

Subd. 4. Whenever the commissioner of iron range resources and rehabilitation has made determinations required by subdivision 1 of this section and has determined that distress and unemployment exists or may exist in the future in any county by reason of the removal of the natural resources or a possible limited use thereof in the future and the decrease in employment resulting therefrom and he deems that the acquirement of real estate is necessary and proper in the development of the remaining resources he may acquire such real estate by gift, purchase or condemnation in the manner provided by law, not to exceed in the aggregate 640 acres, but such land may be acquired by condemnation only in connection with the present peat project located near Floodwood, Minnesota and the present rhutabaga project located near Grand Rapids, Minnesota. Property to be used in connection with future projects may be acquired only by purchase or gift within the foregoing limitation. If after such property is acquired by purchase or gift if it is necessary in the judgment of the commissioner to acquire a right of way for access to projects operated on property acquired, by gift or purchase, said right of way may be acquired by condemnation, all within said limitation.

Subd. 5. Whenever property has been granted and conveyed to the state of Minnesota in accordance with an agreement made by the commissioner of iron range resources and rehabilitation and the commissioner of administration for the necessary and proper development of the remaining resources of any distressed county, such grants and conveyances are hereby accepted in accordance with the terms and conditions thereof.

Subd. 6. In order to carry out the terms and provisions of this act, the commissioner of iron range resources and rehabilitation and the commissioner of administration may lease any real estate acquired hereunder for a term not to exceed twenty years upon such terms as they may determine. Such lease may provide that in the event the property is ever sold by the state to such lessee, the lessee may obtain a credit on the purchase price covering the rentals paid under his lease or any renewals thereof.

Approved April 29, 1957.

CHAPTER 883—H. F. No. 1119

An act relating to employment security; amending Minnesota Statutes 1953, Sections 268.04, Subdivision 26; 268.05, Subdivisions 1, 2 and 3, and by adding a new subdivision

thereto; 268.10, Subdivision 2; 268.12, Subdivision 2, as amended by Laws 1955, Chapter 847, Section 22; and 268.15, Subdivisions 1, 2 and 3.

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

Section 1. Minnesota Statutes 1953, Section 268.04, Subdivision 26, is amended to read :

Subd. 26. "Wage credits" mean the amount of wages paid and wages due but not paid by or from an employer to an employee for insured work except that with respect to wages paid by or due from an employer to an employee for seasonal employment (as defined in section 268.07, subdivision 5), "wage credits" shall mean the proportion (computed to the next highest multiple of five percent) of such wages which the customary period of operations bears to a calendar year. *Wages earned in part-time employment by a student as an integral part of an occupational course of study, under a plan for vocational education accepted by the Minnesota department of education, shall not result in wage credits available for benefit purposes.*

Sec. 2. Minnesota Statutes 1953, 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 commissioner 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;
- (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;
- (6) *All money recovered on losses sustained by the fund;*

(7) *All money credited to the account of this state in the unemployment trust fund pursuant to section 903 of the Social Security Act, as amended; and*

(8) *All money received for the fund from any other source.*

All moneys in the fund shall be mingled and undivided.

Sec. 3. Minnesota Statutes 1953, Section 268.05, Subdivision 2, is amended to read:

Subd. 2. **State treasurer to be custodian; separate accounts; bonds.** The state treasurer shall be ex-officio the treasurer and custodian of the fund. He shall administer the fund in accordance with the directions of the commissioner, and issue his warrants upon it in accordance with such regulations as the commissioner shall prescribe. He shall maintain within the fund three separate accounts:

- (1) A clearing account;
- (2) An unemployment trust fund account; and
- (3) A benefit account.

All money payable to the fund, upon receipt thereof by the commissioner, shall be forwarded to the treasurer who shall immediately deposit them in the clearing account. All moneys in the clearing account, after clearance thereof, shall, except as herein otherwise provided, be immediately deposited with the secretary of the treasury of the United States to the credit of the account of this state in the unemployment trust fund established and maintained pursuant to section 904 of the Social Security Act, as amended, any provisions of law in this state relating to the deposit, administration, release, or disbursement of moneys in the possession or custody of this state to the contrary notwithstanding. Refunds payable pursuant to section 268.16, subdivision 6, and section 268.04, subdivision 12, clause (6) (f), may be paid from the clearing account or the benefit account. The benefit account shall consist of all moneys requisitioned from this state's account in the unemployment trust fund in the United States Treasury *for the payment of benefits*. Except as herein otherwise provided, moneys in the clearing and benefit accounts may be deposited by the treasurer, under the direction of the commissioner, in any depository bank in which general funds of the state may be deposited, but no public deposit insurance charge or premium shall be paid out of the fund. Moneys in the clearing and benefit accounts shall not be commingled with other state funds, but shall be maintained in separate accounts on the books of the depository bank. Such money shall be secured

by the depository bank to the same extent and in the same manner as required by the general depository law of this state; and collateral pledged for this purpose shall be kept separate and distinct from any collateral pledged to secure other funds of the state. The treasurer shall give a separate bond conditioned upon the faithful performance of his duties with respect to the fund in an amount not less than \$25,000. The bond shall be approved by the attorney general. Premiums for this bond shall be paid from the administration fund. All sums recovered for losses sustained by the fund shall be deposited therein.

Sec. 4. Minnesota Statutes 1953, Section 268.05, Subdivision 3, is amended to read:

Subd. 3. **Withdrawals.** (1) Moneys requisitioned from this state's account in the unemployment trust fund shall be used exclusively for the payment of benefits and for refunds pursuant to sections 268.16, subdivision 6, and 268.04 subdivision 12, clause (6) (f) *except that money credited to this state's account pursuant to section 903 of the Social Security Act, as amended, shall be used exclusively as provided in subdivision 5 of this section.* The commissioner or his duly authorized agent for that purpose, shall from time to time requisition from the unemployment trust fund such amounts, not exceeding the amount standing to this state's account therein, as he deems necessary for the payment of such benefits and refunds for a reasonable future period. Upon receipt thereof the treasurer shall deposit such moneys in the benefit account and issue his warrants for the payment of benefits solely from such benefit account. Expenditures of such moneys in the benefit account and refunds from the clearing account shall not be subject to any provisions of law requiring specific appropriations or other formal release by state officers of money in their custody. All warrants issued by the treasurer for the payment of benefits and refunds shall bear the signature of the treasurer and the counter signature of the commissioner or his duly authorized agent for that purpose.

(2) Any balance of moneys requisitioned from the unemployment trust fund which remains unclaimed or unpaid in the benefit account after the expiration of the period for which such sums were requisitioned shall either be deducted from estimates for, and may be utilized for the payment of, benefits and refunds during succeeding periods or, in the discretion of the commissioner, shall be redeposited with the secretary of the treasury of the United States; to the credit of this state's account in the unemployment trust fund, as provided in subdivision 2.

Sec. 5. Minnesota Statutes 1953, Section 268.05, is amended by adding a new subdivision to read:

Subd. 5. Payment of expenses of administration. (1) Money credited to the account of this state in the unemployment trust fund by the secretary of the treasury of the United States of America pursuant to section 903 of the Social Security Act, as amended, may be requisitioned and used for the payment of expenses incurred for the administration of this act pursuant to a specific appropriation by the legislature, provided that the expenses are incurred and the money is requisitioned after the enactment of an appropriation law which:

(a) specifies the purposes for which such money is appropriated and the amounts appropriated therefor,

(b) limits the period within which such money may be expended to a period ending not more than two years after the date of the enactment of the appropriation law, and

(c) limits the amount which may be used during a twelve-month period beginning on July 1 and ending on the next June 30 to an amount which does not exceed the amount by which (i) the aggregate of the amounts credited to the account of this state pursuant to section 903 of the Social Security Act, as amended, during the same twelve-month period and the four preceding twelve-month periods, exceeds (ii) the aggregate of the amounts used pursuant to this subdivision and charged against the amounts credited to the account of this state during any of such five twelve-month periods. For the purposes of this subdivision, amounts used during any such twelve-month period shall be charged against equivalent amounts which were first credited and which are not already so charged; except that no amount used for administration during any such twelve-month period may be charged against any amount credited during such a twelve-month period earlier than the fourth preceding such period.

(2) Money credited to the account of this state pursuant to section 903 of the Social Security Act, as amended, may not be withdrawn or used except for the payment of benefits and for the payment of expenses for the administration of this act and of public employment offices pursuant to this subdivision.

(3) Money requisitioned for the payment of expenses of administration pursuant to this subdivision shall be deposited in the employment security administration fund, but, until expended, shall remain a part of the unemployment fund.

The commissioner shall maintain a separate record of the deposit, obligation, expenditure, and return of funds so deposited. If any money so deposited is, for any reason, not to be expended for the purpose for which it was appropriated, or, if it remains unexpended at the end of the period specified by the law appropriating such money, it shall be withdrawn and returned to the secretary of the treasury of the United States for credit to this state's account in the unemployment trust fund.

Sec. 6. Minnesota Statutes 1953, Section 268.10, Subdivision 2, is amended to read:

Subd. 2. **Determination of validity; redetermination; issues of eligibility and disqualification.** (1) An official, designated by the commissioner, 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 seven calendar days after the delivery of such notification, or within seven 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 seven calendar days after the delivery of such notification or within seven calendar days after such notification was mailed to his last known address; *provided that the aforesaid determinations in this subdivision shall not become final until ten calendar days after delivery or 12 calendar days after the mailing of the determination notice if the commissioner finds*

that the failure to file such protest or appeal timely was due to a compelling good cause. If benefits are paid to a claimant which would not have been paid to him except for a base period employer's failure to file such protest or appeal within the specified seven calendar day period required herein, then any benefits so paid prior to the receipt of a notice filed late with good cause shall remain charged to the account of such base period employer; subsequent benefits paid shall be charged or not charged to such employer's account in accordance with the provisions of section 268.09. 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 commissioner 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 commissioner 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 commissioner 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 *department* 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 department or any interested party or parties or benefit year employer raises an issue of disqualification in accordance with the regulations of the commissioner, 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 em-

ployer. Unless the claimant or such other interested party or parties or benefit year employer shall within *seven* calendar days after the delivery of such notice, or within *seven* 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. 7. Minnesota Statutes 1953, Section 268.12, Subdivision 2, as amended by Laws 1955, Chapter 847, Section 22, is amended to read:

Subd. 2. **Report; recommendation; and studies.** (1) *Not later than the first day of August each year, the commissioner shall submit to the governor a report covering the administration and operation of these sections during the preceding calendar year and make such recommendations for amendments thereto as the commissioner deems proper. When the commissioner believes that a change in contribution or benefit rates will become necessary to protect the solvency of the fund, he shall promptly so inform the governor and the legislature and make recommendations with respect thereto.*

(2) For the purpose of ascertaining the point at which the unemployment compensation fund should be stabilized in order to both avoid possible insolvency and the building up of unnecessary reserves and for the further purpose of ascertaining what might be a stabilized average annual rate of contributions over a period of years thereby eliminating great fluctuations in contribution rates from year to year, the commissioner is hereby authorized and directed to make a study thereof. For such study he is hereby authorized to utilize such funds as may be available to him to contract for the services of specialists in this field, or utilize such public personnel as may be furnished to assist him in making such study. Such study shall be made with the advice and counsel of the state advisory council to the department of employment security, and a report of such study shall be made to the governor and the legislature from time to time.

Sec. 8. Minnesota Statutes 1953, Section 268.15, Subdivision 1, is amended to read:

268.15 Unemployment compensation fund. Subdivision 1. **Administration fund.** There is hereby created in the state treasury a special fund to be known as the employment security administration fund. All moneys which are deposited or paid into this fund shall be continuously available to the commissioner for expenditures in accordance with the provisions of sections 268.03 to 268.24, and shall not lapse at

any time or be transferred to any other fund. The fund shall consist of all moneys received from the United States or any agency thereof, including the social security administration, and include any moneys received from any agency of the United States or any other state as compensation for services or facilities supplied to such agency, any amounts received pursuant to any surety bond or insurance policy or from other sources for losses sustained by the employment security administration fund or by reason of damage to equipment or supplies purchased from moneys in such fund, and any proceeds realized from the sale or disposition of any such equipment or supplies which may no longer be necessary for the proper administration of these sections. *Notwithstanding any provision of this section, all money requisitioned and deposited in this fund pursuant to section 268.05, subdivision 5, shall remain part of the unemployment fund and shall be used only in accordance with the conditions specified in section 268.05, subdivision 5.* All moneys in this fund shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as are 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 maintained in a separate account on the books of a depository bank. Such moneys shall be secured by the depository in which they are held to the same extent and in the same manner as required by the general depository law of the state and collateral pledged shall be maintained in a separate custody account. The state treasurer shall be liable on his official bond for the faithful performance of his duties in connection with the employment security administration fund provided for under these sections. Such liability on the official bond shall be effective immediately upon the enactment of this provision, and such liability shall exist in addition to any liability upon any separate bond existent on the effective date of this provision, or which may be given in the future. All sums recovered on any surety bond for losses sustained by the employment security administration fund shall be deposited in this fund. *All money in this fund, except money received pursuant to section 268.05, subdivision 5 (3) shall be expended solely for the purposes and in the amounts found necessary by the secretary of labor for the proper and efficient administration of the employment security program.*

Sec. 9. Minnesota Statutes 1953, Section 268.15, Subdivision 2, is amended to read :

Subd. 2. **State to re-place moneys wrongfully used.** If any moneys received after June 30, 1941, under Title III of the Federal Social Security Act, or any unencumbered bal-

ances in the employment security administration fund as of that date, or any moneys granted after that date to the state pursuant to the provisions of the Wagner-Peyser Act, are found by the *secretary of labor*, because of any action or contingency, to have been lost or been expended for purposes other than, or in amounts in excess of, those found necessary by the *secretary of labor* for the proper administration of these sections, the commissioner may, with the approval of the commissioner of administration, replace such moneys from the employment security contingent fund hereinafter established. If such moneys are not thus replaced, it is the policy of this state that such moneys shall be replaced by moneys appropriated for such purpose from the general funds of this state to the employment security administration fund for expenditure as provided in subdivision 1 of this section. Upon receipt of notice of such a finding by the *secretary of labor*, the commissioner shall promptly report the amount required for such replacement to the governor and the governor shall, at the earliest opportunity, submit to the legislature a request for the appropriation of such amount. This subdivision shall not be construed to relieve this state of its obligations with respect to funds received prior to July 1, 1941, pursuant to the provisions of Title III of the Social Security Act.

Sec. 10. Minnesota Statutes 1953, Section 268.15, Subdivision 3, is amended to read:

Subd. 3. **Contingent fund.** There is hereby created in the state treasury a special fund, to be known as the employment 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 commissioner but for the existence of this fund. Such fund shall be available to the commissioner for such expenditures as he may deem necessary in connection with the administration of sections 268.03 to 268.24. Whenever the commissioner expends moneys from said contingent fund for the proper and efficient administration of the Minnesota employment 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 security administration fund of moneys which are received in reimbursement of payments made as above provided from said contingent fund, the

commissioner shall certify to the state treasurer the amount of such reimbursement and thereupon the state treasurer shall transfer such amount from the employment 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 security contingent fund provided for herein.

Approved April 29, 1957.

CHAPTER 884—H. F. No. 1177

An act relating to old age assistance; disqualifications; amending Minnesota Statutes 1953, Section 256.18.

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

Section 1. Minnesota Statutes 1953, Section 256.18, is amended to read:

256.18 Pensioners, disqualification. No old age assistance shall be paid a person:

(1) While or during the time he is an inmate of, and receives gratuitously all the necessities of life from any public institution maintained by the United States, or any state or any of the political subdivisions of a state; while he is a patient in a tuberculosis or mental institution; or while he is a patient in a medical institution as a result of diagnosis of tuberculosis or psychosis; provided, however, that part or all of any old age assistance may be paid to patients of public or private medical institutions other than those herein excluded, subject to rules and regulations made by the the state agency;

(2) If the net value of his property or the net value of the combined property of husband and wife exceeds \$10,000; or if the net value of his assets convertible into cash exceeds \$300 or the combined convertible assets of husband and wife exceeds \$450. The county agency in its discretion may permit eligibility of an applicant having liquid assets in excess of this amount when the liquidation of the assets would cause undue loss. Household goods and furniture in use in the home,