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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 1385

03/02/2015 Authored by Howe, Kresha, Newberger and Hertauss

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy

1.1 A bill for an act  
1.2 relating to public employment; prohibiting bonus payments; amending Minnesota  
1.3 Statutes 2014, section 15A.086.

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

1.5 Section 1. Minnesota Statutes 2014, section 15A.086, is amended to read:

1.6 **15A.086 LIMITS ON BONUS PAYMENTS.**

1.7 Subdivision 1. **Limits on bonuses for nonprofit corporation employees.**

1.8 Notwithstanding any law to the contrary, an employee of the state lottery or of a public  
1.9 corporation or nonprofit corporation created by law may not receive bonus payments in  
1.10 any year that exceed ten percent of the employee's base salary for that year. For purposes  
1.11 of this ~~section~~ subdivision, bonus payments include any combination of merit pay,  
1.12 achievement awards, or any other cash payments in addition to base salary, other than  
1.13 severance pay or overtime or holiday pay. Groups covered by this section include, but  
1.14 are not limited to, the Workers' Compensation Reinsurance Association, the Minnesota  
1.15 Insurance Guaranty Association, the Fair plan, the Joint Underwriters Association, the  
1.16 Minnesota Joint Underwriters Association, the Life and Health Guaranty Association, the  
1.17 Minnesota Comprehensive Health Association, the Minnesota State High School League,  
1.18 Enterprise Minnesota, Inc., Agricultural Utilization Research Institute, Minnesota Project  
1.19 Outreach Corporation, and the State Agricultural Society. This section does not give any  
1.20 entity authority to grant a bonus not otherwise authorized by law.

1.21 Subd. 2. **No bonuses for state employees.** Notwithstanding any law to the  
1.22 contrary, an employee of the state, including the executive, legislative, and judicial  
1.23 branch, Minnesota State Colleges and Universities, and an employee of a county, city,  
1.24 school district, or other political subdivision may not receive bonus payments. For

2.1 purposes of this subdivision, bonus payments mean any onetime cash payments that  
2.2 do not become part of base salary or wages. Bonus payments do not include severance  
2.3 or overtime or holiday pay. This subdivision does not apply to payments to volunteer  
2.4 firefighters, volunteer rescue workers, or members of the Minnesota National Guard for  
2.5 compensation for duties as volunteer firefighters, volunteer rescue workers, or members of  
2.6 the Minnesota National Guard.

2.7 **EFFECTIVE DATE.** This section is effective the day following final enactment,  
2.8 except that this section shall not be construed to invalidate any collective bargaining  
2.9 agreement or other contract entered into before the day following final enactment.