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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-EIGHTH SESSION

**H. F. No. 602**

02/14/2013 Authored by Atkins, Winkler, Sundin, Anzelc, Nelson and others

The bill was read for the first time and referred to the Committee on Labor, Workplace and Regulated Industries

03/11/2013 Adoption of Report: Pass as Amended and re-referred to the Committee on Jobs and Economic Development Finance and Policy

1.1 A bill for an act  
1.2 relating to unemployment insurance; modifying eligibility for additional benefits;  
1.3 providing penalties for organizations involved in lockouts; amending Minnesota  
1.4 Statutes 2012, sections 268.125, subdivisions 1, 3, 4, 5, by adding a subdivision;  
1.5 268.184, subdivision 1.

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

1.7 Section 1. Minnesota Statutes 2012, section 268.125, subdivision 1, is amended to read:

1.8 Subdivision 1. **Additional unemployment benefits; when available.** Additional  
1.9 unemployment benefits are available if:

1.10 (1) MS 2008 [Expired, 2008 c 300 s 15]

1.11 (2)(i) at a facility that had 100 or more employees, the employer reduced operations,  
1.12 resulting within a one-month period in the layoff of 50 percent or more of the facility's  
1.13 work force, including reductions caused as a result of a major natural disaster declared by  
1.14 the president;

1.15 (ii) the employer has no expressed plan to resume operations that would lead to the  
1.16 reemployment of those employees in the immediate future; and

1.17 (iii) the seasonally adjusted unemployment rate in the county that the facility is  
1.18 located was ten percent or more during the month of the reduction or any of the three  
1.19 months before or after the month of the reduction; or

1.20 (3) the applicant stopped working because of a lockout. The term "lockout" has the  
1.21 meaning given in section 179.01, subdivision 9.

1.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1.23 Sec. 2. Minnesota Statutes 2012, section 268.125, subdivision 3, is amended to read:

2.1 Subd. 3. **Eligibility conditions.** (a) An applicant is eligible to receive additional  
 2.2 unemployment benefits for any week during the applicant's benefit year if:

2.3 ~~(1) for any week during which benefits are available under subdivision 1, clause (1);~~

2.4 ~~(i) the applicant resides in a county that meets the requirements of subdivision 1,~~  
 2.5 ~~clause (1), and resided in that county each week that regular unemployment benefits~~  
 2.6 ~~were paid;~~

2.7 ~~(ii) the applicant was not paid unemployment benefits for any week in the 12 months~~  
 2.8 ~~before the effective date of the applicant's benefit account;~~

2.9 ~~(iii) the applicant meets the same eligibility requirements that are required for~~  
 2.10 ~~regular unemployment benefits under section 268.069; and~~

2.11 ~~(iv) MS 2008 [Expired, 2008 c 300 s 17]~~

2.12 ~~(2)~~ (1) the applicant was laid off from employment as a result of a reduction under  
 2.13 subdivision 1, clause (2), or was laid off because of lack of work from that employer  
 2.14 during the three-month period before, or the three-month period after, the month of the  
 2.15 reduction under subdivision 1, clause (2);

2.16 ~~(3)~~ (2) the applicant meets the same eligibility requirements that are required for  
 2.17 regular unemployment benefits under section 268.069;

2.18 ~~(4)~~ (3) the applicant has exhausted regular unemployment benefits under section  
 2.19 268.07, is not entitled to receive extended unemployment benefits under section 268.115,  
 2.20 and is not entitled to receive unemployment benefits under any other state or federal law  
 2.21 for that week; and

2.22 ~~(5)~~ (4) a majority of the applicant's wage credits were from the employer that had a  
 2.23 reduction in operations under subdivision 1, clause (2).

2.24 (b) An applicant who stopped working because of a lockout is eligible to receive  
 2.25 additional unemployment benefits for any week if:

2.26 (1) the applicant meets the eligibility requirements under section 268.069;

2.27 (2) the applicant has exhausted regular unemployment benefits under section 268.07  
 2.28 or the law of another state;

2.29 (3) the applicant is not eligible for extended unemployment benefits or  
 2.30 unemployment benefits under any federal law; and

2.31 (4) the lockout is in active progress.

2.32 Section 268.085, subdivision 1, clause (2), does not apply to this paragraph.

2.33 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.34 Sec. 3. Minnesota Statutes 2012, section 268.125, subdivision 4, is amended to read:

3.1 Subd. 4. **Weekly unemployment benefit amount.** An applicant's weekly additional  
3.2 unemployment benefit amount is the same as the applicant's weekly regular unemployment  
3.3 benefit amount ~~during the current benefit year~~ under section 268.07.

3.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.5 Sec. 4. Minnesota Statutes 2012, section 268.125, subdivision 5, is amended to read:

3.6 Subd. 5. **Maximum amount of unemployment benefits.** (a) For an applicant  
3.7 who qualifies for additional unemployment benefits under subdivision 1, clause (2), the  
3.8 maximum amount of additional unemployment benefits available in the applicant's benefit  
3.9 year is one-half of the applicant's maximum amount of regular unemployment benefits  
3.10 available under section 268.07, subdivision 2. Extended unemployment benefits paid and  
3.11 unemployment benefits paid under any federal law other than regular unemployment  
3.12 benefits must be deducted from the maximum amount of additional unemployment  
3.13 benefits available.

3.14 (b) For an applicant who qualifies for additional unemployment benefits under  
3.15 subdivision 1, clause (3), the applicant may receive additional unemployment benefits  
3.16 without limitation so long as the lockout is in active progress.

3.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.18 Sec. 5. Minnesota Statutes 2012, section 268.125, is amended by adding a subdivision  
3.19 to read:

3.20 Subd. 7. **Maximum experience rated employers.** If the employer is at the  
3.21 maximum experience rating under section 268.051, subdivision 3, any additional  
3.22 unemployment benefits paid under subdivision 1, clause (3), which do not affect the  
3.23 experience rating, must be charged to the employer as provided under section 268.184,  
3.24 subdivision 1, paragraph (d).

3.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.26 Sec. 6. Minnesota Statutes 2012, section 268.184, subdivision 1, is amended to read:

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

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

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

4.9 (i) the amount of any overpaid unemployment benefits to an applicant;

4.10 (ii) the amount of unemployment benefits not paid to an applicant that would  
4.11 otherwise have been paid; or

4.12 (iii) the amount of any payment required from the employer under this chapter or  
4.13 section 116L.20 that was not paid.

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

4.17 (d) The cost of additional unemployment benefits paid to an applicant under  
4.18 section 268.125, subdivision 1, clause (3), that do not affect the employer's experience  
4.19 rating because the employer is at the maximum experience rating must be charged to the  
4.20 employer as a penalty. The penalty is 125 percent of the amount of unemployment benefits  
4.21 paid that do not affect the employer's experience rating.

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

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

4.30 **EFFECTIVE DATE.** This section is effective the day following final enactment  
4.31 and payment of penalties imposed by the amendment in paragraph (d) must be credited to  
4.32 the trust fund beginning the day following final enactment.

4.33 **Sec. 7. PUBLIC SUBSIDIES FOR ORGANIZATIONS ENGAGED IN**  
4.34 **EMPLOYEE LOCKOUTS; PENALTIES.**

5.1 Subdivision 1. **Definitions.** (a) The terms defined in this section have the meanings  
5.2 given.

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

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

5.10 (d) "Organization" means any nonprofit or for-profit business entity that receives a  
5.11 public subsidy.

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

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

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

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