

which an authority has been created may dissolve the authority if the authority has not entered into any contract with the federal government or any agency or instrumentality thereof for a loan or a grant with respect to any urban redevelopment or low-rent public housing project. The resolution or ordinance dissolving the authority shall be published in the same manner in which ordinances are published in the municipality and the authority shall be dissolved when the resolution or ordinance becomes finally effective. The clerk of the governing body of the municipality shall furnish to the state housing commission a certified copy of the resolution or ordinance of the governing body dissolving the authority. All property, records, assets, cash or other funds held or used by an authority shall be transferred to and become the property of the municipality and cash or other funds shall be used as herein provided. Upon dissolution of an authority all rights of an authority against any person, firm or corporation shall accrue to and be enforced by the municipality.

Approved March 6, 1953.

CHAPTER 97—H. F. No. 111

[Coded, in Part]

An act relating to employment and security; amending Minnesota Statutes 1949, Sections 268.04, Subdivision 10; 268.05; 268.06, Subdivisions 3, 5, 22; 268.08, Subdivision 2; 268.10, Subdivisions 3, 5; 268.11, Subdivisions 2, 3; 268.15, Subdivision 3; 268.16, Subdivision 2; amending Minnesota Statutes 1949, Sections 268.04, Subdivision 25; 268.10, Subdivision 2; 268.12, Subdivision 6; 268.18, Subdivision 1, as amended; repealing Minnesota Statutes 1949, Section 268.06, Subdivisions 11, 12, 13, 14, 15, 16.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1949, Section 268.04, Subdivision 10, is amended to read:

Subd. 10. "Employer" means: (1) Any employing unit which for some portion of a day but not necessarily simultaneously, in each of 20 different weeks, whether or not such weeks are or were consecutive, within the year 1936 has or had in employment eight or more individuals (irrespective of whether the same individuals are or were employed in each such day) and, for any calendar year subsequent to 1936, an employing unit which, for some portion of a day, in each of 20 different weeks, whether or not such weeks are or were consecutive, and whether or not all of such weeks of employment

are or were within the state within either the current or preceding calendar year, has or had in employment one or more individuals (irrespective of whether the same individual or individuals were employed in each such day);

(2) Any employing unit which acquired the organization, trade, or business or substantially all the assets thereof, of another which at the time of such acquisition was an employer subject to sections 268.03 to 268.24;

(3) Any employing unit which acquired the organization, trade, or business, or substantially all the assets thereof, of another employing unit, and which, if treated as a single unit with such other employing unit, would be an employer under clause (1) of this subdivision;

(4) Any employing unit which, together with one or more other employing units, is owned or controlled (by legally enforceable means or otherwise) directly or indirectly by the same interests, or which owns or controls one or more other employing units (by legally enforceable means or otherwise), and which, if treated as a single unit with such other employing units or interests or both, would be an employer under clause (1) of this subdivision;

(5) Any employing unit which, having become an employer under clauses (1), (2), (3), or (4), has not, under section 268.11, ceased to be an employer subject to these actions;

(6) For the effective period of its election pursuant to section 268.11, subdivision 3, any other employing unit which has elected to become fully subject to sections 268.03 to 268.24;

(7) Notwithstanding any inconsistent provisions of sections 268.03 to 268.24, any employing unit not an employer by reason of any other clause of this subdivision for which service is performed with respect to which such employing unit is liable for any federal tax against which credit may be taken for contributions required to be paid into a state unemployment compensation fund;

(8) *Except as provided in clause (7) of this subdivision, and notwithstanding any other provisions of sections 268.03 to 268.24, no employing unit shall be initially determined a subject employer on the basis of covered employment performed more than four years prior to the year in which such determination is made, unless the director finds that the records of such employment experience were fraudulently concealed or withheld for the purpose of escaping liability under said sections.*

Sec. 2. Minnesota Statutes 1949, Section 268.04, Subdivision 25, as amended by Laws 1951, Chapter 442, Section 1, is amended to read:

Subd. 25. "Wages" means all remuneration for services, including commissions and bonuses and the cash value of all remuneration in any medium other than cash, except that such term shall not include:

(1) For the purpose of determining contributions payable under section 268.06, subdivision 2, clause (2), that part of the remuneration which, after remuneration equal to \$3,000 has been paid to an individual by an employer with respect to employment in this state or any other state during any calendar year subsequent to December 31, 1944, is paid to such individual by such employer with respect to employment during such calendar year; provided, that if the definition of the term "wages" as contained in the Federal Unemployment Tax Act is amended to include remuneration in excess of \$3,000 paid to an individual by an employer under the federal act during any calendar year, wages for the purposes of this law shall include remuneration paid in a calendar year to an individual by an employer subject to this act or his predecessor with respect to employment during any calendar year up to an amount equal to the dollar limitation specified in the Federal Unemployment Tax Act. For the purposes of this *clause*, the term "employment" shall include service constituting employment under any employment security law of another state or of the federal government;

(2) The amount of any payment made to, or on behalf of, an employee under a plan or system established by an employer which makes provision for his employees generally or for a class or classes of his employees (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment), on account of (a) retirement or (b) sickness or accident disability or (c) medical and hospitalization expenses in connection with sickness or accident disability, or (d) death, provided the employee (i) has not the option to receive, instead of provision for such death benefit, any part of such payment, or if such death benefit is insured, any part of the premium (or contributions to premiums) paid by his employer and (ii) has not the right, under the provisions of the plan or system or policy of insurance providing for such death benefit, to assign such benefit, or to receive a cash consideration in lieu of such benefit either upon his withdrawal from the plan or system providing for such benefit or upon termination of such plan or system or policy of insurance or of his employment with such employer;

(3) The payment by an employer (without deduction from the remuneration of the employee) (a) of the tax imposed upon an employee under section 1400 of the Federal Internal Revenue Code, or (b) of any payment required from an employee under a state unemployment compensation law;

(4) Any payments made to a former employee during the period of active military service in the armed forces of the United States by such employer, whether legally required or not.

Sec. 3. Minnesota Statutes 1949, Section 268.05, Subdivision 1, is amended to read:

268.05 Unemployment compensation fund. Subdivision 1. **Establishment, how constituted.** There is hereby established as a special fund, separate and apart from all public moneys or funds of this state, an unemployment compensation fund, which shall be administered by the director exclusively for the purpose of sections 268.03 to 268.24. This fund shall consist of:

- (1) All contributions collected under those sections;
- (2) Interest earned upon any moneys in the fund;
- (3) Any property or securities acquired through the use of moneys belonging to the fund;
- (4) All earnings of such property or securities; and
- (5) Any moneys received from the Federal Unemployment Account in the unemployment trust fund in accordance with Title XII of the Social Security Act, as amended, *and any other moneys made available to the fund and received pursuant to an agreement, between this state and any agency of the federal government or any other state, for the payment of unemployment benefits.*

All moneys in the fund shall be mingled and undivided.

Sec. 4. Minnesota Statutes 1949, Section 268.05, is amended by adding thereto a new subdivision as Subdivision 4, which reads:

Subd. 4. Disposal of certain moneys. Any moneys made available to the unemployment compensation fund and received pursuant to an agreement between this state and any agency of the federal government or any other state for the payment of unemployment benefits shall be placed directly in the benefit account of the unemployment trust fund.

Sec. 5. Minnesota Statutes 1949, Section 268.06, Subdivision 3, is amended to read:

Subd. 3. Determination of rate; beneficiary wages; ratio; schedule. When the director finds that the continuity of an employer's employment experience has been interrupted solely by reason of one or more of the owners of such employer's employing enterprise having served in the armed forces of the United States of America or any of its allies, such employer's employment experience shall be deemed to have been continuous throughout the period that such owner or owners so served in such armed forces including the period up to the time it again resumes the status of an employer liable for contributions under this Law; provided it resumes such status within two years from the date of discharge of such owner or owners from such service, except that this provision shall not apply if the resulting rate of contributions required is in excess of 2.7%. This subdivision shall apply to contribution rates assigned for the year 1946 and subsequent years, provided all applications for redetermination of rates under this section for the years 1946 and 1947 shall be made in writing and filed with the Division of Employment and Security on or before September 1, 1949. Credits resulting from adjustments under this section shall be subject to the limitations provided in section 268.16, subdivision 7.

Sec. 6. Minnesota Statutes 1949, Section 268.06, Subdivision 5, is amended to read:

Subd. 5. Notifications. (1) Benefits paid to an individual pursuant to a valid claim filed subsequent to June 30, 1941, shall be charged against the account of his employer as and when paid, except that benefits paid to an individual who during his base period earned wages for part time employment with an employer who continues to give the employee part time employment substantially equal to the part time employment previously furnished such employee by such employer or any benefits paid to an individual subsequent to his serving a period of disqualification for refusal to accept re-employment from his base period employer shall not be charged to such employer's account. The amount of benefits so chargeable against each base period employer's account shall bear the same ratio to the total benefits paid to an individual as the base period wage credits of the individual earned from such employer bear to the total amount of base period wage credits of the individual earned from all his base period employers.

(2) When, however, the base period earnings of an individual to whom benefits are paid are less than *the minimum qualifying earning for a valid claim* from any given employer, then the proportional benefits which would ordinarily be charged to such employer shall not be charged to him, except that this provision shall not apply if the director finds that the

employment practices of an employer result in his separation of employees for whom work is available solely for the purpose of evading charges to his account.

In making computations under this provision, the amount of wage credits if not a multiple of \$1.00, shall be computed to the nearest multiple of \$1.00.

Sec. 7. Minnesota Statutes 1949, Section 268.06, Subdivisions 11, 12, 13, 14, 15 and 16, are hereby repealed.

Sec. 8. Minnesota Statutes 1949, Section 268.06, Subdivision 22, is amended to read:

Subd. 22. **Employment experience record, transfer.** For experience rating purposes, one or more employing units which is or are the subject of or parties to a change of ownership or any form of organization or reorganization of an employing enterprise including a change in legal identity or form, shall upon application be deemed to be a successor entitled to the transfer of the employment experience record of *all or any severable portion thereof*, including the war risk account of one or more such employing enterprises involved in such change of ownership, organization, or reorganization if the director finds that

(1) There is a continuation of the employment activities of the predecessor employing unit or units and that the purpose of such change is not to avoid a contribution rate in excess of 2.7%, and such transfer would not be inequitable and would not tend to defeat the object and purpose of this law.

(2) The provisions of this subdivision apply to such changes occurring in the calendar year 1943 and thereafter. Any successor employing enterprise, resulting from a change of ownership or any form of organization or reorganization to which the provisions of this subdivision apply, occurring prior to July 31, 1947, shall make application for the transfer of the employment experience record of the predecessor not later than December 31, 1951, in order to avail itself of the provisions of this subdivision.

Provided that in no event shall a successor be assigned a rate of less than 2.7% until such time as all of the unpaid contributions of the predecessor have been paid. Credits due to a predecessor as a result of overpayment of contributions under this subdivision may be granted to the successor upon assignment thereof by such predecessor in such form and in accordance with such regulations as may be prescribed by the director.

Sec. 9. Minnesota Statutes 1949, Section 268.08, Subdivision 2, is amended to read:

Subd. 2. No week shall be counted as a week of unemployment for the purposes of this section

(1) Unless it occurs subsequent to the filing of a valid claim for benefits;

(2) Unless it occurs after benefits first could become payable to any individual under sections 268.03 to 268.24;

(3) With respect to which he is receiving, has received, or has filed a claim for unemployment compensation benefits under any other law of this state, or of any other state, or the federal government, including readjustment allowances under Title V, Servicemen's Readjustment Act, 1944, *but not including benefits under the Veterans' Readjustment Assistance Act of 1952 or any other federal or state benefits which are merely supplementary to those provided for under sections 268.03 to 268.24, inclusive*; provided that if the appropriate agency of such other state or the federal government finally determines that he is not entitled to such benefits, this provision shall not apply.

Sec. 10. Minnesota Statutes 1949, Section 268.10, Subdivision 2, as amended by Laws 1951, Chapter 442, Section 4, is amended to read:

Subd. 2. (1) An official, designated by the director, shall promptly examine each claim for benefits filed to establish a benefit year pursuant to this section, and, on the basis of the facts found, shall determine whether or not such claims are valid, and if valid, the weekly benefit amount payable, the maximum benefit amount payable during the benefit year, and the date the benefit year terminates, and such determination shall be known as the determination of validity. Notice of any such determination of validity *or any redetermination as provided for in clause (2) of this subdivision* shall be promptly given the claimant and all other interested parties. Unless the claimant or such other interested party, parties, or employing unit or units within ten calendar days after the delivery of such notification, or within 12 calendar days after such notification was mailed to his last known address, files a protest to such determination of validity or makes an allegation of disqualification, or raises an issue of the chargeability to his account of benefits that may be paid to such claimant as a result of such claim, such determination shall be final and benefits shall be paid or denied in accordance therewith. If the claimant or an interested employer files a protest to such determination of validity *or the employer makes an allegation of disqualification* or raises an issue of the chargeability to his account of benefits that may be paid on such claim within the time aforesaid, the issue thereby raised shall be promptly determined by

said official and a notification of such determination delivered or mailed to all the interested parties and such determination shall become final unless any interested party appeals therefrom within ten calendar days after the delivery of such notification or within 12 calendar days after such notification was mailed to his last known address. If an appeal is filed, benefits may be paid on the uncontested portion of the claim; benefits on the contested portion of the claim, if any, shall be paid after the final determination of the appeal. Except in respect to cases arising under Section 268.09, Subdivision 1, Clause (6), if an appeal tribunal affirms an initial determination or the director affirms a decision of the appeal tribunal, allowing benefits, such benefits shall be paid regardless of any appeal which may thereafter be taken, but if such decision is finally reversed, such benefits so paid shall not be considered in determining any individual employer's future contribution rate under section 268.06.

(2) *At any time within one year from the date of the filing of a claim for benefits by an individual, the director on his own motion may reconsider a determination made thereon and make a redetermination thereof if he finds that an error in computation or identity or the crediting of wage credits has occurred in connection therewith or if such determination was made as a result of a nondisclosure or misrepresentation of a material fact.*

(3) However, the director may in his discretion refer any disputed claims directly to the appeal tribunal for hearing and determination in accordance with the procedure outlined in subdivision 3 of this section and the effect and status of such determination in such a case shall be the same as though the matter had been determined upon an appeal to such appeal tribunal from an initial determination.

(4) If within the benefit year an official of the division or any interested party or parties raises an issue of claimant's eligibility for benefits for any week or weeks in accordance with the requirements of the provisions of sections 268.03 to 268.24 or any official of the division or any interested party or parties or benefit year employer raises an issue of disqualification in accordance with the regulations of the director, a determination shall be made thereon and a written notice thereof shall be given to the claimant and such other interested party or parties or benefit year employer. Unless the claimant or such other interested party or parties or benefit year employer shall within ten calendar days after the delivery of such notice, or within 12 days after such notice was mailed to his last known address, files an appeal from such determination, such

determination shall be final and benefits shall be paid or denied in accordance therewith.

Sec. 11. Minnesota Statutes 1949, Section 268.10, Subdivision 3, is amended to read:

Subd. 3. Unless such appeal is withdrawn, the date for hearing before an appeal tribunal shall be set and notice of such hearing shall be mailed to the last known address of all interested parties at least ten days prior to the date set for such hearing. Such hearing shall be a trial de novo, and, upon the evidence presented, the appeal tribunal shall affirm, modify, or set aside the initial determination. The director may, by regulation, provide for the taking of evidence or for the admission of sworn statements in case any interested party is unable to be present at the hearing. The parties shall be duly notified of such tribunal's decision, together with its reason therefor, which shall be deemed to be the final decision unless further appeal is initiated pursuant to subdivision 5 of *this section*.

Sec. 12. Minnesota Statutes 1949, Section 268.10, Subdivision 5, is amended to read:

Subd. 5. Within *ten calendar days after the delivery of or within 12 days after the mailing to an interested party at his last known address notice of the filing of an appeal tribunal decision, together with a copy of such decision, any such party may appeal from such decision and obtain a review thereof by the director or his duly authorized representative, and the director within the same period of time may on his own motion order a review of any such decision. Upon review, the director or his duly authorized representative may affirm, modify, or set aside any finding of fact or decision, or both, of the appeal tribunal on the basis of the evidence previously submitted in such case, or remand such matter back to the appeal tribunal for the taking of additional evidence and new findings and decision based on all of the evidence before it. Notice of all hearings on review shall be given to all interested parties in the same manner as provided for by subdivision 3. The director or his representative may remove to himself or transfer to another appeal tribunal the proceedings on any claim pending before an appeal tribunal. Any proceedings so removed to the director or his representative shall be heard upon notice in accordance with the requirements of subdivision 3. The division of employment and security shall mail to all interested parties a notice of the filing of and a copy of the findings and decision of the director or his representative.*

Sec. 13. Minnesota Statutes 1949, Section 268.11, Subdivision 2, is amended to read:

Subd. 2. Except as otherwise provided in subdivision 3 of this section, *any employing unit, with reference to which the director finds that there were not 20 different days, each day being in a different week within the preceding calendar year, within which such employing unit employed one or more individuals in employment, as provided in section 268.04, subdivision 12, or any employing unit, for which services are performed outside the corporate limits of a city, village or borough of 10,000 population or more, which was subject to the Minnesota employment and security law in the preceding year and which during the current year is not subject to the tax imposed by section 1600 of the Federal Internal Revenue Code, shall cease to be an employer subject to sections 268.03 to 268.24 as of the first day of January of any calendar year, if during such current calendar year it files with the director a written application for termination of coverage; provided, however, that if such employing unit makes such application during such current calendar year and he is to be entitled to a refund by reason of such termination of coverage, the amount of such refund shall be reduced by the amount of benefits paid based on wage credits reported during the year in which coverage is terminated.* For the purpose of this subdivision the two or more employing units mentioned in section 268.04, subdivision 10, clause (2), (3) or (4), shall be treated as a single employing unit.

Sec. 14. Minnesota Statutes, 1949, Section 268.11, Subdivision 3, is amended to read:

Subd. 3. (1) An employing unit, not otherwise subject to sections 268.03 to 268.24 as an employer, which files with the director its written election to become an employer subject thereto for not less than two calendar years, shall, with the written approval of such election by the director, become an employer subject hereto to the same extent as all other employers, as of the date stated in such approval and cease to be subject hereto as of the first day of January of any calendar year subsequent to such two calendar years, only, if at least 30 days prior to such first day of January, it has filed with the director a written notice to that effect;

(2) Any employing unit for which services that do not constitute employment are performed, may file with the director a written election that all such service performed by individuals in its employ in one or more distinct establishments or places of business shall be deemed to constitute employment for all the purposes of sections 268.03 to 268.24 for not less than two calendar years. Upon the written approval of such election by the director, such services shall be deemed to constitute employment subject to these sections from and after

the date stated in such approval. Such services shall cease to be deemed employment subject hereto as of the first day of January of any calendar year subsequent to such two calendar years only if at least 30 days prior to such first day of January such employing unit has filed with the director a written notice to that effect.

(3) The director in his discretion may on his own motion terminate any election agreement under this subdivision upon 30 days notice to the employer, and he may also in his discretion and on his own motion terminate the coverage of any employer who has had less than 20 weeks of employment in a calendar year.

Sec. 15. Minnesota Statutes 1949, Section 268.12, Subdivision 6, as amended by Laws 1951, Chapter 442, Section 9, is amended to read:

Subd. 6. The governor shall appoint a state advisory council and may appoint such local advisory councils as he deems advisable, composed in each case of an equal number of employer and employee representatives who shall be selected because of their vocation, employment, or affiliation, and of such members representing the general public as he may designate. The governor may also appoint an agricultural employment advisory council and such other advisory councils as may be found necessary for proper administration. Such councils shall aid the director in formulating policies and discussing problems relating to the administration of sections 268.03 to 268.24 and in assuring impartiality and freedom from political influence in the solution of such problems. The members of such advisory councils shall serve at the pleasure of the governor and may be paid a fee of not more than \$25 per day for active service on such councils in lieu of remuneration for such service and subsistence and shall be reimbursed for any necessary traveling expenses at the same rate per mile as state employees are reimbursed.

Sec. 16. Minnesota Statutes 1949, Section 268.15, Subdivision 3, is amended to read:

Subd. 3. (1) There is hereby created in the state treasury a special fund, to be known as the employment and security contingent fund, which shall not lapse nor revert to any other fund. Such fund shall consist of all moneys appropriated therefor by the legislature, all moneys in the form of interest and penalties collected pursuant to section 268.16 and all moneys received in the form of voluntary contributions to this fund. All moneys in such fund shall be supplemental to all federal moneys that would be available to the director but for the existence of this fund. Such fund shall be available to the

director for such expenditures as he may deem necessary in connection with the administration of sections 268.03 to 268.24. *Whenever the director expends moneys from said contingent fund for the proper and efficient administration of the Minnesota employment and security law for which funds have not yet been made available by the federal government, such moneys so withdrawn from the contingent fund shall be replaced as hereinafter provided. Upon the deposit in the employment and security administration fund of moneys which are received in reimbursement of payment made as above provided from said contingent fund, the director shall certify to the state treasurer the amount of such reimbursement and thereupon the state treasurer shall transfer such amount from the employment and security administration fund to said contingent fund.* All moneys in this fund shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as is provided by law for the other special funds in the state treasury except that moneys in this fund shall not be commingled with other state funds, but shall be maintained in a separate account on the books of a depository bank. The state treasurer shall be liable on his official bond for the faithful performance of his duties in connection with the employment and security contingent fund provided for herein.

(2) *Whenever the director determines that there are moneys in said contingent fund not currently needed for other purposes and that it is necessary and advisable that moneys be made available to the Minnesota Employment Security Building Commission for the purpose of acquiring land or land and buildings or land and constructing a building or buildings thereon for the use of the Minnesota division of employment and security or any other expenses necessary and proper for the accomplishment of the purposes of the Minnesota Employment Security Building Commission as set forth in the Minnesota employment security building commission act, he shall certify to the state board of investment the amount thereof and when it will be needed for such purposes. Upon receipt of such certification, the state board of investment may invest the amount so certified in bonds or other evidences of indebtedness issued by the Minnesota Employment Security Building Commission in accordance with the provisions of the Minnesota employment security building commission law. All interest and profit accruing from such bonds or other evidences of indebtedness shall be credited to and be a part of said employment and security contingent fund.*

Sec. 17. Minnesota Statutes 1949, Section 268.16, Subdivision 2, is amended to read:

Subd. 2. (1) Any employer who knowingly fails to make and submit to the division of employment and security any report of wages paid by or due from him for insured work in the manner and at the time such report is required by regulations prescribed by the director shall pay to the division of employment and security for the contingent fund an amount equal to one per cent of contributions accrued during the period for which such report is required, for each month from and after such date until such report is properly made and submitted to the division of employment and security. In no case shall the amount of the penalty imposed hereby be less than \$5.00 except that in cases where the contribution is less than \$10.00 *and the director finds that the employer does not habitually fail to report on time* the penalty shall be \$1.00. Any employing unit which fails to make and submit to the director any report, other than one of wages paid or payable for insured work, as and when required by the regulations of the director, shall be subject to a penalty in the some of \$10.00 payable to the division of employment and security for the contingent fund. All such penalties shall be in addition to interest and any other penalties provided for by sections 268.03 to 268.24 and shall be collected by civil action as hereinafter provided.

(2) If any employing unit required by sections 268.03 to 268.24 to make and submit contribution reports shall fail to do so within the time prescribed by these sections or by regulations under the authority thereof, or shall make, wilfully or otherwise, an incorrect, false or fraudulent contribution report, he shall, on the written demand of the director, make such contribution report, or corrected report, within ten days after the mailing of such written demand and at the same time pay the whole contribution, or additional contribution, due on the basis thereof. If such employer shall fail within that time to make such report, or corrected report, the director shall make for him a report, or corrected report, from his own knowledge and from such information as he can obtain through testimony, or otherwise, and assess a contribution on the basis thereof, which contribution, plus penalties and interest which thereafter accrued (less any payments theretofore made) shall be paid within ten days after the director has mailed to such employer a written notice of the amount thereof and demand for its payment. Any such contribution report or assessment made by the director on account of the failure of the employer to make a report or corrected report shall be prima facie correct and valid, and the employer shall have the burden of establishing its incorrectness or invalidity in any action or proceeding in respect thereto. Whenever such delinquent employer shall file a report or corrected report, the director may, if he finds it substantially correct, substitute it for the director's report. If

an employer has failed to submit any report of wages paid, or has filed an incorrect report, and the director finds that such noncompliance with the terms of sections 268.03 to 268.24 was not wilful and that such employer was free from fraudulent intent, the director shall limit the charge against such employer to the period of the year in which such condition has been found to exist and for the preceding calendar year.

Sec. 18. Minnesota Statutes 1949, Section 268.18, Subdivision 1, as amended by Laws 1951, Chapter 442, Section 11, is amended to read:

268.18 Subdivision 1. Any claimant for benefits who, by reason of his own mistake or through the error of any individual engaged in the administration of sections 268.03 to 268.24, has received any sum as benefits to which he was not entitled under these sections, shall promptly return such benefits in cash to the nearest office of the Minnesota Division of Employment and Security. If such claimant fails to return such benefits, the Division of Employment and Security shall, as soon as it discovers such erroneous payment, determine the amount thereof and notify said individual to return the same, *within a period of 20 days from the date of such notification.* Unless such claimant files a written protest with the division of employment and security within ten days after the delivery of such notice or within 12 days after the date of the mailing thereof, such determination shall become final. If such claimant files a protest with the division in writing within the time aforesaid the matter shall be set for hearing before an appeal tribunal of the division and heard as other benefit matters are heard in accordance with section 268.10 with the same rights of review as outlined for benefit cases in that section. *In the event that the claimant fails to return to the division, within 20 days after such notification to do so, the benefits he received unlawfully, the director of the division of employment and security is hereby authorized to deduct from any future benefits payable to such claimant under these sections in the current or any subsequent benefit year an amount equivalent to such erroneous payment.*

Subd. 2. Any claimant who files a claim for or receives benefits by knowingly and wilfully misrepresenting or misstating any material fact or by knowingly and wilfully failing to disclose any material fact which would make him ineligible for benefits under sections 268.03 to 268.24 and as specifically set forth in section 268.08 of Minnesota Statutes in force at the time of filing such claim for benefits, shall be deemed guilty of fraud. Notwithstanding the provisions of Minnesota Statutes 1949, Section 268.09, Subdivision 1, Clause (7), *after the discovery of facts by the director indicating such fraud in claim-*

ing or obtaining benefits under sections 268.03 to 268.24, he is hereby authorized to make a determination that such claimant was ineligible for each week with reference to which benefits were claimed or obtained by such fraud for such amount as was in excess of what such claimant would have been entitled to had he not made such fraudulent statements or failed to disclose any material facts, and at the discretion of the director, disqualifying such claimant from receiving any unemployment benefits under the Minnesota law for any part or all of the remainder of the current or next subsequent benefit year following the week when such fraud was committed, and that said claimant shall within 20 days from the date of mailing the notice of said determination to him repay in cash to the division of employment and security any benefits so fraudulently obtained. Unless such claimant files a written protest with the division of employment and security within ten days after the delivery of such notice or within 12 days after the date of mailing thereof, such determination shall become final. If such claimant shall appeal from such determination within the time above specified said matter shall be referred to an appeal tribunal for a hearing as in other benefit cases and thereafter the procedure for review shall be the same as set forth in section 268.10. If such benefits so fraudulently obtained are not repaid to the division in cash within 20 days from the date of mailing the notice to such claimant of such determination, the director is hereby authorized to deduct from future benefits payable to such claimant in either the current or any subsequent benefit year an amount equivalent to the amount of overpayment determined.

Subd. 3. Whoever makes a false statement or representation knowing it to be false or knowingly fails to disclose a material fact to obtain or increase any benefit or other payment under sections 268.03 to 268.24, or under the employment security law of any state or of the federal government or of a foreign government, either for himself or any other person, shall be guilty of a misdemeanor.

Any employing unit or any officer or agent of an employing unit or any other person who makes a false statement or representation knowing it to be false, or who knowingly fails to disclose a material fact, to prevent or reduce the payment of benefits to any individual entitled thereto, or to avoid becoming or remaining a subject employer or to avoid or reduce any contribution or other payment required from an employing unit under those sections or under the employment and security law of any state or of the federal government, or who wilfully fails or refuses to make any such contributions or other payment or to furnish any reports at the time when required here-

under or to produce or permit the inspection or copying of records as required hereunder, shall be guilty of a misdemeanor.

Approved March 9, 1953.

CHAPTER 98—S. F. No. 382

An act defining Bang's disease as being Brucellosis; amending Minnesota Statutes 1949, Section 35.01.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1949, Section 35.01, is amended by adding thereto a new subdivision reading as follows:

"Bang's disease" as used in Minnesota Statutes 1949, Chapter 35, and in laws amendatory thereof, means and includes brucellosis.

Approved March 9, 1953.

CHAPTER 99—S. F. No. 524

An act relating to aid for war veterans and the children of deceased veterans; amending Minnesota Statutes 1949, Section 197.751.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1949, Section 197.751, is amended to read:

197.751 War veterans fund; disbursement. Notwithstanding Minnesota Statutes 1949, Sections 197.74 and 197.75, the state auditor, upon request of the commissioner of veterans affairs approved by the governor, may transfer from time to time from any balance remaining of the \$1,250,000 available out of the War Veterans Fund for the purposes of Minnesota Statutes 1949, Section 197.75, to the sum available out of the War Veterans Fund for the purposes of Minnesota Statutes 1949, Section 197.74, the sum of \$500,000, or so much thereof as may be necessary.

Sec. 2. All transfers of moneys heretofore made by the auditor, upon request of the commissioner of veterans affairs approved by the governor, out of the War Veterans Fund for the purposes of Minnesota Statutes 1949, Section 197.75, to