

SENATE

STATE OF MINNESOTA

NINETY-FIRST SESSION

S.F. No. 2364

(SENATE AUTHORS: DRAHEIM, Utke, Koran and Marty)		
DATE	D-PG	OFFICIAL STATUS
03/13/2019	854	Introduction and first reading
		Referred to State Government Finance and Policy and Elections
03/14/2019	932	Author added Marty

1.1

A bill for an act

1.2

relating to state government; precluding grants to nonprofits with highly paid

1.3

officers or employees; amending Minnesota Statutes 2018, section 16B.97, by

1.4

adding subdivisions.

1.5

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

1.6

Section 1. Minnesota Statutes 2018, section 16B.97, is amended by adding a subdivision

1.7

to read:

1.8

Subd. 6. Grants prohibited to nonprofit organizations with highly compensated

1.9

officers or employees. A tax-exempt organization under section 501(c)(3) of the Internal

1.10

Revenue Code that compensates an officer or employee in an amount greater than \$500,000

1.11

in a 12-month period is not eligible to receive a grant under any program or from any state

1.12

agency in the first fiscal year beginning during or after that 12-month period or in the

1.13

following fiscal year. Compensation for purposes of this section includes salary, bonuses,

1.14

the present value of stock options, the value of employee benefits, employer contributions

1.15

to retirement or deferred compensation plans on behalf of the officer or employee, and any

1.16

other compensation or benefit of value.

1.17

Sec. 2. Minnesota Statutes 2018, section 16B.97, is amended by adding a subdivision to

1.18

read:

1.19

Subd. 7. Disclosure after appropriation to nonprofit organizations with highly

1.20

compensated officers or employees. If an amount is appropriated by law to an organization

1.21

that is tax-exempt under section 501(c)(3) of the Internal Revenue Code, the organization

1.22

must notify the commissioner of management and budget within three months of enactment

1.23

of the appropriation if the organization has compensated or will compensate an officer or

2.1 employee more than \$500,000 in any 12-month period during the time beginning 12 months
2.2 before the effective date of the appropriation and ending 12 months after the effective date
2.3 of the appropriation. The commissioner of management and budget must report any
2.4 notification received under this subdivision to the chairs and ranking minority members of
2.5 the committees in the house of representatives and the senate with jurisdiction over finance.
2.6 Compensation for purposes of this section includes salary, bonuses, the present value of
2.7 stock options, the value of employee benefits, employer contributions to retirement or
2.8 deferred compensation plans on behalf of the officer or employee, and any other
2.9 compensation or benefit of value.