predesign, design, and construction of a
31.6 storm water pond that will be colocated with
31.7 the pond of the new subdivision. This
31.8 appropriation does not require a nonstate
31.9 contribution.

31.10 (b) \$600,000 in fiscal year 2018 is for a grant
31.11 to the Ramsey/Washington Recycling and
31.12 Energy Board to design, construct, and equip
31.13 capital improvements to the
31.14 Ramsey/Washington Recycling and Energy
31.15 Center in Newport.

31.16 (c) \$900,000 in fiscal year 2018 is for a grant
31.17 to the Clear Lake-Clearwater Sewer Authority
31.18 to remove and replace the existing wastewater
31.19 treatment facility. This project is intended to
31.20 prevent the discharge of phosphorus into the
31.21 Mississippi River. This appropriation is not
31.22 available until the commissioner of
31.23 management and budget determines that at
31.24 least \$200,000 is committed to the project
31.25 from nonstate sources and the authority has
31.26 applied for at least two grants to offset the
31.27 cost. An amount equal to any grant money
31.28 received by the authority must be returned to
31.29 the general fund. This appropriation is
31.30 available until June 30, 2019.

31.31 **ARTICLE 3**

31.32 **LABOR AND INDUSTRY**

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

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

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

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

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

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

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

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

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

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

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

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

32.30 (b) **Leased space.** No agency of the state may lease space for agency operations in a
 32.31 non-state-owned building unless the building satisfies the requirements of the State Building
 32.32 Code for accessibility by persons with disabilities, or is eligible to display the state symbol

33.1 of accessibility. This limitation applies to leases of 30 days or more for space of at least
33.2 1,000 square feet.

33.3 (c) **Meetings or conferences.** Meetings or conferences for the public or for state
33.4 employees which are sponsored in whole or in part by a state agency must be held in
33.5 buildings that meet the State Building Code requirements relating to accessibility for persons
33.6 with disabilities. This subdivision does not apply to any classes, seminars, or training
33.7 programs offered by the Minnesota State Colleges and Universities or the University of
33.8 Minnesota. Meetings or conferences intended for specific individuals none of whom need
33.9 the accessibility features for persons with disabilities specified in the State Building Code
33.10 need not comply with this subdivision unless a person with a disability gives reasonable
33.11 advance notice of an intent to attend the meeting or conference. When sign language
33.12 interpreters will be provided, meetings or conference sites must be chosen which allow
33.13 participants who are deaf or hard-of-hearing to see the sign language interpreters clearly.

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

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

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

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

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

34.4 (c) The commissioner shall in a manner determined by the commissioner, without the
34.5 need for any rulemaking under chapter 14, phase in the renewal of residential contractor,
34.6 residential remodeler, and residential roofer licenses from one year to two years. By June
34.7 30, 2011, all renewed residential contractor, residential remodeler, and residential roofer
34.8 licenses shall be two-year licenses.

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

34.10 **327B.041 MANUFACTURED HOME INSTALLERS.**

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

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

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

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

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

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

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

34.30 (b) The commissioner may waive all or part of the requirements for licensure as a
34.31 manufactured home installer for any individual who holds an unexpired license or certificate
34.32 issued by any other state or other United States jurisdiction if the licensing requirements of

35.1 that jurisdiction meet or exceed the corresponding licensing requirements of the department
 35.2 and the individual complies with section 326B.092, subdivisions 1 and 3 to 7. ~~For the~~
 35.3 ~~purposes of calculating fees under section 326B.092, licensure as a manufactured home~~
 35.4 ~~installer is a business license.~~

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

35.6	Subd. 5. General Support	6,239,000	6,539,000
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35.7	Appropriations by Fund
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35.8	Workforce
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35.9	Development Fund	200,000	500,000
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35.10	Workers'
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35.11	Compensation	6,039,000	6,039,000
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35.12 (a) Except as provided in paragraphs (b) and
 35.13 (c), this appropriation is from the workers'
 35.14 compensation fund.

35.15 (b) \$200,000 in fiscal year 2018 is from the
 35.16 workforce development fund for the
 35.17 commissioner of labor and industry to convene
 35.18 and collaborate with stakeholders as provided
 35.19 under Minnesota Statutes, section 175.46,
 35.20 subdivision 3, and to develop youth skills
 35.21 training competencies for approved
 35.22 occupations. This is a onetime appropriation.

35.23 (c) \$500,000 in fiscal year 2019 is from the
 35.24 workforce development fund to administer the
 35.25 youth skills training program under Minnesota
 35.26 Statutes, section 175.46. The commissioner
 35.27 shall award up to five grants each year to local
 35.28 partnerships located throughout the state, not
 35.29 to exceed \$100,000 per local partnership grant.
 35.30 The commissioner may use ~~a portion~~ up to
 35.31 five percent of this appropriation for
 35.32 administration of the grant program. The base
 35.33 amount for this program is ~~\$500,000~~.
 35.34 \$1,000,000 each year beginning in fiscal year
 35.35 2020.

36.1 **ARTICLE 4**

36.2 **WORKERS' COMPENSATION**

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

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

36.6 Salaries of judges of the Workers' Compensation Court of Appeals are ~~98.52~~ 105 percent
36.7 of the salary for ~~district Court~~ workers' compensation judges at the Office of Administrative
36.8 Hearings. The salary of the chief judge of the Workers' Compensation Court of Appeals is
36.9 ~~98.52~~ 107 percent of the salary for a ~~chief district Court judge~~ workers' compensation judges
36.10 at the Office of Administrative Hearings. Salaries of compensation judges are 98.52 percent
36.11 of the salary of district court judges.

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

36.13 **175A.05 QUORUM.**

36.14 **Subdivision 1. Judges' quorum.** A majority of the judges of the Workers' Compensation
36.15 Court of Appeals shall constitute a quorum for the exercise of the powers conferred and the
36.16 duties imposed on the Workers' Compensation Court of Appeals except that all appeals
36.17 shall be heard by no more than a panel of three of the five judges unless the case appealed
36.18 is determined to be of exceptional importance by the chief judge prior to assignment of the
36.19 case to a panel, or by a three-fifths vote of the judges prior to assignment of the case to a
36.20 panel or after the case has been considered by the panel but prior to the service and filing
36.21 of the decision.

36.22 **Subd. 2. Vacancy.** A vacancy shall not impair the ability of the remaining judges of the
36.23 Workers' Compensation Court of Appeals to exercise all the powers and perform all of the
36.24 duties of the Workers' Compensation Court of Appeals.

36.25 **Subd. 3. Retired judges.** If the number of Workers' Compensation Court of Appeals
36.26 judges available to hear a case is insufficient to constitute a quorum, the chief judge of the
36.27 Workers' Compensation Court of Appeals may, with the retired judge's consent, assign a
36.28 judge who is retired from the Workers' Compensation Court of Appeals or the Office of
36.29 Administrative Hearings to hear any case properly assigned to a judge of the Workers'
36.30 Compensation Court of Appeals. The retired judge assigned to the case may act on it with
36.31 the full powers of the judge of the Workers' Compensation Court of Appeals. A retired
36.32 judge performing this service shall receive pay and expenses in the amount and manner

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

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

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

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

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

37.17 (c) The division may provide the worker identification number assigned under section
 37.18 176.275, subdivision 1, without a written authorization required under paragraph (b) to an:

37.19 (1) attorney who represents one of the persons described in paragraph (b);

37.20 (2) attorney who represents an intervenor or potential intervenor under section 176.361;

37.21 (3) intervenor; or

37.22 (4) employee's assigned qualified rehabilitation consultant under section 176.102.

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

37.24 Sec. 4. **[176.2751] COORDINATION OF THE OFFICE OF ADMINISTRATIVE**
 37.25 **HEARINGS' CASE MANAGEMENT SYSTEM AND THE WORKERS'**
 37.26 **COMPENSATION IMAGING SYSTEM.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

39.9 (1) the office;

39.10 (2) the department;

39.11 (3) the employer;

39.12 (4) the insurer;

39.13 (5) the employee;

39.14 (6) the dependent of a deceased employee;

39.15 (7) an intervenor in the dispute;

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

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

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

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

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

39.25 **ARTICLE 5**

39.26 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; POLICY**

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

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

40.1 ~~(1)~~ an employee's entire employment during the calendar quarter if:

40.2 ~~(i)~~ (1) 50 percent or more of the employment during the quarter is performed ~~primarily~~
40.3 in Minnesota;

40.4 ~~(ii)~~ (2) 50 percent or more of the employment during the quarter is not performed
40.5 ~~primarily~~ in Minnesota or any other state, or Canada, but some of the employment is
40.6 performed in Minnesota and the ~~base of operations or the place from which the employment~~
40.7 ~~is directed or controlled is in Minnesota; or~~

40.8 ~~(iii)~~ the employment during the quarter is not performed primarily in Minnesota or any
40.9 other state and the base of operations or place from which the employment is directed or
40.10 controlled is not in any state where part of the employment is performed, but the employee's
40.11 residence is in Minnesota during 50 percent or more of the calendar quarter;

40.12 ~~(2) an employee's entire employment during the calendar quarter performed within the~~
40.13 ~~United States or Canada, if:~~

40.14 ~~(i) the employment is not covered employment under the unemployment insurance~~
40.15 ~~program of any other state, federal law, or the law of Canada; and~~

40.16 ~~(ii) the place from which the employment is directed or controlled is in Minnesota;~~

40.17 (3) the employment during the ~~calendar~~ quarter, is performed entirely outside the United
40.18 States and Canada, by an employee who is a United States citizen in the employ of an
40.19 American employer, if the employer's principal place of business in the United States is
40.20 located in Minnesota. For the purposes of this clause, an "American employer," for the
40.21 ~~purposes of this clause, means a corporation organized under the laws of any state, an~~
40.22 ~~individual who is a resident of the United States, or a partnership if two-thirds or more of~~
40.23 ~~the partners are residents of the United States, or a trust, if all of the trustees are residents~~
40.24 ~~of the United States is as defined under the Federal Unemployment Tax Act, United States~~
40.25 ~~Code title 26, chapter 23, section 3306, subsection (j)(3); and~~

40.26 (4) ~~all~~ the employment during the ~~calendar~~ quarter is performed by an officer or member
40.27 of the crew of an American vessel ~~on or in connection with the vessel, if the operating on~~
40.28 navigable waters within, or within and without, the United States, and the office from which
40.29 ~~the operations of the vessel operating on navigable waters within, or within and without,~~
40.30 ~~the United States are ordinarily and regularly supervised, managed, directed, and controlled~~
40.31 ~~is in Minnesota.~~

40.32 (b) "Covered employment" includes covered agricultural employment under subdivision
40.33 11.

41.1 (c) For the purposes of section 268.095, "covered employment" includes employment
41.2 covered under an unemployment insurance program:

41.3 (1) of any other state; ~~or~~

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

41.5 (3) the law of Canada.

41.6 (d) The percentage of employment performed under paragraph (a) is determined by the
41.7 amount of hours worked.

41.8 (e) Covered employment does not include any employment defined as "noncovered
41.9 employment" under subdivision 20.

41.10 Sec. 2. Minnesota Statutes 2017 Supplement, section 268.035, subdivision 20, is amended
41.11 to read:

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

41.13 (1) employment for the United States government or an instrumentality thereof, including
41.14 military service;

41.15 (2) employment for a state, other than Minnesota, or a political subdivision or
41.16 instrumentality thereof;

41.17 (3) employment for a foreign government;

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

41.19 (5) employment for a church or convention or association of churches, or a nonprofit
41.20 organization operated primarily for religious purposes that is operated, supervised, controlled,
41.21 or principally supported by a church or convention or association of churches;

41.22 (6) employment for an elementary or secondary school with a curriculum that includes
41.23 religious education that is operated by a church, a convention or association of churches,
41.24 or a nonprofit organization that is operated, supervised, controlled, or principally supported
41.25 by a church or convention or association of churches;

41.26 (7) employment for Minnesota or a political subdivision, or a nonprofit organization, of
41.27 a duly ordained or licensed minister of a church in the exercise of a ministry or by a member
41.28 of a religious order in the exercise of duties required by the order;

41.29 (8) employment for Minnesota or a political subdivision, or a nonprofit organization, of
41.30 an individual receiving rehabilitation of "sheltered" work in a facility conducted for the
41.31 purpose of carrying out a program of rehabilitation for individuals whose earning capacity

42.1 is impaired by age or physical or mental deficiency or injury or a program providing
42.2 "sheltered" work for individuals who because of an impaired physical or mental capacity
42.3 cannot be readily absorbed in the competitive labor market. This clause applies only to
42.4 services performed in a facility certified by the Rehabilitation Services Branch of the
42.5 department or in a day training or habilitation program licensed by the Department of Human
42.6 Services;

42.7 (9) employment for Minnesota or a political subdivision, or a nonprofit organization, of
42.8 an individual receiving work relief or work training as part of an unemployment work relief
42.9 or work training program financed in whole or in part by any federal agency or an agency
42.10 of a state or political subdivision thereof. This clause does not apply to programs that require
42.11 unemployment benefit coverage for the participants;

42.12 (10) employment for Minnesota or a political subdivision, as an elected official, a member
42.13 of a legislative body, or a member of the judiciary;

42.14 (11) employment as a member of the Minnesota National Guard or Air National Guard;

42.15 (12) employment for Minnesota or a political subdivision, or instrumentality thereof, of
42.16 an individual serving on a temporary basis in case of fire, flood, tornado, or similar
42.17 emergency;

42.18 (13) employment as an election official or election worker for Minnesota or a political
42.19 subdivision, if the compensation for that employment was less than \$1,000 in a calendar
42.20 year;

42.21 (14) employment for Minnesota that is a major policy-making or advisory position in
42.22 the unclassified service;

42.23 (15) employment for Minnesota in an unclassified position established under section
42.24 43A.08, subdivision 1a;

42.25 (16) employment for a political subdivision of Minnesota that is a nontenured major
42.26 policy making or advisory position;

42.27 (17) domestic employment in a private household, local college club, or local chapter
42.28 of a college fraternity or sorority, if the wages paid in any calendar quarter in either the
42.29 current or prior calendar year to all individuals in domestic employment totaled less than
42.30 \$1,000.

42.31 "Domestic employment" includes all service in the operation and maintenance of a
42.32 private household, for a local college club, or local chapter of a college fraternity or sorority
42.33 as distinguished from service as an employee in the pursuit of an employer's trade or business;

43.1 (18) employment of an individual by a son, daughter, or spouse, and employment of a
43.2 child under the age of 18 by the child's father or mother;

43.3 (19) employment of an inmate of a custodial or penal institution;

43.4 (20) employment for a school, college, or university, by a student who is enrolled and
43.5 whose primary relation to the school, college, or university is as a student. This does not
43.6 include an individual whose primary relation to the school, college, or university is as an
43.7 employee who also takes courses;

43.8 (21) employment of an individual who is enrolled as a student in a full-time program at
43.9 a nonprofit or public educational institution that maintains a regular faculty and curriculum
43.10 and has a regularly organized body of students in attendance at the place where its educational
43.11 activities are carried on, taken for credit at the institution, that combines academic instruction
43.12 with work experience, if the employment is an integral part of the program, and the institution
43.13 has so certified to the employer, except that this clause does not apply to employment in a
43.14 program established for or on behalf of an employer or group of employers;

43.15 (22) employment of a foreign college or university student who works on a seasonal or
43.16 temporary basis under the J-1 visa summer work travel program described in Code of Federal
43.17 Regulations, title 22, section 62.32;

43.18 ~~(22)~~ (23) employment of university, college, or professional school students in an
43.19 internship or other training program with the city of St. Paul or the city of Minneapolis
43.20 under Laws 1990, chapter 570, article 6, section 3;

43.21 ~~(23)~~ (24) employment for a hospital by a patient of the hospital. "Hospital" means an
43.22 institution that has been licensed by the Department of Health as a hospital;

43.23 ~~(24)~~ (25) employment as a student nurse for a hospital or a nurses' training school by
43.24 an individual who is enrolled and is regularly attending classes in an accredited nurses'
43.25 training school;

43.26 ~~(25)~~ (26) employment as an intern for a hospital by an individual who has completed a
43.27 four-year course in an accredited medical school;

43.28 ~~(26)~~ (27) employment as an insurance salesperson, by other than a corporate officer, if
43.29 all the wages from the employment is solely by way of commission. The word "insurance"
43.30 includes an annuity and an optional annuity;

43.31 ~~(27)~~ (28) employment as an officer of a township mutual insurance company or farmer's
43.32 mutual insurance company under chapter 67A;

44.1 ~~(28)~~(29) employment of a corporate officer, if the officer directly or indirectly, including
 44.2 through a subsidiary or holding company, owns 25 percent or more of the employer
 44.3 corporation, and employment of a member of a limited liability company, if the member
 44.4 directly or indirectly, including through a subsidiary or holding company, owns 25 percent
 44.5 or more of the employer limited liability company;

44.6 ~~(29)~~(30) employment as a real estate salesperson, other than a corporate officer, if all
 44.7 the wages from the employment is solely by way of commission;

44.8 ~~(30)~~(31) employment as a direct seller as defined in United States Code, title 26, section
 44.9 3508;

44.10 ~~(31)~~(32) employment of an individual under the age of 18 in the delivery or distribution
 44.11 of newspapers or shopping news, not including delivery or distribution to any point for
 44.12 subsequent delivery or distribution;

44.13 ~~(32)~~(33) casual employment performed for an individual, other than domestic
 44.14 employment under clause (17), that does not promote or advance that employer's trade or
 44.15 business;

44.16 ~~(33)~~(34) employment in "agricultural employment" unless it is "covered agricultural
 44.17 employment" under subdivision 11; or

44.18 ~~(34)~~(35) if employment during one-half or more of any pay period was covered
 44.19 employment, all the employment for the pay period is covered employment; but if during
 44.20 more than one-half of any pay period the employment was noncovered employment, then
 44.21 all of the employment for the pay period is noncovered employment. "Pay period" means
 44.22 a period of not more than a calendar month for which a payment or compensation is ordinarily
 44.23 made to the employee by the employer.

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

44.25 Subd. 2a. **Unemployment insurance tax ~~limits~~ reduction.** (a) If the balance in the trust
 44.26 fund on December 31 of any calendar year is four percent or more above the amount equal
 44.27 to an average high cost multiple of 1.0, future unemployment taxes payable must be reduced
 44.28 by all amounts above 1.0. The amount of tax reduction for any taxpaying employer is the
 44.29 same percentage of the total amount above 1.0 as the percentage of taxes paid by the
 44.30 employer during the calendar year is of the total amount of taxes that were paid by all
 44.31 ~~nonmaximum experience-rated~~ employers during the year except taxes paid by employers
 44.32 assigned a tax rate equal to the maximum experience rating plus the applicable base tax
 44.33 rate.

45.1 (b) For purposes of this subdivision, "average high cost multiple" has the meaning given
 45.2 in Code of Federal Regulations, title 20, section 606.3, as amended through December 31,
 45.3 2015. An amount equal to an average high cost multiple of 1.0 is a federal measure of
 45.4 adequate reserves in relation to the state's current economy. The commissioner must calculate
 45.5 and publish, as soon as possible following December 31 of any calendar year, the trust fund
 45.6 balance on December 31 along with the amount an average high cost multiple of 1.0 equals.
 45.7 Actual wages paid must be used in the calculation and estimates may not be used.

45.8 (c) The unemployment tax reduction under this subdivision does not apply to employers
 45.9 that were at assigned a tax rate equal to the maximum experience rating plus the applicable
 45.10 base tax rate for the year, nor to high experience rating industry employers under subdivision
 45.11 5, paragraph (b). Computations under paragraph (a) are not subject to the rounding
 45.12 requirement of section 268.034. The refund provisions of section 268.057, subdivision 7,
 45.13 do not apply.

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

45.17 (e) ~~The amount equal to the average high cost multiple of 1.0 on December 31, 2012,~~
 45.18 ~~must be used for the calculation under paragraph (a) but only for the calculation made on~~
 45.19 ~~December 31, 2015. Notwithstanding paragraph (d), the tax reduction resulting from the~~
 45.20 ~~application of this paragraph applies to unemployment taxes paid between July 1, 2016,~~
 45.21 ~~and June 30, 2017. If there was an experience rating history transfer under subdivision 4,~~
 45.22 ~~the successor employer must receive that portion of the predecessor employer's tax reduction~~
 45.23 ~~equal to that portion of the experience rating history transferred. The predecessor employer~~
 45.24 ~~retains that portion of tax reduction not transferred to the successor. This paragraph applies~~
 45.25 ~~to that portion of the tax reduction that remains unused at the time notice of acquisition is~~
 45.26 ~~provided under subdivision 4, paragraph (e).~~

45.27 EFFECTIVE DATE. This section is effective July 1, 2018.

45.28 ARTICLE 6

45.29 UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; INTEREST

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

45.31 Subd. 5. **Interest on amounts past due.** If any amounts due from an employer under
 45.32 this chapter or section 116L.20, except late fees under section 268.044, are not received on
 45.33 the date due ~~the unpaid balance bears~~ the commissioner must assess interest on any amount

46.1 that remains unpaid. Interest is assessed at the rate of one percent per month or any part of
 46.2 a month. Interest is not assessed on unpaid interest. Interest collected under this subdivision
 46.3 is credited to the contingent account.

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

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

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

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

46.16 **ARTICLE 7**

46.17 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; BASE PERIODS**

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

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

46.24	If the application for unemployment	The base period is the prior:
46.25	benefits is effective on or between these	
46.26	dates:	
46.27	February 1 - March 31	January 1 - December 31
46.28	May 1 - June 30	April 1 - March 31
46.29	August 1 - September 30	July 1 - June 30
46.30	November 1 - December 31	October 1 - September 30

46.31 (b) If an application for unemployment benefits has an effective date that is during the
 46.32 month following the most recent completed calendar quarter, then the base period is the
 46.33 first four of the most recent five completed calendar quarters before the effective date of

47.1 an applicant's application for unemployment benefits. The base period under this paragraph
47.2 is as follows:

47.3	If the application for unemployment	The base period is the prior:
47.4	benefits is effective on or between these	
47.5	dates:	
47.6	January 1 - January 31	October 1 - September 30
47.7	April 1 - April 30	January 1 - December 31
47.8	July 1 - July 31	April 1 - March 31
47.9	October 1 - October 31	July 1 - June 30

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

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

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

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

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

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

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

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

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

48.9 Subdivision 1. **Application for unemployment benefits; determination of benefit**
 48.10 **account.** (a) An application for unemployment benefits may be filed in person, by mail, or
 48.11 by electronic transmission as the commissioner may require. The applicant must be
 48.12 unemployed at the time the application is filed and must provide all requested information
 48.13 in the manner required. If the applicant is not unemployed at the time of the application or
 48.14 fails to provide all requested information, the communication is not an application for
 48.15 unemployment benefits.

48.16 (b) The commissioner must examine each application for unemployment benefits to
 48.17 determine the base period and the benefit year, and based upon all the covered employment
 48.18 in the base period the commissioner must determine the weekly unemployment benefit
 48.19 amount available, if any, and the maximum amount of unemployment benefits available,
 48.20 if any. The determination, which is a document separate and distinct from a document titled
 48.21 a determination of eligibility or determination of ineligibility issued under section 268.101,
 48.22 must be titled determination of benefit account. A determination of benefit account must
 48.23 be sent to the applicant and all base period employers, by mail or electronic transmission.

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

48.29 ~~(d) An employer must provide wage detail information on an applicant within five~~
 48.30 ~~calendar days of request by the commissioner, in a manner and format requested, when:~~

48.31 ~~(1) the applicant is using a base period under section 268.035, subdivision 4, paragraph~~
 48.32 ~~(d); and~~

49.1 ~~(2) wage detail under section 268.044 is not yet required to have been filed by the~~
 49.2 ~~employer.~~

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

49.10 ~~(f)~~ (e) If an amended determination of benefit account reduces the weekly unemployment
 49.11 benefit amount or maximum amount of unemployment benefits available, any unemployment
 49.12 benefits that have been paid greater than the applicant was entitled is an overpayment of
 49.13 unemployment benefits. A determination or amended determination issued under this section
 49.14 that results in an overpayment of unemployment benefits must set out the amount of the
 49.15 overpayment and the requirement under section 268.18, subdivision 1, that the overpaid
 49.16 unemployment benefits must be repaid.

49.17 **ARTICLE 8**

49.18 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; HOUSEKEEPING**

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

49.21 Subd. 15. **Employment.** (a) "Employment" means service performed by:

49.22 (1) an individual who is an employee under the common law of employer-employee and
 49.23 not an independent contractor;

49.24 (2) an officer of a corporation;

49.25 (3) a member of a limited liability company who is an employee under the common law
 49.26 of employer-employee; ~~or~~

49.27 (4) an individual who is an employee under the Federal Insurance Contributions Act,
 49.28 United States Code, title 26, chapter 21, sections 3121 (d)(3)(A) and 3121 (d)(3)(D); or

49.29 ~~(4)~~ (5) product demonstrators in retail stores or other locations to aid in the sale of
 49.30 products. The person that pays the wages is the employer.

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

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

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

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

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

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

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

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

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

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

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

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

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

50.27 (2) the applicant quit the employment, unless it was determined under section 268.095,
 50.28 to have been because of a good reason caused by the employer or because the employer
 50.29 notified the applicant of discharge within 30 calendar days. This exception applies ~~only~~ to
 50.30 unemployment benefits paid for periods after the applicant's quitting the employment and,

51.1 if the applicant is rehired by the employer, continues only until the beginning of the week
 51.2 the applicant is rehired; or

51.3 (3) the employer discharged the applicant from employment because of employment
 51.4 misconduct as determined under section 268.095. This exception applies ~~only~~ to
 51.5 unemployment benefits paid for periods after the applicant's discharge from employment
 51.6 and, if the applicant is rehired by the employer, continues only until the beginning of the
 51.7 week the applicant is rehired.

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

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

51.10 **268.059 GARNISHMENT FOR DELINQUENT TAXES AND UNEMPLOYMENT**
 51.11 **BENEFIT OVERPAYMENTS.**

51.12 Subdivision 1. **Notice Authority.** ~~The commissioner may give notice to any employer~~
 51.13 ~~that an employee owes any amounts due under this chapter or section 116L.20, and that the~~
 51.14 ~~obligation should be withheld from the employee's wages. The commissioner may proceed~~
 51.15 ~~only if the amount due is uncontested or if the time for any appeal has expired. The~~
 51.16 commissioner may garnish an employee's wages to collect amounts due under this chapter
 51.17 or section 116L.20, as set forth in this section. Chapter 571 does not apply, except as
 51.18 referenced in this section.

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

51.22 (1) the amount due from the debtor;

51.23 (2) demand for immediate payment; and

51.24 (3) the intention to serve a garnishment notice on the debtor's employer.

51.25 The notice expires 180 calendar days after it has been sent to the debtor provided that
 51.26 the notice may be renewed by sending a new notice that is in accordance with this section.
 51.27 The renewed notice has the effect of reinstating the priority of the original notice. ~~The~~
 51.28 ~~exemption notice must be in substantially the same form as in section 571.72. The exemption~~
 51.29 ~~notice must inform the debtor of the right to claim exemptions contained in section 550.37,~~
 51.30 ~~subdivision 14. If no claim of exemption is received by the commissioner within 30 calendar~~
 51.31 ~~days after sending of the notice, the commissioner may proceed with the garnishment. The~~

52.1 ~~notice to the debtor's employer may be served by mail or electronic transmission and must~~
 52.2 ~~be in substantially the same form as in section 571.75.~~

52.3 Subd. 2. **Employer action.** (a) Thirty calendar days after sending the notice of intent to
 52.4 garnish, the commissioner may send to the debtor's employer, by mail or electronic
 52.5 transmission, a notice of garnishment, including a worksheet for determining the amount
 52.6 to be withheld from wages each pay period. The amount to be withheld from wages is
 52.7 subject to the limitations in section 571.922. Upon receipt of the garnishment notice, the
 52.8 employer must withhold from the ~~earnings~~ wages due or to become due to the employee,
 52.9 the amount ~~shown on the notice plus accrued interest, subject to section 571.922~~ determined
 52.10 by the employer plus accrued interest. The employer must continue to withhold each pay
 52.11 period the amount ~~shown on the notice~~ determined by the employer plus accrued interest
 52.12 until the garnishment notice is released by the commissioner. Upon receipt of notice by the
 52.13 employer, the claim of the commissioner has priority over any subsequent garnishments or
 52.14 wage assignments. The commissioner may ~~arrange between the employer and employee~~
 52.15 ~~for withholding a portion of the total amount due the employee each pay period,~~ agree to
 52.16 accept a withholding amount that is less than the amount determined by the employer on
 52.17 the worksheet until the total amount shown on the notice due plus accrued interest has been
 52.18 withheld.

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

52.21 ~~(b)~~ (c) The maximum garnishment allowed for any one pay period must be decreased
 52.22 by any amounts payable under any other garnishment action served before the garnishment
 52.23 notice, and any amounts covered by any irrevocable and previously effective assignment
 52.24 of wages; The employer must give notice to the commissioner of the amounts and the facts
 52.25 relating to the other garnishment or assignment ~~within ten calendar days after the service~~
 52.26 ~~of the garnishment notice~~ on the form worksheet provided by the commissioner.

52.27 ~~(e)~~ (d) Within ten calendar days after the expiration of the pay period, the employer must
 52.28 remit to the commissioner, on a form and in the manner prescribed by the commissioner,
 52.29 the amount withheld during each pay period.

52.30 Subd. 3. **Discharge or discipline prohibited.** (a) If the employee ceases to be employed
 52.31 by the employer before the full amount ~~set forth on the garnishment notice~~ due plus accrued
 52.32 interest has been withheld, the employer must immediately notify the commissioner in
 52.33 writing or by electronic transmission, as prescribed by the commissioner, of the termination
 52.34 date of the employee and the total amount withheld. No employer may discharge or discipline

53.1 any employee because the commissioner has proceeded under this section. If an employer
 53.2 discharges an employee in violation of this section, the employee has the same remedy as
 53.3 provided in section 571.927, subdivision 2.

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

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

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

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

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

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

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

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

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

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

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

53.31 (2) if the payment is made in a lump sum, that sum is divided by the applicant's last level
 53.32 of regular weekly pay from the employer.

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

54.3 (c) Under this subdivision, if the payment with respect to a week is equal to or more
 54.4 than the applicant's weekly unemployment benefit amount, the applicant is ineligible for
 54.5 benefits for that week. If the payment with respect to a week is less than the applicant's
 54.6 weekly unemployment benefit amount, unemployment benefits are reduced by the amount
 54.7 of the payment.

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

54.11 This paragraph only applies if the payment is:

54.12 (1) considered wages under section 268.035, subdivision 29; or

54.13 (2) subject to the Federal Insurance Contributions Act (FICA) tax imposed to fund Social
 54.14 Security and Medicare.

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

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

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

54.24 (f) Under this subdivision, if the payment with respect to a week is equal to or more than
 54.25 the applicant's weekly unemployment benefit amount, the applicant is ineligible for benefits
 54.26 for that week. If the payment with respect to a week is less than the applicant's weekly
 54.27 unemployment benefit amount, unemployment benefits are reduced by the amount of the
 54.28 payment.

54.29 ~~(e)~~ (g) An applicant is not eligible to receive unemployment benefits for any week the
 54.30 applicant is receiving, has received, will receive, or has applied for pension, retirement, or
 54.31 annuity payments from any plan contributed to by a base period employer including the
 54.32 United States government. The base period employer is considered to have contributed to
 54.33 the plan if the contribution is excluded from the definition of wages under section 268.035,

55.1 subdivision 29. If the pension, retirement, or annuity payment is paid in a lump sum, an
 55.2 applicant is not considered to have received a payment if:

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

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

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

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

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

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

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

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

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

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

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

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

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

55.30 (b) This subdivision does not apply to an applicant who has a claim pending for loss of
 55.31 wages under paragraph (a); however, before unemployment benefits may be paid when a

56.1 claim is pending, the issue of the applicant being available for suitable employment, as
56.2 required under subdivision 1, clause (4), is must be determined under section 268.101,
56.3 subdivision 2. If the applicant later receives compensation as a result of the pending claim,
56.4 the applicant is subject to ~~the provisions of~~ paragraph (a) and the unemployment benefits
56.5 paid are ~~subject to recoupment by the commissioner to the extent that the compensation~~
56.6 ~~constitutes~~ overpaid unemployment benefits under section 268.18, subdivision 1.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

57.11 (3) simple unsatisfactory conduct;

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

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

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

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

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

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

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

57.28 (c) Regardless of paragraph (b), clause (9), conduct in violation of sections 169A.20,
57.29 169A.31, 169A.50 to 169A.53, or 171.177 that ~~interferes with or~~ adversely affects the
57.30 employment is employment misconduct.

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

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

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

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

58.11 ~~(1) The commission of any act, on the job or off the job, that would amount to a gross~~
 58.12 ~~misdemeanor or felony is aggravated employment misconduct if the act substantially~~
 58.13 ~~interfered with the employment or had a significant adverse effect on the employment; or~~

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

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

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

58.24 (c) The definition of aggravated employment misconduct provided by this subdivision
 58.25 is exclusive and no other definition applies.

58.26 ARTICLE 9

58.27 UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; TECHNICAL

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

58.29 Subd. 3. **Missing or erroneous information.** (a) Any employer that submits the wage
 58.30 detail report, but fails to include all required employee information or enters erroneous

59.1 information, is subject to an administrative service fee of \$25 for each employee for whom
59.2 the information is partially missing or erroneous.

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

59.6 (c) An administrative service fee under this subdivision must be canceled under section
59.7 268.067 if the commissioner determines that the failure or error by the employer occurred
59.8 because of ignorance or inadvertence.

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

59.11 Subdivision 1. **Tax accounts assigned.** (a) Any person that contracts with a taxpaying
59.12 employer to have that person obtain the taxpaying employer's workforce and provide workers
59.13 to the taxpaying employer for a fee is, as of the effective date of the contract, assigned for
59.14 the duration of the contract the taxpaying employer's account under section 268.045. That
59.15 tax account must be maintained by the person separate and distinct from every other tax
59.16 account held by the person and identified in a manner prescribed by the commissioner. The
59.17 tax account is, for the duration of the contract, considered that person's account for all
59.18 purposes of this chapter. The workers obtained from the taxpaying employer and any other
59.19 workers provided by that person to the taxpaying employer, including officers of the
59.20 taxpaying employer as defined in section 268.035, subdivision 20, clause ~~(28)~~ (29), whose
59.21 wages paid by the person are considered paid in covered employment under section 268.035,
59.22 subdivision 24, for the duration of the contract between the taxpaying employer and the
59.23 person, must, under section 268.044, be reported on the wage detail report under that tax
59.24 account, and that person must pay any taxes due at the tax rate computed for that account
59.25 under section 268.051, subdivision 2.

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

59.31 (c) If the taxpaying employer that contracts with a person under paragraph (a) does not
59.32 have a tax account at the time of the execution of the contract, an account must be registered
59.33 for the taxpaying employer under section 268.042 and the new employer tax rate under

60.1 section 268.051, subdivision 5, must be assigned. The tax account is then assigned to the
60.2 person as provided for in paragraph (a).

60.3 (d) A person that contracts with a taxpaying employer under paragraph (a) must, within
60.4 30 calendar days of the execution or termination of a contract, notify the commissioner by
60.5 electronic transmission, in a format prescribed by the commissioner, of that execution or
60.6 termination. The taxpaying employer's name, the account number assigned, and any other
60.7 information required by the commissioner must be provided by that person.

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

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

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

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

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

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

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

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

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

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

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

61.10 A nonprofit organization that has been making reimbursements that files a notice of
61.11 termination of election must be assigned the new employer tax rate under section 268.051,
61.12 subdivision 5, until it qualifies for an experience rating under section 268.051, subdivision
61.13 3.

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

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

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

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

61.23 **268.066 CANCELLATION OF AMOUNTS DUE FROM AN EMPLOYER.**

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

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

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

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

62.6 **268.067 COMPROMISE.**

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

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

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

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

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

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

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

62.23 (2) the applicant has not been held ineligible for unemployment benefits under section
 62.24 268.095 because of a quit or discharge;

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

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

62.28 (5) the applicant has not been held ineligible for unemployment benefits under section
 62.29 ~~268.182 because of a false representation or concealment of facts~~ 268.183.

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

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

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

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

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

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

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

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

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

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

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

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

63.22 (b) If an applicant elects to have federal income tax withheld, the commissioner must
63.23 deduct ten percent for federal income tax. If an applicant also elects to have Minnesota state
63.24 income tax withheld, the commissioner must make an additional five percent deduction for
63.25 state income tax. Any ~~amounts~~ amount deducted ~~or offset~~ under sections ~~268.155, 268.18,~~
63.26 ~~and 268.184~~ have section 268.085 has priority over any amounts deducted under this section.
63.27 Federal income tax withholding has priority over state income tax withholding.

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

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

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

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

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

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

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

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

64.15 (3) replace the term "under" with "subject to" in section 268.047, subdivision 2, clause
64.16 (8);

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

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

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

64.21 Sec. 12. **REPEALER.**

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

64.23 Sec. 13. **EFFECTIVE DATE.**

64.24 Unless otherwise specified, articles 5 to 9 are effective September 16, 2018.

APPENDIX
Article locations in SF3945-1

ARTICLE 1	JOBS AND ECONOMIC GROWTH.....	Page.Ln 1.23
ARTICLE 2	ECONOMIC DEVELOPMENT POLICY.....	Page.Ln 3.10
ARTICLE 3	LABOR AND INDUSTRY.....	Page.Ln 31.31
ARTICLE 4	WORKERS' COMPENSATION.....	Page.Ln 36.1
ARTICLE 5	UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; POLICY.....	Page.Ln 39.25
ARTICLE 6	UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; INTEREST.....	Page.Ln 45.28
ARTICLE 7	UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; BASE PERIODS.....	Page.Ln 46.16
ARTICLE 8	UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; HOUSEKEEPING.....	Page.Ln 49.17
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APPENDIX
Repealed Minnesota Statutes: SF3945-1

268.053 PAYMENT TO TRUST FUND BY NONPROFIT ORGANIZATIONS.

Subd. 4. **Application.** For purposes of this section, a nonprofit organization is an organization, or group of organizations, described in United States Code, title 26, section 501(c)(3) of the Internal Revenue Code that is exempt from income tax under section 501(a).

Subd. 5. **Compromise.** The compromise authority set out in section 268.067 applies to this section.