CHAPTER 7--H.F.No. 2

An act relating to state government; appropriating money for jobs, economic development, energy, and commerce; modifying economic development programs; establishing wage theft prevention; modifying labor and industry policy provisions; modifying commerce policy provisions; modifying energy policy provisions; adopting Unemployment Insurance Advisory Council provisions; adopting Workers' Compensation Advisory Council provisions; modifying fees; increasing civil and criminal penalties; requiring reports; amending Minnesota Statutes 2018, sections 15.72, subdivision 2; 16C.285, subdivision 3; 46.131, subdivisions 10, 11; 82B.021, subdivisions 14, 15; 82B.073, by adding a subdivision; 82B.09, subdivision 3; 82B.095, by adding a subdivision; 82B.11, subdivision 6, by adding a subdivision; 82B.13, subdivision 1; 82B.195, subdivision 2; 82B.21; 116C.7792; 175.20; 175.46, subdivisions 3, 13; 176.011, by adding subdivisions; 176.1812, subdivision 2; 176.231; 176.253; 176.2611, subdivisions 2, 5, 6; 176.275; 176.281; 176.285; 176.312; 177.27, subdivision 2, by adding a subdivision; 177.30; 177.32, subdivision 1; 181.03, by adding subdivisions; 181.032; 181.101; 216B.16, by adding a subdivision; 216B.1642, subdivision 2; 216B.2422, subdivision 1, by adding a subdivision; 216B.62, subdivision 3b; 216C.435, subdivisions 3a, 8; 216C.436, subdivision 4, by adding a subdivision; 268.035, subdivisions 4, 12, 15, 20; 268.044, subdivisions 2, 3; 268.046, subdivision 1; 268.047, subdivision 3; 268.051, subdivision 2a; 268.057, subdivision 5; 268.069, subdivision 1; 268.07, subdivision 1; 268.085, subdivisions 3, 3a, 13a, by adding subdivisions; 268.095, subdivisions 6, 6a; 268.105, subdivision 6; 268.145, subdivision 1; 268.18, subdivisions 2b, 5; 326B.082, subdivisions 6, 8, 12; 326B.103, subdivision 11; 326B.106, subdivision 9; 326B.46, by adding a subdivision; 326B.475, subdivision 4; 326B.821, subdivision 21; 326B.84; 337.10, subdivision 4; 341.30, subdivision 1; 341.32, subdivision 1; 341.321; 345.41; 469.074, by adding a subdivision; 469.081, by adding a subdivision; 469.089, by adding a subdivision; 609.52, subdivisions 1, 2, 3; Laws 2017, chapter 94, article 1, section 2, subdivision 3; article 10, sections 28; 29; proposing coding for new law in Minnesota Statutes, chapters 116J; 116L; 176; 177; 181; 345; repealing Minnesota Statutes 2018, sections 82B.021, subdivision 17; 82B.095, subdivision 2; 82B.10, subdivisions 1, 2, 3, 4, 5, 6, 8, 9; 82B.11, subdivision 2; 82B.12; 82B.13, subdivisions 1a, 3, 4, 5, 6, 7, 8; 82B.14; 325F.75; 345.45.

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

ARTICLE 1

APPROPRIATIONS

Section 1. **JOBS, ECONOMIC DEVELOPMENT, ENERGY, AND COMMERCE APPROPRIATIONS.**

(a) The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2020" and "2021" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2020, or June 30, 2021, respectively. "The first year" is fiscal year 2020. "The second year" is fiscal year 2021. "The biennium" is fiscal years 2020 and 2021.

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(b) If an appropriation in this article is enacted more than once in the 2019 regular or special legislative session, the appropriation must be given effect only once.

	APPROPRIATIONS Available for the Year Ending June 30	
	2020	**2021**
Sec. 2. **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**		
Subdivision 1. **Total Appropriation**	**$ 126,574,000**	**$ 119,224,000**
Appropriations by Fund		
2020	2021	
General 91,037,000	85,487,000	
Remediation 700,000	700,000	
Workforce Development 34,837,000	33,037,000	
The amounts that may be spent for each purpose are specified in the following subdivisions.		
Subd. 2. **Business and Community Development**	44,931,000	42,381,000
Appropriations by Fund		
General 40,756,000	38,206,000	
Remediation 700,000	700,000	
Workforce Development 3,475,000	3,475,000	

(a) $1,787,000 each year is for the greater Minnesota business development public infrastructure grant program under Minnesota Statutes, section 116J.431. This appropriation is available until June 30, 2023.

(b) $1,425,000 each year is for the business development competitive grant program. Of this amount, up to five percent is for administration and monitoring of the business development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

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(c) $1,772,000 each year is for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until June 30, 2023.

(d) $700,000 each year is from the remediation fund for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until June 30, 2023.

(e) $139,000 each year is for the Center for Rural Policy and Development.

(f) $25,000 each year is for the administration of state aid for the Destination Medical Center under Minnesota Statutes, sections 469.40 to 469.47.

(g) $875,000 each year is for the host community economic development program established in Minnesota Statutes, section 116J.548.

(h) $125,000 each year is from the workforce development fund for a grant to the White Earth Nation for the White Earth Nation Integrated Business Development System to provide business assistance with workforce development, outreach, technical assistance, infrastructure and operational support, financing, and other business development activities. This is a onetime appropriation.

(i) $450,000 each year is from the workforce development fund for a grant to Enterprise Minnesota, Inc. for the small business growth acceleration program under Minnesota Statutes, section 116O.115. This is a onetime appropriation.

(j) $250,000 the first year is for a grant to the Rondo Community Land Trust for improvements to leased commercial space in the Selby Milton Victoria Project that will create long-term affordable space for small businesses and for build-out and development of new businesses.

(k) $400,000 each year is from the workforce development fund for a grant to the Metropolitan Economic Development Association (MEDA) for statewide business development and assistance services, including services to entrepreneurs with businesses that have the potential to create job opportunities for unemployed and underemployed

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people, with an emphasis on minority-owned businesses. This is a onetime appropriation.

(l) $750,000 in fiscal year 2020 is for grants to local communities to increase the supply of quality child care providers to support economic development. At least 60 percent of grant funds must go to communities located outside of the seven-county metropolitan area as defined under Minnesota Statutes, section 473.121, subdivision 2. Grant recipients must obtain a 50 percent nonstate match to grant funds in either cash or in-kind contributions. Grant funds available under this section must be used to implement projects to reduce the child care shortage in the state, including but not limited to funding for child care business start-ups or expansion, training, facility modifications or improvements required for licensing, and assistance with licensing and other regulatory requirements. In awarding grants, the commissioner must give priority to communities that have demonstrated a shortage of child care providers in the area. This is a onetime appropriation. Within one year of receiving grant funds, grant recipients must report to the commissioner on the outcomes of the grant program, including but not limited to the number of new providers, the number of additional child care provider jobs created, the number of additional child care slots, and the amount of cash and in-kind local funds invested.

(m) $750,000 in fiscal year 2020 is for a grant to the Minnesota Initiative Foundations. This is a onetime appropriation and is available until June 30, 2023. The Minnesota Initiative Foundations must use grant funds under this section to:

(1) facilitate planning processes for rural communities resulting in a community solution action plan that guides decision making to sustain and increase the supply of quality child care in the region to support economic development;

(2) engage the private sector to invest local resources to support the community solution action plan and ensure quality child care is a vital component of additional regional economic development planning processes;

(3) provide locally based training and technical assistance to rural child care business owners individually or through a learning cohort. Access to

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financial and business development assistance must prepare child care businesses for quality engagement and improvement by stabilizing operations, leveraging funding from other sources, and fostering business acumen that allows child care businesses to plan for and afford the cost of providing quality child care; or

(4) recruit child care programs to participate in Parent Aware, Minnesota's quality and improvement rating system, and other high quality measurement programs. The Minnesota Initiative Foundations must work with local partners to provide low-cost training, professional development opportunities, and continuing education curricula. The Minnesota Initiative Foundations must fund, through local partners, an enhanced level of coaching to rural child care providers to obtain a quality rating through Parent Aware or other high quality measurement programs.

(n)(1) $650,000 each year from the workforce development fund is for grants to the Neighborhood Development Center for small business programs. This is a onetime appropriation.

(2) Of the amount appropriated in the first year, $150,000 is for outreach and training activities outside the seven-county metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2.

(o) $8,000,000 each year is for the Minnesota job creation fund under Minnesota Statutes, section 116J.8748. Of this amount, the commissioner of employment and economic development may use up to three percent for administrative expenses. This appropriation is available until expended.

(p)(1) $11,970,000 each year is for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Of this amount, the commissioner of employment and economic development may use up to three percent for administration and monitoring of the program. In fiscal year 2022 and beyond, the base amount is $12,370,000. This appropriation is available until expended. Notwithstanding Minnesota Statutes, section 116.8731, funds appropriated to the commissioner for the Minnesota investment fund may be used for the redevelopment program under Minnesota Statutes, sections 116J.575 and 116J.5761, at the discretion of the commissioner. Grants under

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this paragraph are not subject to the grant amount limitation under Minnesota Statutes, section 116J.8731.

(2) Of the amount appropriated in the first year, $2,000,000 is for a loan to a paper mill in Duluth for a retrofit project that will support the operation and manufacture of packaging paper grades. The company that owns the paper mill must spend $20,000,000 on project activities by December 31, 2020, in order to be eligible to receive this loan. Loan funds may be used for purchases of materials, supplies, and equipment for the project and are available from July 1, 2019, to July 30, 2021. The commissioner of employment and economic development shall forgive 25 percent of the loan each year after the second year during a five-year period if the mill has retained at least 200 full-time equivalent employees and has satisfied other performance goals and contractual obligations as required under Minnesota Statutes, section 116J.8731.

(q) $700,000 in fiscal year 2020 is for the airport infrastructure renewal (AIR) grant program under Minnesota Statutes, section 116J.439.

(r) $100,000 in fiscal year 2020 is for a grant to FIRST in Upper Midwest to support competitive robotics teams. Funds must be used to make up to five awards of no more than $20,000 each to Minnesota-based public entities or private nonprofit organizations for the creation of competitive robotics hubs. Awards may be used for tools, equipment, and physical space to be utilized by robotics teams. At least 50 percent of grant funds must be used outside of the seven-county metropolitan area, as defined under Minnesota Statutes, section 473.121, subdivision 2. The grant recipient shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over jobs and economic growth by February 1, 2021, on the status of awards and include information on the number and amount of awards made, the number of customers served, and any outcomes resulting from the grant. The grant requires a 50 percent match from nonstate sources.

(s) $1,000,000 each year is for the Minnesota emerging entrepreneur loan program under Minnesota Statutes, section 116M.18. Funds available under this paragraph are for transfer into the emerging entrepreneur program

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special revenue fund account created under Minnesota Statutes, chapter 116M, and are available until expended. Of this amount, up to four percent is for administration and monitoring of the program.

(t) $163,000 each year is for the Minnesota Film and TV Board. The appropriation in each year is available only upon receipt by the board of $1 in matching contributions of money or in-kind contributions from nonstate sources for every $3 provided by this appropriation, except that each year up to $50,000 is available on July 1 even if the required matching contribution has not been received by that date.

(u) $12,000 each year is for a grant to the Upper Minnesota Film Office.

(v) $500,000 each year is from the general fund for a grant to the Minnesota Film and TV Board for the film production jobs program under Minnesota Statutes, section 116U.26. This appropriation is available until June 30, 2023.

(w) $4,195,000 each year is for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until expended.

(x) $1,350,000 each year is from the workforce development fund for jobs training grants under Minnesota Statutes, section 116L.42.

(y) $2,500,000 each year is for Launch Minnesota. This is a onetime appropriation and funds are available until June 30, 2023. Of this amount:

(1) $1,600,000 each year is for innovation grants to eligible Minnesota entrepreneurs or start-up businesses to assist with their operating needs;

(2) $450,000 each year is for administration of Launch Minnesota; and

(3) $450,000 each year is for grantee activities at Launch Minnesota.

(z) $500,000 each year is from the workforce development fund for a grant to Youthprise to give grants through a competitive process to community organizations to provide economic development

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services designed to enhance long-term economic self-sufficiency in communities with concentrated East African populations. Such communities include but are not limited to Faribault, Rochester, St. Cloud, Moorhead, and Willmar. To the extent possible, Youthprise must make at least 50 percent of these grants to organizations serving communities located outside the seven-county metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2.This is a onetime appropriation and is available until June 30, 2022.

(aa) $125,000 each year is for a grant to the Hmong Chamber of Commerce to train ethnically Southeast Asian business owners and operators in better business practices. This is a onetime appropriation.

Subd. 3. **Employment and Training Programs** 27,209,000 27,209,000

	Appropriations by Fund	
General	5,532,000	5,532,000
Workforce Development	21,677,000	21,677,000

(a) $250,000 each year is for the higher education career advising program.

(b) $500,000 each year from the general fund and $500,000 each year from the workforce development fund are for rural career counseling coordinators in the workforce service areas and for the purposes specified under Minnesota Statutes, section 116L.667.

(c) $750,000 each year is for the women and high-wage, high-demand, nontraditional jobs grant program under Minnesota Statutes, section 116L.99. Of this amount, up to five percent is for administration and monitoring of the program.

(d)(1) $150,000 each year is from the workforce development fund for a grant to the Regional Center for Entrepreneurial Facilitation hosted by a county or higher education institution. Funds available under this paragraph must be used to provide entrepreneur and small business development direct professional business assistance services in the following counties in Minnesota: Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Watonwan, and Waseca. For the purposes of this paragraph, "direct professional

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business assistance services" must include but is not limited to payment of overhead costs, pre-venture assistance for individuals considering starting a business, and services for underserved populations, agricultural businesses, and students. This appropriation is not available until the commissioner determines that an equal amount is committed from nonstate sources. This appropriation is onetime and available until June 30, 2021.

(2) Grant recipients shall report to the commissioner by February 1, 2021, and include information on the number of customers served in each county; the number of businesses started, stabilized, or expanded; the number of jobs created and retained; and business success rates in each county. By April 1, 2021, the commissioner shall report the information submitted by grant recipients to the chairs and ranking minority members of the standing committees of the house of representatives and senate having jurisdiction over economic development issues.

(e) $1,000,000 each year is from the workforce development fund for a grant to Summit Academy OIC to expand their contextualized GED and employment placement program and STEM program. This is a onetime appropriation.

(f) $125,000 each year is from the workforce development fund for a grant to the YWCA of Minneapolis to provide economically challenged individuals the jobs skills training, career counseling, and job placement assistance necessary to secure a child development associate credential and to have a career path in early childhood education. This is a onetime appropriation.

(g) $125,000 each year is from the workforce development fund for a grant to the YWCA of St. Paul to provide job training services and workforce development programs and services, including job skills training and counseling. This is a onetime appropriation.

(h) $100,000 each year is from the workforce development fund for displaced homemaker programs under Minnesota Statutes, section 116L.96. The commissioner, through the adult career pathways program, shall distribute the funds to existing nonprofit

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and state displaced homemaker programs. This is a onetime appropriation.

(i) $150,000 each year is from the workforce development fund for a grant to Hennepin County for the Cedar Riverside Partnership. This is a onetime appropriation.

(j) $4,604,000 each year is from the workforce development fund and $1,094,000 each year is from the general fund for the pathways to prosperity competitive grant program. Of this amount, up to four percent is for administration and monitoring of the program. The base amount from the general fund in fiscal year 2022 and beyond is $2,546,000.

(k) $150,000 each year is from the workforce development fund for a grant to Better Futures Minnesota to provide job skills training to individuals who have been released from incarceration for a felony-level offense and are no more than 12 months from the date of release. This is a onetime appropriation.

(l) $188,000 each year is for a grant to AccessAbility Incorporated to provide job skills training to individuals who have been released from incarceration for a felony-level offense and are no more than 12 months from the date of release. AccessAbility Incorporated shall annually report to the commissioner on how the money was spent and what results were achieved. The report must include, at a minimum, information and data about the number of participants; participant homelessness, employment, recidivism, and child support compliance; and training provided to program participants. This is a onetime appropriation.

(m) $250,000 each year is from the workforce development fund for Propel Nonprofits, formerly known as the Nonprofits Assistance Fund, to make grants for infrastructure support to small nonprofit organizations that serve historically underserved cultural communities. This is a onetime appropriation.

(n) $50,000 each year is from the workforce development fund for grants to the Minnesota Grocers Association Foundation for Carts to Careers, a statewide initiative to promote careers, conduct outreach, provide job skills training, and grant

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scholarships for careers in the retail food industry. This is a onetime appropriation.

(o) $500,000 each year is from the workforce development fund for a grant to the American Indian Opportunities and Industrialization Center, in collaboration with the Northwest Indian Community Development Center, to reduce academic disparities for American Indian students and adults. This is a onetime appropriation. The grant funds may be used to provide:

(1) student tutoring and testing support services;

(2) training and employment placement in information technology;

(3) training and employment placement within trades;

(4) assistance in obtaining a GED;

(5) remedial training leading to enrollment and to sustain enrollment in a postsecondary higher education institution;

(6) real-time work experience in information technology fields and in the trades;

(7) contextualized adult basic education;

(8) career and educational counseling for clients with significant and multiple barriers; and;

(9) reentry services and counseling for adults and youth.

After notification to the chairs and minority leads of the legislative committees with jurisdiction over jobs and economic development, the commissioner may transfer this appropriation to the commissioner of education.

(p) $250,000 each year is from the workforce development fund for a grant to EMERGE Community Development, in collaboration with community partners, for services targeting Minnesota communities with the highest concentrations of African and African-American joblessness, based on the most recent census tract data, to provide employment readiness training, credentialed training placement, job placement and retention services, supportive services for hard-to-employ individuals, and a general

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education development fast track and adult diploma program. This is a onetime appropriation.

(q) $400,000 each year is from the workforce development fund for a grant to the Minneapolis Foundation for a strategic intervention program designed to target and connect program participants to meaningful, sustainable living-wage employment. This is a onetime appropriation.

(r) $375,000 each year is from the workforce development fund for a grant to the Construction Careers Foundation for the construction career pathway initiative to provide year-round educational and experiential learning opportunities for teens and young adults under the age of 21 that lead to careers in the construction industry. This is a onetime appropriation. Grant funds must be used to:

(1) increase construction industry exposure activities for middle school and high school youth, parents, and counselors to reach a more diverse demographic and broader statewide audience. This requirement includes, but is not limited to, an expansion of programs to provide experience in different crafts to youth and young adults throughout the state;

(2) increase the number of high schools in Minnesota offering construction classes during the academic year that utilize a multicraft curriculum;

(3) increase the number of summer internship opportunities;

(4) enhance activities to support graduating seniors in their efforts to obtain employment in the construction industry;

(5) increase the number of young adults employed in the construction industry and ensure that they reflect Minnesota's diverse workforce; and

(6) enhance an industrywide marketing campaign targeted to youth and young adults about the depth and breadth of careers within the construction industry.

Programs and services supported by grant funds must give priority to individuals and groups that are economically disadvantaged or historically underrepresented in the construction industry,

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including but not limited to women, veterans, and members of minority and immigrant groups.

(s) $625,000 each year is from the workforce development fund for a grant to Latino Communities United in Service (CLUES) to expand culturally tailored programs that address employment and education skill gaps for working parents and underserved youth by providing new job skills training to stimulate higher wages for low-income people, family support systems designed to reduce intergenerational poverty, and youth programming to promote educational advancement and career pathways. At least 50 percent of this amount must be used for programming targeted at greater Minnesota. This is a onetime appropriation.

(t) $700,000 each year is from the workforce development fund for performance grants under Minnesota Statutes, section 116J.8747, to Twin Cities R!SE to provide training to hard-to-train individuals. This is a onetime appropriation and funds are available until June 30, 2022.

(u) $100,000 each year is from the workforce development fund for grants to Minnesota Diversified Industries, Inc. to provide progressive development and employment opportunities for people with disabilities. This is a onetime appropriation.

(v) $875,000 each year is from the workforce development fund for a grant to the Minnesota High Tech Association to support SciTechsperience, a program that supports science, technology, engineering, and math (STEM) internship opportunities for two- and four-year college students and graduate students in their field of study. The internship opportunities must match students with paid internships within STEM disciplines at small, for-profit companies located in Minnesota having fewer than 250 employees worldwide. At least 200 students must be matched in the first year and at least 200 students must be matched in the second year. No more than 15 percent of the hires may be graduate students. Selected hiring companies shall receive from the grant 50 percent of the wages paid to the intern, capped at $2,500 per intern. The program must work toward increasing the participation among women or other underserved populations. This is a onetime appropriation.

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(w) $500,000 each year is from the workforce development fund for the Opportunities Industrialization Center programs. This appropriation shall be divided equally among the eligible centers.

(x) $250,000 each year is from the workforce development fund for a grant to Bridges to Healthcare to provide career education, wraparound support services, and job skills training in high-demand health care fields to low-income parents, nonnative speakers of English, and other hard-to-train individuals, helping families build secure pathways out of poverty while also addressing worker shortages in one of Minnesota's most innovative industries. Funds may be used for program expenses, including but not limited to hiring instructors and navigators; space rental; and supportive services to help participants attend classes, including assistance with course fees, child care, transportation, and safe and stable housing. In addition, up to five percent of grant funds may be used for Bridges to Healthcare's administrative costs. This is a onetime appropriation.

(y) $250,000 each year is from the workforce development fund for a grant to Avivo to provide low-income individuals with career education and job skills training that is fully integrated with chemical and mental health services. This is a onetime appropriation.

(z) $1,000,000 each year is for competitive grants to organizations providing services to relieve economic disparities in the Southeast Asian community through workforce recruitment, development, job creation, assistance of smaller organizations to increase capacity, and outreach. Of this amount, up to five percent is for administration and monitoring of the program.

(aa) $500,000 each year is from the workforce development fund for a grant to the Hmong American Partnership, in collaboration with community partners, for services targeting Minnesota communities with the highest concentrations of Southeast Asian joblessness, based on the most recent census tract data, to provide employment readiness training, credentialed training placement, job placement and retention services, supportive services for hard-to-employ individuals, and a general education development fast track and

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adult diploma program. This is a onetime appropriation.

(bb) $1,000,000 each year is for a competitive grant program to provide grants to organizations that provide support services for individuals, such as job training, employment preparation, internships, job assistance to parents, financial literacy, academic and behavioral interventions for low-performing students, and youth intervention. Grants made under this section must focus on low-income communities, young adults from families with a history of intergenerational poverty, and communities of color. Of this amount, up to four percent is for administration and monitoring of the program.

(cc) $500,000 each year is from the workforce development fund for a grant to Ujamaa Place for job training, employment preparation, internships, education, training in vocational trades, housing, and organizational capacity building. This is a onetime appropriation.

(dd) $750,000 each year is from the general fund and $3,348,000 each year is from the workforce development fund for the youth-at-work competitive grant program under Minnesota Statutes, section 116L.562. Of this amount, up to five percent is for administration and monitoring of the youth workforce development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(ee) $1,000,000 each year is from the workforce development fund for the youthbuild program under Minnesota Statutes, sections 116L.361 to 116L.366.

(ff) $4,050,000 each year is from the workforce development fund for the Minnesota youth program under Minnesota Statutes, sections 116L.56 and 116L.561.

(gg) $250,000 each year is from the workforce development fund for a grant to Big Brothers Big Sisters of the Greater Twin Cities for workforce readiness, employment exploration, and skills development for youth ages 12 to 21. The grant must serve youth in the Big Brothers Big Sisters chapters in the Twin Cities, central Minnesota, and southern Minnesota. This is a onetime appropriation.

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Subd. 4. **General Support Services**			4,226,000	4,226,000
	Appropriations by Fund			
General	4,171,000	4,171,000		
Workforce Development	55,000	55,000		

(a) $250,000 each year is for the publication, dissemination, and use of labor market information under Minnesota Statutes, section 116J.401.

(b) $1,269,000 each year is for transfer to the Minnesota Housing Finance Agency for operating the Olmstead Compliance Office.

Subd. 5. **Minnesota Trade Office**			2,292,000	2,292,000

(a) $300,000 each year is for the STEP grants in Minnesota Statutes, section 116J.979.

(b) $180,000 each year is for the Invest Minnesota marketing initiative in Minnesota Statutes, section 116J.9781.

(c) $270,000 each year is for the Minnesota Trade Offices under Minnesota Statutes, section 116J.978.

(d) $50,000 each year is for the Trade Policy Advisory Council under Minnesota Statutes, section 116J.9661.

Subd. 6. **Vocational Rehabilitation**			38,491,000	36,691,000
	Appropriations by Fund			
General	28,861,000	28,861,000		
Workforce Development	9,630,000	7,830,000		

(a) $14,300,000 each year is for the state's vocational rehabilitation program under Minnesota Statutes, chapter 268A.

(b) $8,995,000 each year from the general fund and $6,830,000 each year from the workforce development fund are for extended employment services for persons with severe disabilities under Minnesota Statutes, section 268A.15. Of the amounts appropriated from the general fund, $2,000,000 each year is for rate increases to providers of extended employment

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services for persons with severe disabilities under Minnesota Statutes, section 268A.15.

(c) $2,555,000 each year from the general fund and $1,800,000 in the first year from the workforce development fund are for grants to programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14. Of the amount appropriated in the first year from the workforce development fund, $1,800,000 is available until June 30, 2023, and may be used to expand programs to areas of the state without an existing employment support program, and to expand existing programs, including programs that do not currently receive state funding.

(d) $3,011,000 each year is from the general fund for grants to centers for independent living under Minnesota Statutes, section 268A.11.

(e) $1,000,000 each year is from the workforce development fund for grants under Minnesota Statutes, section 268A.16, for employment services for persons, including transition-age youth, who are deaf, deafblind, or hard-of-hearing. If the amount in the first year is insufficient, the amount in the second year is available in the first year.

Subd. 7. **Services for the Blind**	6,425,000	6,425,000

Of this amount, $500,000 each year is for senior citizens who are becoming blind. At least one-half of the funds for this purpose must be used to provide training services for seniors who are becoming blind. Training services must provide independent living skills to seniors who are becoming blind to allow them to continue to live independently in their homes.

Subd. 8. **Dairy Assistance, Investment, Relief Initiative (DAIRI)**	3,000,000	-0-

$3,000,000 in the first year is for transfer to the commissioner of agriculture for financial assistance to eligible dairy farmers under the Dairy Assistance, Investment, Relief Initiative.

Sec. 3. **DEPARTMENT OF LABOR AND INDUSTRY**

Subdivision 1. **Total Appropriation**	**$ 31,916,000**	**$ 28,916,000**

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	Appropriations by Fund	
	2020	2021
General	3,844,000	3,844,000
Workers' Compensation	25,088,000	22,088,000
Workforce Development	2,984,000	2,984,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **General Support** 7,939,000 7,939,000

	Appropriations by Fund	
General	500,000	500,000
Workers' Compensation	6,039,000	6,039,000
Workforce Development Fund	1,400,000	1,400,000

(a) $500,000 each year is from the general fund for system upgrades. This appropriation is available until June 30, 2023. The base amount in fiscal year 2022 and 2023 is $900,000. The base amount in fiscal year 2024 is zero. This appropriation includes funds for information technology project services and support subject to Minnesota Statutes, section 16E.0466. Any ongoing information technology costs must be incorporated into the service level agreement and must be paid to the Office of MN.IT Services by the commissioner of labor and industry under the rates and mechanism specified in that agreement.

(b) $1,100,000 each year is from the workforce development fund for the youth skills training grants under Minnesota Statutes, section 175.46. Of this amount, $100,000 each year is for administration of the program.

(c) $300,000 each year is from the workforce development fund for the PIPELINE program.

Subd. 3. **Labor Standards and Apprenticeship** 4,928,000 4,928,000

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	Appropriations by Fund	
General	3,344,000	3,344,000
Workforce Development	1,584,000	1,584,000

(a) $2,046,000 each year is for wage theft prevention.

(b) $151,000 each year is from the workforce development fund for prevailing wage enforcement.

(c) $1,133,000 each year is from the workforce development fund for the apprenticeship program under Minnesota Statutes, chapter 178.

(d) $100,000 each year is from the workforce development fund for labor education and advancement program grants under Minnesota Statutes, section 178.11, to expand and promote registered apprenticeship training for minorities and women.

(e) $200,000 each year is from the workforce development fund for grants to the Construction Careers Foundation for the Helmets to Hard Hats Minnesota initiative. Grant funds must be used to recruit, retain, assist, and support National Guard, reserve, and active duty military members' and veterans' participation into apprenticeship programs registered with the Department of Labor and Industry and connect them with career training and employment in the building and construction industry. The recruitment, selection, employment, and training must be without discrimination due to race, color, creed, religion, national origin, sex, sexual orientation, marital status, physical or mental disability, receipt of public assistance, or age. This is a onetime appropriation.

Subd. 4. **Workers' Compensation** 14,882,000 11,882,000

$3,000,000 the first year is from the workers' compensation fund for workers' compensation system upgrades. This amount is available until June 30, 2021. This is a onetime appropriation.

Subd. 5. **Workplace Safety** 4,167,000 4,167,000

This appropriation is from the workers' compensation fund.

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Sec. 4. **WORKERS' COMPENSATION COURT OF APPEALS**	**$**	**2,222,000**	**$**	**2,283,000**

This appropriation is from the workers' compensation fund.

Sec. 5. **BUREAU OF MEDIATION SERVICES**	**$**	**2,641,000**	**$**	**2,641,000**

(a) $68,000 each year is for grants to area labor management committees. Grants may be awarded for a 12-month period beginning July 1 each year. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.

(b) $394,000 each year is for the Office of Collaboration and Dispute Resolution under Minnesota Statutes, section 179.90. Of this amount, $160,000 each year is for grants under Minnesota Statutes, section 179.91.

(c) $125,000 each year is for purposes of the Public Employment Relations Board under Minnesota Statutes, section 179A.041.

Sec. 6. **DEPARTMENT OF COMMERCE**

Subdivision 1. **Total Appropriation**	**$**	**30,508,000**	**$**	**30,037,000**

Appropriations by Fund

	2020	2021
General	26,034,000	25,562,000
Special Revenue	2,060,000	2,060,000
Petroleum Tank	1,056,000	1,056,000
Workers' Compensation Fund	758,000	759,000
Renewable Development	600,000	600,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Financial Institutions**		400,000		400,000

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$400,000 each year is for a grant to Prepare and Prosper to develop, market, evaluate, and distribute a financial services inclusion program that (1) assists low-income and financially underserved populations to build savings and strengthen credit, and (2) provides services to assist low-income and financially underserved populations to become more financially stable and secure. Money remaining after the first year is available for the second year.

Subd. 3. **Administrative Services** 8,868,000 8,597,000

(a) $384,000 each year is for additional compliance efforts with unclaimed property. The commissioner may issue contracts for these services.

(b) $100,000 each year is for the support of broadband development.

(c) $5,000 each year is for Real Estate Appraisal Advisory Board compensation pursuant to Minnesota Statutes, section 82B.073, subdivision 2a.

(d) $475,000 in fiscal year 2020 and $350,000 in fiscal year 2021 are from the general fund for system modernization and cybersecurity upgrades for the unclaimed property program.

(e) $230,000 in fiscal year 2020 and $564,000 in fiscal year 2021 are for additional operations of the unclaimed property program.

(f) $208,000 in fiscal year 2021 is for IT system modernization. In fiscal year 2022, the base amount is $832,000, and in fiscal year 2023, the base amount is $208,000. The base amount in fiscal year 2024 and beyond is $0.

(g) To account for base adjustments provided in Laws 2018, chapter 211, article 21, section 1, paragraph (a), the base is increased by $1,000 in fiscal year 2022 and beyond.

Subd. 4. **Telecommunications** 3,077,000 3,107,000

	Appropriations by Fund	
General	1,017,000	1,047,000
Special Revenue	2,060,000	2,060,000

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$2,060,000 each year is from the telecommunications access Minnesota fund account in the special revenue fund for the following transfers. This appropriation is added to the department's base:

(1) $1,620,000 each year is to the commissioner of human services to supplement the ongoing operational expenses of the Commission of Deaf, DeafBlind, and Hard-of-Hearing Minnesotans. This appropriation is available until June 30, 2021, and any unexpended amount on that date must be returned to the telecommunications access Minnesota fund;

(2) $290,000 each year is to the chief information officer for the purpose of coordinating technology accessibility and usability;

(3) $100,000 each year is to the Legislative Coordinating Commission for captioning of legislative coverage. This transfer is subject to Minnesota Statutes, section 16A.281; and

(4) $50,000 each year is to the Office of MN.IT Services for a consolidated access fund to provide grants or services to other state agencies related to accessibility of their web-based services.

Subd. 5. **Enforcement** 6,167,000 6,257,000

Appropriations by Fund		
General	5,967,000	6,057,000
Workers' Compensation	200,000	200,000

(a) $279,000 each year is for health care enforcement.

(b) $200,000 each year is from the workers' compensation fund. Beginning in fiscal year 2022, this amount is $201,000.

Subd. 6. **Insurance** 5,613,000 5,640,000

Appropriations by Fund		
General	5,055,000	5,081,000
Workers' Compensation	558,000	559,000

(a) $642,000 each year is for health insurance rate review staffing.

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(b) $412,000 each year is for actuarial work to prepare for implementation of principle-based reserves.

(c) $30,000 in fiscal year 2020 is for payment of two years of membership dues for Minnesota to the National Conference of Insurance Legislators. The base amount for this appropriation is $30,000 in fiscal year 2022 and $0 in fiscal year 2023.

(d) $558,000 in the first year and $559,000 in the second year are from the workers' compensation fund. Beginning in fiscal year 2022, this amount is $560,000.

Subd. 7. **Energy Resources** 5,327,000 4,980,000

Appropriations by Fund

General	4,727,000	4,380,000
Renewable Development	600,000	600,000

(a) $150,000 each year is to remediate vermiculate insulation from households that are eligible for weatherization assistance under Minnesota's weatherization assistance program state plan under Minnesota Statutes, section 216C.264. Remediation must be done in conjunction with federal weatherization assistance program services.

(b) $832,000 each year is for energy regulation and planning unit staff.

(c) $100,000 each year is from the renewable development account in the special revenue fund established in Minnesota Statutes, section 116C.779, subdivision 1, to administer the "Made in Minnesota" solar energy production incentive program in Minnesota Statutes, section 216C.417. Any remaining unspent funds cancel back to the renewable development account at the end of the biennium.

(d) $500,000 each year is from the renewable development account in the special revenue fund established in Minnesota Statutes, section 116C.779, subdivision 1, for costs associated with any third-party expert evaluation of a proposal submitted in response to a request for proposal to the renewable development advisory group under Minnesota Statutes, section 116C.779, subdivision 1, paragraph (l). No portion of this appropriation may be expended or retained by the

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commissioner of commerce. Any funds appropriated under this paragraph that are unexpended at the end of a fiscal year cancel to the renewable development account.

(e) $150,000 in fiscal year 2019 is appropriated from the renewable development account in the special revenue fund established in Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce, to conduct an energy storage systems cost-benefit analysis. This is a onetime appropriation, effective the day following final enactment, and available until June 30, 2020.

Subd. 8. **Petroleum Tank Release Compensation Board**		1,056,000		1,056,000

This appropriation is from the petroleum tank fund to account for base adjustments provided in Minnesota Statutes, section 115C.13, the base for the petroleum tank release cleanup fund in fiscal year 2023 is $0.

Sec. 7. **PUBLIC UTILITIES COMMISSION**	**$**	**7,793,000**	**$**	**7,793,000**

(a) $21,000 each year is to process utility applications to install equipment crossing a railroad right-of-way.

(b) $300,000 each year is to enhance the commission's decision-making capability.

Sec. 8. **CONTRACTOR RECOVERY FUND; CONSUMER AWARENESS CAMPAIGN.**

In fiscal years 2020 and 2021 the commissioner of labor and industry must conduct a statewide consumer awareness campaign highlighting the importance of hiring licensed contractors as well as the consequences of hiring unlicensed contractors, and may spend up to $500,000 each year from the contractor recovery fund to conduct the campaign.

ARTICLE 2

JOBS POLICY

Section 1. **[116J.439] AIRPORT INFRASTRUCTURE RENEWAL (AIR) GRANT PROGRAM.**

Subdivision 1. **Grant program established; purpose.** (a) The commissioner shall make grants to counties, airport authorities, or cities to provide up to 50 percent of the capital costs of redevelopment of an existing facility or construction of a new facility; and for public or private infrastructure costs, including broadband infrastructure costs, necessary for an eligible airport infrastructure renewal economic development project.

(b) The purpose of the grants made under this section is to keep or enhance jobs in the area, increase the tax base, or expand or create new economic development.

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(c) In awarding grants under this section, the commissioner must adhere to the criteria under subdivision 5.

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "City" means a statutory or home rule charter city located outside the metropolitan area as defined in section 473.121, subdivision 2.

(c) "County" means a county located outside the metropolitan area as defined in section 473.121, subdivision 2.

(d) "Airport authority" means an authority created pursuant to section 360.0426.

Subd. 3. **Eligible projects.** An economic development project for which a county, airport authority, or city may be eligible to receive a grant under this section includes: (1) manufacturing; (2) technology; (3) warehousing and distribution; or (4) research and development.

Subd. 4. **Ineligible projects.** The following projects are not eligible for a grant under this section: (1) retail development; or (2) office space development, except as incidental to an eligible purpose.

Subd. 5. **Application.** (a) The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section. At a minimum, a county, airport authority, or city must include in its application a resolution of the governing body of the county, airport authority, or city certifying that half of the cost of the project is committed from nonstate sources. The commissioner must evaluate complete applications for eligible projects using the following criteria:

(1) the project is an eligible project as defined under subdivision 3;

(2) the project is expected to result in or will attract substantial public and private capital investment and provide substantial economic benefit to the county, airport authority, or city in which the project would be located; and

(3) the project is expected to or will create or retain full-time jobs.

(b) The determination of whether to make a grant for a site is within the discretion of the commissioner, subject to this section. The commissioner's decisions and application of the criteria are not subject to judicial review except for abuse of discretion.

Subd. 6. **Maximum grant amount.** A county, airport authority, or city may receive no more than $250,000 in two years for one or more projects.

Subd. 7. **Cancellation of grant; return of grant money.** If after five years the commissioner determines that a project has not proceeded in a timely manner and is unlikely to be completed, the commissioner must cancel the grant and require the grantee to return all grant money awarded for that project.

Subd. 8. **Appropriation.** Grant money returned to the commissioner is appropriated to the commissioner to make additional grants under this section.

Sec. 2. **[116L.35] INVENTORY OF ECONOMIC DEVELOPMENT PROGRAMS.**

(a) By January 15, 2020, and by January 15 of each even-numbered year thereafter, the commissioner of employment and economic development must submit a report to the chairs of the legislative committees with jurisdiction over economic development that provides an inventory of all economic development

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programs, including any workforce development programs, either provided by or overseen by any agency of the state of Minnesota.

(b) Programs related to economic development that must be included in the report include those that:

(1) receive federal funds or state funds;

(2) provide assistance to either businesses or individuals; or

(3) support internships, apprenticeships, career and technical education, or any form of employment training.

(c) For each economic development program, the report must include, at a minimum, the following information:

(1) details of program costs;

(2) the number of staff, both within the department and any outside organization;

(3) the number of program participants;

(4) the demographic information including, but not limited to, race, age, gender, and income of program participants;

(5) a list of any and all subgrantees receiving funds from the program, as well as the amount of funding received;

(6) information about other sources of funding including other public or private funding or in-kind donations;

(7) evidence that: (i) the organization administering a program; (ii) a business receiving a loan for a new or expanded business from a program; or (iii) a subgrantee of a program is in good standing with the Minnesota Secretary of State and the Minnesota Department of Revenue;

(8) a short description of what each program does; and

(9) to the extent practical, quantifiable measures of program success.

(d) In addition to the information required under paragraph (c), a program related to economic development under paragraph (b) that requests an increase in state funding over the previous biennium must provide the following:

(1) detailed information regarding the need for increased funds; and

(2) the planned uses of the increased funds.

Sec. 3. Minnesota Statutes 2018, section 469.074, is amended by adding a subdivision to read:

Subd. 3. **Meetings by telephone or other electronic means.** The port authority may conduct meetings as provided by section 13D.015.

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

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Sec. 4. Minnesota Statutes 2018, section 469.081, is amended by adding a subdivision to read:

Subd. 6. **Meetings by telephone or other electronic means.** The port authority may conduct meetings as provided by section 13D.015.

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

Sec. 5. Minnesota Statutes 2018, section 469.089, is amended by adding a subdivision to read:

Subd. 12. **Meetings by telephone or other electronic means.** The port authority may conduct meetings as provided by section 13D.015.

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

Sec. 6. Laws 2017, chapter 94, article 1, section 2, subdivision 3, is amended to read:

Subd. 3. **Workforce Development**	$ 31,498,000	$ 30,231,000
Appropriations by Fund		
General	$6,239,000	$5,889,000
Workforce Development	$25,259,000	$24,342,000

(a) $500,000 each year is for the youth-at-work competitive grant program under Minnesota Statutes, section 116L.562. Of this amount, up to five percent is for administration and monitoring of the youth workforce development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year. In fiscal year 2020 and beyond, the base amount is $750,000.

(b) $250,000 each year is for pilot programs in the workforce service areas to combine career and higher education advising.

(c) $500,000 each year is for rural career counseling coordinator positions in the workforce service areas and for the purposes specified in Minnesota Statutes, section 116L.667. The commissioner of employment and economic development, in consultation with local workforce investment boards and local elected officials in each of the service areas receiving funds, shall develop a method of distributing funds to provide equitable services across workforce service areas.

(d) $1,000,000 each year is for a grant to the Construction Careers Foundation for the construction career pathway initiative to provide year-round educational and experiential learning opportunities for

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teens and young adults under the age of 21 that lead to careers in the construction industry. This is a onetime appropriation. Grant funds must be used to:

(1) increase construction industry exposure activities for middle school and high school youth, parents, and counselors to reach a more diverse demographic and broader statewide audience. This requirement includes, but is not limited to, an expansion of programs to provide experience in different crafts to youth and young adults throughout the state;

(2) increase the number of high schools in Minnesota offering construction classes during the academic year that utilize a multicraft curriculum;

(3) increase the number of summer internship opportunities;

(4) enhance activities to support graduating seniors in their efforts to obtain employment in the construction industry;

(5) increase the number of young adults employed in the construction industry and ensure that they reflect Minnesota's diverse workforce; and

(6) enhance an industrywide marketing campaign targeted to youth and young adults about the depth and breadth of careers within the construction industry.

Programs and services supported by grant funds must give priority to individuals and groups that are economically disadvantaged or historically underrepresented in the construction industry, including but not limited to women, veterans, and members of minority and immigrant groups.

(e) $1,539,000 each year from the general fund and $4,604,000 each year from the workforce development fund are for the Pathways to Prosperity adult workforce development competitive grant program. Of this amount, up to four percent is for administration and monitoring of the program. When awarding grants under this paragraph, the commissioner of employment and economic development may give preference to any previous grantee with demonstrated success in job training and placement for hard-to-train individuals. In fiscal year 2020 and beyond, the general fund base amount for this program is $4,039,000.

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(f) $750,000 each year is for a competitive grant program to provide grants to organizations that provide support services for individuals, such as job training, employment preparation, internships, job assistance to fathers, financial literacy, academic and behavioral interventions for low-performing students, and youth intervention. Grants made under this section must focus on low-income communities, young adults from families with a history of intergenerational poverty, and communities of color. Of this amount, up to four percent is for administration and monitoring of the program. In fiscal year 2020 and beyond, the base amount is $1,000,000.

(g) $500,000 each year is for the women and high-wage, high-demand, nontraditional jobs grant program under Minnesota Statutes, section 116L.99. Of this amount, up to five percent is for administration and monitoring of the program. In fiscal year 2020 and beyond, the base amount is $750,000.

(h) $500,000 each year is for a competitive grant program for grants to organizations providing services to relieve economic disparities in the Southeast Asian community through workforce recruitment, development, job creation, assistance of smaller organizations to increase capacity, and outreach. Of this amount, up to five percent is for administration and monitoring of the program. In fiscal year 2020 and beyond, the base amount is $1,000,000.

(i) $250,000 each year is for a grant to the American Indian Opportunities and Industrialization Center, in collaboration with the Northwest Indian Community Development Center, to reduce academic disparities for American Indian students and adults. This is a onetime appropriation. The grant funds may be used to provide:

(1) student tutoring and testing support services;

(2) training in information technology;

(3) assistance in obtaining a GED;

(4) remedial training leading to enrollment in a postsecondary higher education institution;

(5) real-time work experience in information technology fields; and

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(6) contextualized adult basic education.

After notification to the legislature, the commissioner may transfer this appropriation to the commissioner of education.

(j) $100,000 each year is for the getting to work grant program. This is a onetime appropriation and is available until June 30, 2021.

(k) $525,000 each year is from the workforce development fund for a grant to the YWCA of Minneapolis to provide economically challenged individuals the job skills training, career counseling, and job placement assistance necessary to secure a child development associate credential and to have a career path in early childhood education. This is a onetime appropriation.

(l) $1,350,000 each year is from the workforce development fund for a grant to the Minnesota High Tech Association to support SciTechsperience, a program that supports science, technology, engineering, and math (STEM) internship opportunities for two- and four-year college students and graduate students in their field of study. The internship opportunities must match students with paid internships within STEM disciplines at small, for-profit companies located in Minnesota, having fewer than 250 employees worldwide. At least 300 students must be matched in the first year and at least 350 students must be matched in the second year. No more than 15 percent of the hires may be graduate students. Selected hiring companies shall receive from the grant 50 percent of the wages paid to the intern, capped at $2,500 per intern. The program must work toward increasing the participation of women or other underserved populations. This is a onetime appropriation.

(m) $450,000 each year is from the workforce development fund for grants to Minnesota Diversified Industries, Inc. to provide progressive development and employment opportunities for people with disabilities. This is a onetime appropriation.

(n) $500,000 each year is from the workforce development fund for a grant to Resource, Inc. to provide low-income individuals career education and job skills training that are fully integrated with

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chemical and mental health services. This is a onetime appropriation.

(o) $750,000 each year is from the workforce development fund for a grant to the Minnesota Alliance of Boys and Girls Clubs to administer a statewide project of youth job skills and career development. This project, which may have career guidance components including health and life skills, is designed to encourage, train, and assist youth in early access to education and job-seeking skills, work-based learning experience including career pathways in STEM learning, career exploration and matching, and first job placement through local community partnerships and on-site job opportunities. This grant requires a 25 percent match from nonstate resources. This is a onetime appropriation.

(p) $215,000 each year is from the workforce development fund for grants to Big Brothers, Big Sisters of the Greater Twin Cities for workforce readiness, employment exploration, and skills development for youth ages 12 to 21. The grant must serve youth in the Twin Cities, Central Minnesota, and Southern Minnesota Big Brothers, Big Sisters chapters. This is a onetime appropriation.

(q) $250,000 each year is from the workforce development fund for a grant to YWCA St. Paul to provide job training services and workforce development programs and services, including job skills training and counseling. This is a onetime appropriation.

(r) $1,000,000 each year is from the workforce development fund for a grant to EMERGE Community Development, in collaboration with community partners, for services targeting Minnesota communities with the highest concentrations of African and African-American joblessness, based on the most recent census tract data, to provide employment readiness training, credentialed training placement, job placement and retention services, supportive services for hard-to-employ individuals, and a general education development fast track and adult diploma program. This is a onetime appropriation.

(s) $1,000,000 each year is from the workforce development fund for a grant to the Minneapolis Foundation for a strategic intervention program

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designed to target and connect program participants to meaningful, sustainable living-wage employment. This is a onetime appropriation.

(t) $750,000 each year is from the workforce development fund for a grant to Latino Communities United in Service (CLUES) to expand culturally tailored programs that address employment and education skill gaps for working parents and underserved youth by providing new job skills training to stimulate higher wages for low-income people, family support systems designed to reduce intergenerational poverty, and youth programming to promote educational advancement and career pathways. At least 50 percent of this amount must be used for programming targeted at greater Minnesota. This is a onetime appropriation.

(u) $600,000 each year is from the workforce development fund for a grant to Ujamaa Place for job training, employment preparation, internships, education, training in the construction trades, housing, and organizational capacity building. This is a onetime appropriation.

(v) $1,297,000 in the first year and $800,000 in the second year are from the workforce development fund for performance grants under Minnesota Statutes, section 116J.8747, to Twin Cities R!SE to provide training to hard-to-train individuals. Of the amounts appropriated, $497,000 in fiscal year 2018 is for a grant to Twin Cities R!SE, in collaboration with Metro Transit and Hennepin Technical College for the Metro Transit technician training program. This is a onetime appropriation and funds are available until June 30, 2020.

(w) $230,000 in fiscal year 2018 is from the workforce development fund for a grant to the Bois Forte Tribal Employment Rights Office (TERO) for an American Indian workforce development training pilot project. This is a onetime appropriation and is available until June 30, 2019. Funds appropriated the first year are available for use in the second year of the biennium.

(x) $40,000 in fiscal year 2018 is from the workforce development fund for a grant to the Cook County Higher Education Board to provide educational programming and academic support services to remote regions in northeastern Minnesota. This appropriation

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is in addition to other funds previously appropriated to the board.

(y) $250,000 each year is from the workforce development fund for a grant to Bridges to Healthcare to provide career education, wraparound support services, and job skills training in high-demand health care fields to low-income parents, nonnative speakers of English, and other hard-to-train individuals, helping families build secure pathways out of poverty while also addressing worker shortages in one of Minnesota's most innovative industries. Funds may be used for program expenses, including, but not limited to, hiring instructors and navigators; space rental; and supportive services to help participants attend classes, including assistance with course fees, child care, transportation, and safe and stable housing. In addition, up to five percent of grant funds may be used for Bridges to Healthcare's administrative costs. This is a onetime appropriation and is available until June 30, 2020.

(z) $500,000 each year is from the workforce development fund for a grant to the Nonprofits Assistance Fund to provide capacity-building grants to small, culturally specific organizations that primarily serve historically underserved cultural communities. Grants may only be awarded to nonprofit organizations that have an annual organizational budget of less than $500,000 and are culturally specific organizations that primarily serve historically underserved cultural communities. Grant funds awarded must be used for:

(1) organizational infrastructure improvement, including developing database management systems and financial systems, or other administrative needs that increase the organization's ability to access new funding sources;

(2) organizational workforce development, including hiring culturally competent staff, training and skills development, and other methods of increasing staff capacity; or

(3) creation or expansion of partnerships with existing organizations that have specialized expertise in order to increase the capacity of the grantee organization to improve services for the community. Of this amount, up to five percent may be used by the Nonprofits Assistance Fund for administration costs and providing

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technical assistance to potential grantees. This is a onetime appropriation.

(aa) $4,050,000 each year is from the workforce development fund for the Minnesota youth program under Minnesota Statutes, sections 116L.56 and 116L.561.

(bb) $1,000,000 each year is from the workforce development fund for the youthbuild program under Minnesota Statutes, sections 116L.361 to 116L.366.

(cc) $3,348,000 each year is from the workforce development fund for the "Youth at Work" youth workforce development competitive grant program. Of this amount, up to five percent is for administration and monitoring of the youth workforce development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(dd) $500,000 each year is from the workforce development fund for the Opportunities Industrialization Center programs.

(ee) $750,000 each year is from the workforce development fund for a grant to Summit Academy OIC to expand its contextualized GED and employment placement program. This is a onetime appropriation.

(ff) $500,000 each year is from the workforce development fund for a grant to Goodwill-Easter Seals Minnesota and its partners. The grant shall be used to continue the FATHER Project in Rochester, Park Rapids, St. Cloud, Minneapolis, and the surrounding areas to assist fathers in overcoming barriers that prevent fathers from supporting their children economically and emotionally. This is a onetime appropriation.

(gg) $150,000 each year is from the workforce development fund for displaced homemaker programs under Minnesota Statutes, section 116L.96. The commissioner shall distribute the funds to existing nonprofit and state displaced homemaker programs. This is a onetime appropriation.

(hh)(1) $150,000 in fiscal year 2018 is from the workforce development fund for a grant to Anoka County to develop and implement a pilot program to

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increase competitive employment opportunities for transition-age youth ages 18 to 21.

(2) The competitive employment for transition-age youth pilot program shall include career guidance components, including health and life skills, to encourage, train, and assist transition-age youth in job-seeking skills, workplace orientation, and job site knowledge.

(3) In operating the pilot program, Anoka County shall collaborate with schools, disability providers, jobs and training organizations, vocational rehabilitation providers, and employers to build upon opportunities and services, to prepare transition-age youth for competitive employment, and to enhance employer connections that lead to employment for the individuals served.

(4) Grant funds may be used to create an on-the-job training incentive to encourage employers to hire and train qualifying individuals. A participating employer may receive up to 50 percent of the wages paid to the employee as a cost reimbursement for on-the-job training provided.

(ii) $500,000 each year is from the workforce development fund for rural career counseling coordinator positions in the workforce service areas and for the purposes specified in Minnesota Statutes, section 116L.667. The commissioner of employment and economic development, in consultation with local workforce investment boards and local elected officials in each of the service areas receiving funds, shall develop a method of distributing funds to provide equitable services across workforce service areas.

(jj) In calendar year 2017, the public utility subject to Minnesota Statutes, section 116C.779, must withhold $1,000,000 from the funds required to fulfill its financial commitments under Minnesota Statutes, section 116C.779, subdivision 1, and pay such amounts to the commissioner of employment and economic development for deposit in the Minnesota 21st century fund under Minnesota Statutes, section 116J.423.

(kk) $350,000 in fiscal year 2018 is for a grant to AccessAbility Incorporated to provide job skills training to individuals who have been released from incarceration for a felony-level offense and are no

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more than 12 months from the date of release. AccessAbility Incorporated shall annually report to the commissioner on how the money was spent and the results achieved. The report must include, at a minimum, information and data about the number of participants; participant homelessness, employment, recidivism, and child support compliance; and training provided to program participants.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2017.

Sec. 7. **ONETIME EXCEPTION TO RESTRICTIONS ON USE OF MINNESOTA INVESTMENT FUND LOCAL GOVERNMENT LOAN REPAYMENT FUNDS.**

(a) Notwithstanding Minnesota Statutes, section 116J.8731, a home rule charter or statutory city, county, or town that has uncommitted money received from repayment of funds awarded under Minnesota Statutes, section 116J.8731, may choose to transfer 20 percent of the balance of that money to the state general fund before June 30, 2020. Any local entity that does so may then use the remaining 80 percent of the uncommitted money as a general purpose aid for any lawful expenditure.

(b) By February 15, 2021, a home rule charter or statutory city, county, or town that exercises the option under paragraph (a) shall submit to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development policy and finance an accounting and explanation of the use and distribution of the funds.

Sec. 8. **LAUNCH MINNESOTA.**

Subdivision 1. **Establishment.** Launch Minnesota is established within the Business and Community Development Division of the Department of Employment and Economic Development to encourage and support the development of new private sector technologies and support the science and technology policies under Minnesota Statutes, section 3.222. Launch Minnesota must provide entrepreneurs and emerging technology-based companies business development assistance and financial assistance to spur growth.

Subd. 2. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Advisory board" means the board established under subdivision 9.

(c) "Commissioner" means the commissioner of employment and economic development.

(d) "Department" means the Department of Employment and Economic Development.

(e) "Entrepreneur" means a Minnesota resident who is involved in establishing a business entity and secures resources directed to its growth while bearing the risk of loss.

(f) "Greater Minnesota" means the area of Minnesota located outside of the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2.

(g) "High technology" includes aerospace, agricultural processing, renewable energy, energy efficiency and conservation, environmental engineering, food technology, cellulosic ethanol, information technology, materials science technology, nanotechnology, telecommunications, biotechnology, medical device products, pharmaceuticals, diagnostics, biologicals, chemistry, veterinary science, and similar fields.

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(h) "Institution of higher education" has the meaning given in Minnesota Statutes, section 136A.28, subdivision 6.

(i) "Minority group member" means a United States citizen who is Asian, Pacific Islander, Black, Hispanic, or Native American.

(j) "Minority-owned business" means a business for which one or more minority group members:

(1) own at least 50 percent of the business or, in the case of a publicly owned business, own at least 51 percent of the stock; and

(2) manage the business and control the daily business operations.

(k) "Research and development" means any activity that is:

(1) a systematic, intensive study directed toward greater knowledge or understanding of the subject studies;

(2) a systematic study directed specifically toward applying new knowledge to meet a recognized need; or

(3) a systematic application of knowledge toward the production of useful materials, devices, systems and methods, including design, development and improvement of prototypes and new processes to meet specific requirements.

(l) "Start-up" means a business entity that has been in operation for less than ten years, has operations in Minnesota, and is in the development stage defined as devoting substantially all of its efforts to establishing a new business and either of the following conditions exists:

(1) planned principal operations have not commenced; or

(2) planned principal operations have commenced, but have generated less than $1,000,000 in revenue.

(m) "Technology-related assistance" means the application and utilization of technological-information and technologies to assist in the development and production of new technology-related products or services or to increase the productivity or otherwise enhance the production or delivery of existing products or services.

(n) "Trade association" means a nonprofit membership organization organized to promote businesses and business conditions and having an election under Internal Revenue Code section 501(c)(3) or 501(c)(6).

(o) "Veteran" has the meaning given in Minnesota Statutes, section 197.447.

(p) "Women" means persons of the female gender.

(q) "Women-owned business" means a business for which one or more women:

(1) own at least 50 percent of the business or, in the case of a publicly owned business, own at least 51 percent of the stock; and

(2) manage the business and control the daily business operations.

Subd. 3. **Duties.** Launch Minnesota shall:

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(1) support innovation and initiatives designed to accelerate the growth of high-technology start-ups in Minnesota;

(2) in partnership with other organizations, offer classes and instructional sessions on how to start a high-tech and innovative start-up;

(3) promote activities for entrepreneurs and investors regarding the state's growing innovation economy;

(4) hold events and meetings that gather key stakeholders in the state's innovation sector;

(5) conduct outreach and education on innovation activities and related financial programs available from the department and other organizations, particularly for underserved communities;

(6) interact and collaborate with statewide partners including but not limited to businesses, nonprofits, trade associations, and higher education institutions;

(7) administer an advisory board to assist with direction, grant application review, program evaluation, report development, and partnerships;

(8) accept grant applications under subdivisions 5, 6, and 7 and work with the advisory board to review and prioritize the applications and provide recommendations to the commissioner; and

(9) perform other duties at the commissioner's discretion.

Subd. 4. **Administration.** (a) The department shall employ an executive director in the unclassified service, one staff member to support Launch Minnesota, and one staff member in the business and community development division to manage grants. The executive director shall:

(1) assist the commissioner and the advisory board in performing the duties of Launch Minnesota; and

(2) comply with all state and federal program requirements, and all state and federal securities and tax laws and regulations.

(b) To the extent possible, the space that Launch Minnesota shall occupy and lease must be a private coworking facility that includes office space for staff and space for community engagement for training entrepreneurs. The space leased under this paragraph is exempt from the requirements in Minnesota Statutes, section 16B.24, subdivision 6.

(c) At least three times per month, Launch Minnesota staff shall visit organizations in greater Minnesota that have received a grant under subdivision 7. To the extent possible, Launch Minnesota shall form partnerships with organizations located throughout the state.

(d) Launch Minnesota must accept grant applications under this section and provide funding recommendations to the commissioner, who shall distribute grants based in part on the recommendations.

Subd. 5. **Application process.** (a) The commissioner shall establish the application form and procedures for grants.

(b) Upon receiving recommendations from Launch Minnesota, the department is responsible for evaluating all applications using evaluation criteria which shall be developed by Launch Minnesota in consultation with the advisory board and the commissioner.

(c) For grants under subdivision 6, priority shall be given if the applicant is:

(1) a business or entrepreneur located in greater Minnesota; or

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(2) a business owner or entrepreneur who is a woman, veteran, or minority group member.

(d) For grants under subdivision 7, priority shall be given if the applicant is planning to serve:

(1) businesses or entrepreneurs located in greater Minnesota; or

(2) business owners or entrepreneurs who are women, veterans, or minority group members.

(e) The department staff, and not Launch Minnesota staff, is responsible for awarding funding, disbursing funds, and monitoring grantee performance for all grants awarded under this section.

(f) Grantees must provide matching funds by equal expenditures and grant payments must be provided on a reimbursement basis after review of submitted receipts by the department.

(g) Grant applications must be accepted on a regular periodic basis by Launch Minnesota and must be reviewed by Launch Minnesota and the advisory board before being submitted to the commissioner with their recommendations.

Subd. 6. **Innovation grants.** (a) The commissioner shall distribute innovation grants under this subdivision.

(b) The commissioner shall provide a grant of up to $35,000 to an eligible business or entrepreneur for research and development expenses, direct business expenses, and the purchase of technical assistance or services from public higher education institutions and nonprofit entities. Research and development expenditures may include but are not limited to proof of concept activities, intellectual property protection, prototype designs and production, and commercial feasibility. Expenditures funded under this subdivision are not eligible for the research and development tax credit under Minnesota Statutes, section 290.068. Direct business expenses may include rent, equipment purchases, and supplier invoices. Taxes imposed by federal, state, or local government entities may not be reimbursed under this paragraph. Technical assistance or services must be purchased to assist in the development or commercialization of a product or service to be eligible. Each business or entrepreneur may receive only one grant per biennium under this paragraph.

(c) The commissioner shall provide a grant of up to $7,500 to reimburse an entrepreneur for housing or child care expenses for the entrepreneur or their spouse or children. Each entrepreneur may receive only one grant per biennium under this paragraph.

(d) The commissioner shall provide a grant of up to $50,000 to an eligible business or entrepreneur that, as a registered client of the Small Business Innovation Research (SBIR) program, has been awarded a Phase 2 award pursuant to the SBIR or Small Business Technology Transfer (STTR) programs after July 1, 2019. Each business or entrepreneur may receive only one grant per biennium under this paragraph. Grants under this paragraph are not subject to the requirements of subdivision 2, paragraph (l), but do require a recommendation from Launch Minnesota.

Subd. 7. **Entrepreneur education grants.** (a) The commissioner shall make entrepreneur education grants to institutions of higher education and other organizations to provide educational programming to entrepreneurs and provide outreach to and collaboration with businesses, federal and state agencies, institutions of higher education, trade associations, and other organizations working to advance innovative, high technology businesses throughout Minnesota.

(b) Applications for entrepreneur education grants under this subdivision must be submitted to the commissioner and evaluated by department staff other than Launch Minnesota. The evaluation criteria must be developed by Launch Minnesota, in consultation with the advisory board, and the commissioner, and

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priority must be given to an applicant who demonstrates activity assisting businesses or entrepreneurs residing in greater Minnesota or who are women, veterans, or minority group members.

(c) Department staff other than Launch Minnesota staff is responsible for awarding funding, disbursing funds, and monitoring grantee performance under this subdivision.

(d) Grantees may use the grant funds to deliver the following services:

(1) development and delivery to high technology businesses of industry specific or innovative product or process specific counseling on issues of business formation, market structure, market research and strategies, securing first mover advantage or overcoming barriers to entry, protecting intellectual property, and securing debt or equity capital. This counseling is to be delivered in a classroom setting or using distance media presentations;

(2) outreach and education to businesses and organizations on the small business investment tax credit program under Minnesota Statutes, section 116J.8737, the MNvest crowd-funding program under Minnesota Statutes, section 80A.461, and other state programs that support high technology business creation especially in underserved communities;

(3) collaboration with institutions of higher education, local organizations, federal and state agencies, the Small Business Development Center, and the Small Business Assistance Office to create and offer educational programming and ongoing counseling in greater Minnesota that is consistent with those services offered in the metropolitan area; and

(4) events and meetings with other innovation-related organizations to inform entrepreneurs and potential investors about Minnesota's growing information economy.

Subd. 8. **Report.** Launch Minnesota shall report by December 31, 2022, and again by December 31, 2023, to the chairs and ranking minority members of the committees of the house of representatives and senate having jurisdiction over economic development policy and finance. Each report shall include information on the work completed, including awards made by the department under this section and progress toward transferring some activities of Launch Minnesota to an entity outside of state government.

Subd. 9. **Advisory board.** (a) The commissioner shall establish an advisory board to advise the executive director regarding the activities of Launch Minnesota, make the recommendations described in this section, and develop and initiate a strategic plan for transferring some activities of Launch Minnesota to a new or existing public-private partnership or nonprofit organization outside of state government.

(b) The advisory board shall consist of ten members and is governed by Minnesota Statutes, section 15.059. A minimum of seven members must be from the private sector representing business and at least two members but no more than three members must be from government and higher education. At least three of the members of the advisory board shall be from greater Minnesota. Appointees shall represent a range of interests, including entrepreneurs, large businesses, industry organizations, investors, and both public and private small business service providers.

(c) The advisory board shall select a chair from its private sector members. The executive director shall provide administrative support to the committee.

(d) The commissioner, or a designee, shall serve as an ex-officio, nonvoting member of the advisory board.

Subd. 10. **Expiration.** This section expires January 1, 2024.

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ARTICLE 3

WAGE THEFT

Section 1. Minnesota Statutes 2018, section 16C.285, subdivision 3, is amended to read:

Subd. 3. **Minimum criteria.** "Responsible contractor" means a contractor that conforms to the responsibility requirements in the solicitation document for its portion of the work on the project and verifies that it meets the following minimum criteria:

(1) the contractor:

(i) is in compliance with workers' compensation and unemployment insurance requirements;

(ii) is in compliance with Department of Revenue and Department of Employment and Economic Development registration requirements if it has employees;

(iii) has a valid federal tax identification number or a valid Social Security number if an individual; and

(iv) has filed a certificate of authority to transact business in Minnesota with the secretary of state if a foreign corporation or cooperative;

(2) the contractor or related entity is in compliance with and, during the three-year period before submitting the verification, has not violated section 177.24, 177.25, 177.41 to 177.44, 181.03, 181.101, 181.13, 181.14, or 181.722, and has not violated United States Code, title 29, sections 201 to 219, or United States Code, title 40, sections 3141 to 3148. For purposes of this clause, a violation occurs when a contractor or related entity:

(i) repeatedly fails to pay statutorily required wages or penalties on one or more separate projects for a total underpayment of $25,000 or more within the three-year period, provided that a failure to pay is "repeated" only if it involves two or more separate and distinct occurrences of underpayment during the three-year period;

(ii) has been issued an order to comply by the commissioner of labor and industry that has become final;

(iii) has been issued at least two determination letters within the three-year period by the Department of Transportation finding an underpayment by the contractor or related entity to its own employees;

(iv) has been found by the commissioner of labor and industry to have repeatedly or willfully violated any of the sections referenced in this clause pursuant to section 177.27;

(v) has been issued a ruling or findings of underpayment by the administrator of the Wage and Hour Division of the United States Department of Labor that have become final or have been upheld by an administrative law judge or the Administrative Review Board; ~~or~~

(vi) has been found liable for underpayment of wages or penalties or misrepresenting a construction worker as an independent contractor in an action brought in a court having jurisdiction; or

(vii) has been convicted of a violation of section 609.52, subdivision 2, clause (19).

Provided that, if the contractor or related entity contests a determination of underpayment by the Department of Transportation in a contested case proceeding, a violation does not occur until the contested case proceeding has concluded with a determination that the contractor or related entity underpaid wages or penalties;

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(3) the contractor or related entity is in compliance with and, during the three-year period before submitting the verification, has not violated section 181.723 or chapter 326B. For purposes of this clause, a violation occurs when a contractor or related entity has been issued a final administrative or licensing order;

(4) the contractor or related entity has not, more than twice during the three-year period before submitting the verification, had a certificate of compliance under section 363A.36 revoked or suspended based on the provisions of section 363A.36, with the revocation or suspension becoming final because it was upheld by the Office of Administrative Hearings or was not appealed to the office;

(5) the contractor or related entity has not received a final determination assessing a monetary sanction from the Department of Administration or Transportation for failure to meet targeted group business, disadvantaged business enterprise, or veteran-owned business goals, due to a lack of good faith effort, more than once during the three-year period before submitting the verification;

(6) the contractor or related entity is not currently suspended or debarred by the federal government or the state of Minnesota or any of its departments, commissions, agencies, or political subdivisions that have authority to debar a contractor; and

(7) all subcontractors and motor carriers that the contractor intends to use to perform project work have verified to the contractor through a signed statement under oath by an owner or officer that they meet the minimum criteria listed in clauses (1) to (6).

Any violations, suspensions, revocations, or sanctions, as defined in clauses (2) to (5), occurring prior to July 1, 2014, shall not be considered in determining whether a contractor or related entity meets the minimum criteria.

Sec. 2. Minnesota Statutes 2018, section 175.20, is amended to read:

175.20 ENFORCEMENT.

The commissioner or an authorized representative may enter without unreasonable delay and inspect places of employment, during normal working hours, and investigate facts, conditions, practices or matters as the commissioner deems appropriate to enforce the laws within the commissioner's jurisdiction and to carry out the purposes of this chapter and chapter 177, 181, 181A, or 184. If an employer refuses to permit entry into the employer's place of employment, the commissioner may apply for an inspection order in the district court in the county in which the place of employment is located requiring the employer to permit entry of the commissioner or an authorized representative. The commissioner or an authorized representative may issue subpoenas, collect evidence, interview witnesses, take testimony, compel the attendance of witnesses, and shall have authority to administer oaths and take testimony under oath, but no person shall be compelled to attend as a witness unless paid the fees provided for witnesses in the district court. The commissioner may interview in private nonmanagement employees regarding the matter under investigation.

Sec. 3. Minnesota Statutes 2018, section 177.27, subdivision 2, is amended to read:

Subd. 2. **Submission of records; penalty.** The commissioner may require the employer of employees working in the state to submit to the commissioner photocopies, certified copies, or, if necessary, the originals of employment records which the commissioner deems necessary or appropriate. The records which may be required include full and correct statements in writing, including sworn statements by the employer, containing information relating to wages, hours, names, addresses, and any other information pertaining to

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the employer's employees and the conditions of their employment as the commissioner deems necessary or appropriate.

The commissioner may require the records to be submitted by certified mail delivery or, if necessary, by personal delivery by the employer or a representative of the employer, as authorized by the employer in writing.

The commissioner may fine the employer up to $1,000 for each failure to submit or deliver records as required by this section, and up to $5,000 for each repeated failure. This penalty is in addition to any penalties provided under section 177.32, subdivision 1. In determining the amount of a civil penalty under this subdivision, the appropriateness of such penalty to the size of the employer's business and the gravity of the violation shall be considered.

Sec. 4. Minnesota Statutes 2018, section 177.27, is amended by adding a subdivision to read:

Subd. 11. **Providing data to licensing agencies, contracting agencies, and employees.** (a) The commissioner shall provide an order to comply issued to an employer under subdivision 4 and the resolution of the compliance order made through settlement or other final disposition to:

(1) a licensing or regulatory authority of one or more state agencies or agencies of a political subdivision to which the employer is subject; and

(2) a public contracting authority with which the employer is party to a public contract.

(b) The commissioner shall provide the data set out in the compliance order and the resolution of the compliance order made through settlement or other final disposition to the employer's employees whose interests are affected by the order, including an explanation of how the order was resolved.

(c) Data provided by the commissioner to a licensing agency, contracting authority, or employee to aid in the law enforcement process under this subdivision is subject to section 13.39.

(d) For purposes of this subdivision, a licensing agency or contracting authority is subject to chapter 13 and must protect not public data received under this subdivision from unlawful disclosure.

Sec. 5. Minnesota Statutes 2018, section 177.30, is amended to read:

177.30 KEEPING RECORDS; PENALTY.

(a) Every employer subject to sections 177.21 to 177.44 must make and keep a record of:

(1) the name, address, and occupation of each employee;

(2) the rate of pay, and the amount paid each pay period to each employee;

(3) the hours worked each day and each workweek by the employee, including for all employees paid at piece rate, the number of pieces completed at each piece rate;

(4) a list of the personnel policies provided to the employee, including the date the policies were given to the employee and a brief description of the policies;

(5) a copy of the notice provided to each employee as required by section 181.032, paragraph (d), including any written changes to the notice under section 181.032, paragraph (f);

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(6) for each employer subject to sections 177.41 to 177.44, and while performing work on public works projects funded in whole or in part with state funds, the employer shall furnish under oath signed by an owner or officer of an employer to the contracting authority and the project owner every two weeks, a certified payroll report with respect to the wages and benefits paid each employee during the preceding weeks specifying for each employee: name; identifying number; prevailing wage master job classification; hours worked each day; total hours; rate of pay; gross amount earned; each deduction for taxes; total deductions; net pay for week; dollars contributed per hour for each benefit, including name and address of administrator; benefit account number; and telephone number for health and welfare, vacation or holiday, apprenticeship training, pension, and other benefit programs; and

~~(5)~~ (7) other information the commissioner finds necessary and appropriate to enforce sections 177.21 to 177.435. The records must be kept for three years in ~~or near~~ the premises where an employee works except each employer subject to sections 177.41 to 177.44, and while performing work on public works projects funded in whole or in part with state funds, the records must be kept for three years after the contracting authority has made final payment on the public works project.

(b) All records required to be kept under paragraph (a) must be readily available for inspection by the commissioner upon demand. The records must be either kept at the place where employees are working or kept in a manner that allows the employer to comply with this paragraph within 72 hours.

(c) The commissioner may fine an employer up to $1,000 for each failure to maintain records as required by this section, and up to $5,000 for each repeated failure. This penalty is in addition to any penalties provided under section 177.32, subdivision 1. In determining the amount of a civil penalty under this subdivision, the appropriateness of such penalty to the size of the employer's business and the gravity of the violation shall be considered.

(d) If the records maintained by the employer do not provide sufficient information to determine the exact amount of back wages due an employee, the commissioner may make a determination of wages due based on available evidence.

Sec. 6. Minnesota Statutes 2018, section 177.32, subdivision 1, is amended to read:

Subdivision 1. **Misdemeanors.** An employer who does any of the following is guilty of a misdemeanor:

(1) hinders or delays the commissioner in the performance of duties required under sections 177.21 to 177.435, 181.01 to 181.723, or 181.79;

(2) refuses to admit the commissioner to the place of business or employment of the employer, as required by section 177.27, subdivision 1;

(3) repeatedly fails to make, keep, and preserve records as required by section 177.30;

(4) falsifies any record;

(5) refuses to make any record available, or to furnish a sworn statement of the record or any other information as required by section 177.27;

(6) repeatedly fails to post a summary of sections 177.21 to 177.44 or a copy or summary of the applicable rules as required by section 177.31;

(7) pays or agrees to pay wages at a rate less than the rate required under sections 177.21 to 177.44;

(8) refuses to allow adequate time from work as required by section 177.253; or

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(9) otherwise violates any provision of sections 177.21 to 177.44.

Sec. 7. **[177.45] ATTORNEY GENERAL ENFORCEMENT.**

In addition to the enforcement of this chapter by the department, the attorney general may enforce this chapter under section 8.31.

Sec. 8. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to read:

Subd. 4. **Enforcement.** The use of an enforcement provision in this section shall not preclude the use of any other enforcement provision provided by law.

Sec. 9. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to read:

Subd. 5. **Effect on other laws.** Nothing in this section shall be construed to limit the application of other state or federal laws.

Sec. 10. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to read:

Subd. 6. **Retaliation.** An employer must not retaliate against an employee for asserting rights or remedies under this section, sections 177.21 to 177.44, 181.01 to 181.723, or 181.79, including, but not limited to, filing a complaint with the department or telling the employer of the employee's intention to file a complaint. In addition to any other remedies provided by law, an employer who violates this subdivision is liable for a civil penalty of not less than $700 nor more than $3,000 per violation.

Sec. 11. Minnesota Statutes 2018, section 181.032, is amended to read:

181.032 REQUIRED STATEMENT OF EARNINGS BY EMPLOYER; NOTICE TO EMPLOYEE.

(a) At the end of each pay period, the employer shall provide each employee an earnings statement, either in writing or by electronic means, covering that pay period. An employer who chooses to provide an earnings statement by electronic means must provide employee access to an employer-owned computer during an employee's regular working hours to review and print earnings statements.

(b) The earnings statement may be in any form determined by the employer but must include:

(1) the name of the employee;

(2) the ~~hourly~~ rate or rates of pay ~~(if applicable)~~ and basis thereof, including whether the employee is paid by hour, shift, day, week, salary, piece, commission, or other method;

(3) allowances, if any, claimed pursuant to permitted meals and lodging;

(4) the total number of hours worked by the employee unless exempt from chapter 177;

~~(4)~~ (5) the total amount of gross pay earned by the employee during that period;

~~(5)~~ (6) a list of deductions made from the employee's pay;

~~(6)~~ (7) the net amount of pay after all deductions are made;

~~(7)~~ (8) the date on which the pay period ends; ~~and~~

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~~(8)~~ (9) the legal name of the employer and the operating name of the employer if different from the legal name;

(10) the physical address of the employer's main office or principal place of business, and a mailing address if different; and

(11) the telephone number of the employer.

(c) An employer must provide earnings statements to an employee in writing, rather than by electronic means, if the employer has received at least 24 hours notice from an employee that the employee would like to receive earnings statements in written form. Once an employer has received notice from an employee that the employee would like to receive earnings statements in written form, the employer must comply with that request on an ongoing basis.

(d) At the start of employment, an employer shall provide each employee a written notice containing the following information:

(1) the rate or rates of pay and basis thereof, including whether the employee is paid by the hour, shift, day, week, salary, piece, commission, or other method, and the specific application of any additional rates;

(2) allowances, if any, claimed pursuant to permitted meals and lodging;

(3) paid vacation, sick time, or other paid time-off accruals and terms of use;

(4) the employee's employment status and whether the employee is exempt from minimum wage, overtime, and other provisions of chapter 177, and on what basis;

(5) a list of deductions that may be made from the employee's pay;

(6) the number of days in the pay period, the regularly scheduled pay day, and the pay day on which the employee will receive the first payment of wages earned;

(7) the legal name of the employer and the operating name of the employer if different from the legal name;

(8) the physical address of the employer's main office or principal place of business, and a mailing address if different; and

(9) the telephone number of the employer.

(e) The employer must keep a copy of the notice under paragraph (d) signed by each employee acknowledging receipt of the notice. The notice must be provided to each employee in English. The English version of the notice must include text provided by the commissioner that informs employees that they may request, by indicating on the form, the notice be provided in a particular language. If requested, the employer shall provide the notice in the language requested by the employee. The commissioner shall make available to employers the text to be included in the English version of the notice required by this section and assist employers with translation of the notice in the languages requested by their employees.

(f) An employer must provide the employee any written changes to the information contained in the notice under paragraph (d) prior to the date the changes take effect.

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Sec. 12. Minnesota Statutes 2018, section 181.101, is amended to read:

181.101 WAGES; HOW OFTEN PAID.

(a) Except as provided in paragraph (b), every employer must pay all wages, including salary, earnings, and gratuities earned by an employee at least once every 31 days and all commissions earned by an employee at least once every three months, on a regular payday designated in advance by the employer regardless of whether the employee requests payment at longer intervals. Unless paid earlier, the wages earned during the first half of the first 31-day pay period become due on the first regular payday following the first day of work. If wages or commissions earned are not paid, the commissioner of labor and industry or the commissioner's representative may serve a demand for payment on behalf of an employee. In addition to other remedies under section 177.27, if payment of wages is not made within ten days of service of the demand, the commissioner may charge and collect the wages earned at the employee's rate or rates of pay or at the rate or rates required by law, including any applicable statute, regulation, rule, ordinance, government resolution or policy, contract, or other legal authority, whichever rate of pay is greater, and a penalty in the amount of the employee's average daily earnings at the same rate ~~agreed upon in the contract of employment, not exceeding 15 days in all,~~ or rates for each day beyond the ten-day limit following the demand. If payment of commissions is not made within ten days of service of the demand, the commissioner may charge and collect the commissions earned and a penalty equal to 1/15 of the commissions earned but unpaid for each day beyond the ten-day limit. Money collected by the commissioner must be paid to the employee concerned. This section does not prevent an employee from prosecuting a claim for wages. This section does not prevent a school district, other public school entity, or other school, as defined under section 120A.22, from paying any wages earned by its employees during a school year on regular paydays in the manner provided by an applicable contract or collective bargaining agreement, or a personnel policy adopted by the governing board. For purposes of this section, "employee" includes a person who performs agricultural labor as defined in section 181.85, subdivision 2. For purposes of this section, wages are earned on the day an employee works. This section provides a substantive right for employees to the payment of wages, including salary, earnings, and gratuities, as well as commissions, in addition to the right to be paid at certain times.

(b) An employer of a volunteer firefighter, as defined in section 424A.001, subdivision 10, a member of an organized first responder squad that is formally recognized by a political subdivision in the state, or a volunteer ambulance driver or attendant must pay all wages earned by the volunteer firefighter, first responder, or volunteer ambulance driver or attendant at least once every 31 days, unless the employer and the employee mutually agree upon payment at longer intervals.

Sec. 13. **[181.1721] ATTORNEY GENERAL ENFORCEMENT.**

In addition to the enforcement of this chapter by the department, the attorney general may enforce this chapter under section 8.31.

Sec. 14. Minnesota Statutes 2018, section 609.52, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** In this section:

(1) "Property" means all forms of tangible property, whether real or personal, without limitation including documents of value, electricity, gas, water, corpses, domestic animals, dogs, pets, fowl, and heat supplied by pipe or conduit by municipalities or public utility companies and articles, as defined in clause (4), representing trade secrets, which articles shall be deemed for the purposes of Extra Session Laws 1967, chapter 15 to include any trade secret represented by the article.

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(2) "Movable property" is property whose physical location can be changed, including without limitation things growing on, affixed to, or found in land.

(3) "Value" means the retail market value at the time of the theft, or if the retail market value cannot be ascertained, the cost of replacement of the property within a reasonable time after the theft, or in the case of a theft or the making of a copy of an article representing a trade secret, where the retail market value or replacement cost cannot be ascertained, any reasonable value representing the damage to the owner which the owner has suffered by reason of losing an advantage over those who do not know of or use the trade secret. For a check, draft, or other order for the payment of money, "value" means the amount of money promised or ordered to be paid under the terms of the check, draft, or other order. For a theft committed within the meaning of subdivision 2, clause (5), items (i) and (ii), if the property has been restored to the owner, "value" means the value of the use of the property or the damage which it sustained, whichever is greater, while the owner was deprived of its possession, but not exceeding the value otherwise provided herein. For a theft committed within the meaning of subdivision 2, clause (9), if the property has been restored to the owner, "value" means the rental value of the property, determined at the rental rate contracted by the defendant or, if no rental rate was contracted, the rental rate customarily charged by the owner for use of the property, plus any damage that occurred to the property while the owner was deprived of its possession, but not exceeding the total retail value of the property at the time of rental. For a theft committed within the meaning of subdivision 2, clause (19), "value" means the difference between wages legally required to be reported or paid to an employee and the amount actually reported or paid to the employee.

(4) "Article" means any object, material, device or substance, including any writing, record, recording, drawing, sample specimen, prototype, model, photograph, microorganism, blueprint or map, or any copy of any of the foregoing.

(5) "Representing" means describing, depicting, containing, constituting, reflecting or recording.

(6) "Trade secret" means information, including a formula, pattern, compilation, program, device, method, technique, or process, that:

(i) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and

(ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

(7) "Copy" means any facsimile, replica, photograph or other reproduction of an article, and any note, drawing, or sketch made of or from an article while in the presence of the article.

(8) "Property of another" includes property in which the actor is co-owner or has a lien, pledge, bailment, or lease or other subordinate interest, property transferred by the actor in circumstances which are known to the actor and which make the transfer fraudulent as defined in section 513.44, property possessed pursuant to a short-term rental contract, and property of a partnership of which the actor is a member, unless the actor and the victim are husband and wife. It does not include property in which the actor asserts in good faith a claim as a collection fee or commission out of property or funds recovered, or by virtue of a lien, setoff, or counterclaim.

(9) "Services" include but are not limited to labor, professional services, transportation services, electronic computer services, the supplying of hotel accommodations, restaurant services, entertainment services, advertising services, telecommunication services, and the supplying of equipment for use including rental of personal property or equipment.

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(10) "Motor vehicle" means a self-propelled device for moving persons or property or pulling implements from one place to another, whether the device is operated on land, rails, water, or in the air.

(11) "Motor fuel" has the meaning given in section 604.15, subdivision 1.

(12) "Retailer" has the meaning given in section 604.15, subdivision 1.

(13) "Wage theft" occurs when an employer with intent to defraud:

(i) fails to pay an employee all wages, salary, gratuities, earnings, or commissions at the employee's rate or rates of pay or at the rate or rates required by law, including any applicable statute, regulation, rule, ordinance, government resolution or policy, contract, or other legal authority, whichever rate of pay is greater;

(ii) directly or indirectly causes any employee to give a receipt for wages for a greater amount than that actually paid to the employee for services rendered;

(iii) directly or indirectly demands or receives from any employee any rebate or refund from the wages owed the employee under contract of employment with the employer; or

(iv) makes or attempts to make it appear in any manner that the wages paid to any employee were greater than the amount actually paid to the employee.

(14) "Employer" means any individual, partnership, association, corporation, business trust, or any person or group of persons acting directly or indirectly in the interest of an employer in relation to an employee.

(15) "Employee" means any individual employed by an employer.

EFFECTIVE DATE. This section is effective August 1, 2019, and applies to crimes committed on or after that date.

Sec. 15. Minnesota Statutes 2018, section 609.52, subdivision 2, is amended to read:

Subd. 2. **Acts constituting theft.** (a) Whoever does any of the following commits theft and may be sentenced as provided in subdivision 3:

(1) intentionally and without claim of right takes, uses, transfers, conceals or retains possession of movable property of another without the other's consent and with intent to deprive the owner permanently of possession of the property; or

(2) with or without having a legal interest in movable property, intentionally and without consent, takes the property out of the possession of a pledgee or other person having a superior right of possession, with intent thereby to deprive the pledgee or other person permanently of the possession of the property; or

(3) obtains for the actor or another the possession, custody, or title to property of or performance of services by a third person by intentionally deceiving the third person with a false representation which is known to be false, made with intent to defraud, and which does defraud the person to whom it is made. "False representation" includes without limitation:

(i) the issuance of a check, draft, or order for the payment of money, except a forged check as defined in section 609.631, or the delivery of property knowing that the actor is not entitled to draw upon the drawee therefor or to order the payment or delivery thereof; or

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(ii) a promise made with intent not to perform. Failure to perform is not evidence of intent not to perform unless corroborated by other substantial evidence; or

(iii) the preparation or filing of a claim for reimbursement, a rate application, or a cost report used to establish a rate or claim for payment for medical care provided to a recipient of medical assistance under chapter 256B, which intentionally and falsely states the costs of or actual services provided by a vendor of medical care; or

(iv) the preparation or filing of a claim for reimbursement for providing treatment or supplies required to be furnished to an employee under section 176.135 which intentionally and falsely states the costs of or actual treatment or supplies provided; or

(v) the preparation or filing of a claim for reimbursement for providing treatment or supplies required to be furnished to an employee under section 176.135 for treatment or supplies that the provider knew were medically unnecessary, inappropriate, or excessive; or

(4) by swindling, whether by artifice, trick, device, or any other means, obtains property or services from another person; or

(5) intentionally commits any of the acts listed in this subdivision but with intent to exercise temporary control only and:

(i) the control exercised manifests an indifference to the rights of the owner or the restoration of the property to the owner; or

(ii) the actor pledges or otherwise attempts to subject the property to an adverse claim; or

(iii) the actor intends to restore the property only on condition that the owner pay a reward or buy back or make other compensation; or

(6) finds lost property and, knowing or having reasonable means of ascertaining the true owner, appropriates it to the finder's own use or to that of another not entitled thereto without first having made reasonable effort to find the owner and offer and surrender the property to the owner; or

(7) intentionally obtains property or services, offered upon the deposit of a sum of money or tokens in a coin or token operated machine or other receptacle, without making the required deposit or otherwise obtaining the consent of the owner; or

(8) intentionally and without claim of right converts any article representing a trade secret, knowing it to be such, to the actor's own use or that of another person or makes a copy of an article representing a trade secret, knowing it to be such, and intentionally and without claim of right converts the same to the actor's own use or that of another person. It shall be a complete defense to any prosecution under this clause for the defendant to show that information comprising the trade secret was rightfully known or available to the defendant from a source other than the owner of the trade secret; or

(9) leases or rents personal property under a written instrument and who:

(i) with intent to place the property beyond the control of the lessor conceals or aids or abets the concealment of the property or any part thereof; or

(ii) sells, conveys, or encumbers the property or any part thereof without the written consent of the lessor, without informing the person to whom the lessee sells, conveys, or encumbers that the same is subject to such lease or rental contract with intent to deprive the lessor of possession thereof; or

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(iii) does not return the property to the lessor at the end of the lease or rental term, plus agreed-upon extensions, with intent to wrongfully deprive the lessor of possession of the property; or

(iv) returns the property to the lessor at the end of the lease or rental term, plus agreed-upon extensions, but does not pay the lease or rental charges agreed upon in the written instrument, with intent to wrongfully deprive the lessor of the agreed-upon charges.

For the purposes of items (iii) and (iv), the value of the property must be at least $100.

Evidence that a lessee used a false, fictitious, or not current name, address, or place of employment in obtaining the property or fails or refuses to return the property or pay the rental contract charges to lessor within five days after written demand for the return has been served personally in the manner provided for service of process of a civil action or sent by certified mail to the last known address of the lessee, whichever shall occur later, shall be evidence of intent to violate this clause. Service by certified mail shall be deemed to be complete upon deposit in the United States mail of such demand, postpaid and addressed to the person at the address for the person set forth in the lease or rental agreement, or, in the absence of the address, to the person's last known place of residence; or

(10) alters, removes, or obliterates numbers or symbols placed on movable property for purpose of identification by the owner or person who has legal custody or right to possession thereof with the intent to prevent identification, if the person who alters, removes, or obliterates the numbers or symbols is not the owner and does not have the permission of the owner to make the alteration, removal, or obliteration; or

(11) with the intent to prevent the identification of property involved, so as to deprive the rightful owner of possession thereof, alters or removes any permanent serial number, permanent distinguishing number or manufacturer's identification number on personal property or possesses, sells or buys any personal property knowing or having reason to know that the permanent serial number, permanent distinguishing number or manufacturer's identification number has been removed or altered; or

(12) intentionally deprives another of a lawful charge for cable television service by:

(i) making or using or attempting to make or use an unauthorized external connection outside the individual dwelling unit whether physical, electrical, acoustical, inductive, or other connection; or by

(ii) attaching any unauthorized device to any cable, wire, microwave, or other component of a licensed cable communications system as defined in chapter 238. Nothing herein shall be construed to prohibit the electronic video rerecording of program material transmitted on the cable communications system by a subscriber for fair use as defined by Public Law 94-553, section 107; or

(13) except as provided in clauses (12) and (14), obtains the services of another with the intention of receiving those services without making the agreed or reasonably expected payment of money or other consideration; or

(14) intentionally deprives another of a lawful charge for telecommunications service by:

(i) making, using, or attempting to make or use an unauthorized connection whether physical, electrical, by wire, microwave, radio, or other means to a component of a local telecommunication system as provided in chapter 237; or

(ii) attaching an unauthorized device to a cable, wire, microwave, radio, or other component of a local telecommunication system as provided in chapter 237.

The existence of an unauthorized connection is prima facie evidence that the occupier of the premises:

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(A) made or was aware of the connection; and

(B) was aware that the connection was unauthorized;

(15) with intent to defraud, diverts corporate property other than in accordance with general business purposes or for purposes other than those specified in the corporation's articles of incorporation; or

(16) with intent to defraud, authorizes or causes a corporation to make a distribution in violation of section 302A.551, or any other state law in conformity with it; or

(17) takes or drives a motor vehicle without the consent of the owner or an authorized agent of the owner, knowing or having reason to know that the owner or an authorized agent of the owner did not give consent; or

(18) intentionally, and without claim of right, takes motor fuel from a retailer without the retailer's consent and with intent to deprive the retailer permanently of possession of the fuel by driving a motor vehicle from the premises of the retailer without having paid for the fuel dispensed into the vehicle; or

(19) commits wage theft under subdivision 1, clause (13).

(b) Proof that the driver of a motor vehicle into which motor fuel was dispensed drove the vehicle from the premises of the retailer without having paid for the fuel permits the factfinder to infer that the driver acted intentionally and without claim of right, and that the driver intended to deprive the retailer permanently of possession of the fuel. This paragraph does not apply if: (1) payment has been made to the retailer within 30 days of the receipt of notice of nonpayment under section 604.15; or (2) a written notice as described in section 604.15, subdivision 4, disputing the retailer's claim, has been sent. This paragraph does not apply to the owner of a motor vehicle if the vehicle or the vehicle's license plate has been reported stolen before the theft of the fuel.

EFFECTIVE DATE. This section is effective August 1, 2019, and applies to crimes committed on or after that date.

Sec. 16. Minnesota Statutes 2018, section 609.52, subdivision 3, is amended to read:

Subd. 3. **Sentence.** Whoever commits theft may be sentenced as follows:

(1) to imprisonment for not more than 20 years or to payment of a fine of not more than $100,000, or both, if the property is a firearm, or the value of the property or services stolen is more than $35,000 and the conviction is for a violation of subdivision 2, clause (3), (4), (15), ~~or~~ (16), or (19), or section 609.2335, subdivision 1, clause (1) or (2), item (i); or

(2) to imprisonment for not more than ten years or to payment of a fine of not more than $20,000, or both, if the value of the property or services stolen exceeds $5,000, or if the property stolen was an article representing a trade secret, an explosive or incendiary device, or a controlled substance listed in Schedule I or II pursuant to section 152.02 with the exception of marijuana; or

(3) to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both, if any of the following circumstances exist:

(a) the value of the property or services stolen is more than $1,000 but not more than $5,000; or

(b) the property stolen was a controlled substance listed in Schedule III, IV, or V pursuant to section 152.02; or

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(c) the value of the property or services stolen is more than $500 but not more than $1,000 and the person has been convicted within the preceding five years for an offense under this section, section 256.98; 268.182; 609.24; 609.245; 609.53; 609.582, subdivision 1, 2, or 3; 609.625; 609.63; 609.631; or 609.821, or a statute from another state, the United States, or a foreign jurisdiction, in conformity with any of those sections, and the person received a felony or gross misdemeanor sentence for the offense, or a sentence that was stayed under section 609.135 if the offense to which a plea was entered would allow imposition of a felony or gross misdemeanor sentence; or

(d) the value of the property or services stolen is not more than $1,000, and any of the following circumstances exist:

(i) the property is taken from the person of another or from a corpse, or grave or coffin containing a corpse; or

(ii) the property is a record of a court or officer, or a writing, instrument or record kept, filed or deposited according to law with or in the keeping of any public officer or office; or

(iii) the property is taken from a burning, abandoned, or vacant building or upon its removal therefrom, or from an area of destruction caused by civil disaster, riot, bombing, or the proximity of battle; or

(iv) the property consists of public funds belonging to the state or to any political subdivision or agency thereof; or

(v) the property stolen is a motor vehicle; or

(4) to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both, if the value of the property or services stolen is more than $500 but not more than $1,000; or

(5) in all other cases where the value of the property or services stolen is $500 or less, to imprisonment for not more than 90 days or to payment of a fine of not more than $1,000, or both, provided, however, in any prosecution under subdivision 2, clauses (1), (2), (3), (4), ~~and~~ (13), and (19), the value of the money or property or services received by the defendant in violation of any one or more of the above provisions within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this subdivision; provided that when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

EFFECTIVE DATE. This section is effective August 1, 2019, and applies to crimes committed on or after that date.

ARTICLE 4

UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; POLICY

Section 1. Minnesota Statutes 2018, section 268.035, subdivision 12, is amended to read:

Subd. 12. **Covered employment.** (a) "Covered employment" means ~~the following unless excluded as "noncovered employment" under subdivision 20:~~

~~(1)~~ an employee's entire employment during the calendar quarter if:

~~(i)~~ (1) 50 percent or more of the employment during the quarter is performed ~~primarily~~ in Minnesota;

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~~(ii)~~ (2) 50 percent or more of the employment during the quarter is not performed ~~primarily~~ in Minnesota or any other state, or Canada, but some of the employment is performed in Minnesota and the ~~base of operations or the place from which the employment is directed or controlled is in Minnesota; or~~

~~(iii) the employment during the quarter is not performed primarily in Minnesota or any other state and the base of operations or place from which the employment is directed or controlled is not in any state where part of the employment is performed, but the~~ employee's residence is in Minnesota during 50 percent or more of the calendar quarter;

~~(2) an employee's entire employment during the calendar quarter performed within the United States or Canada, if:~~

~~(i) the employment is not covered employment under the unemployment insurance program of any other state, federal law, or the law of Canada; and~~

~~(ii) the place from which the employment is directed or controlled is in Minnesota;~~

(3) the employment during the ~~calendar~~ quarter~~,~~ is performed ~~entirely~~ outside the United States and Canada, by an employee who is a United States citizen in the employ of an American employer, if the employer's principal place of business in the United States is located in Minnesota. For the purposes of this clause, an "American employer~~,~~" ~~for the purposes of this clause, means a corporation organized under the laws of any state, an individual who is a resident of the United States, or a partnership if two-thirds or more of the partners are residents of the United States, or a trust, if all of the trustees are residents of the United States~~ is defined under the Federal Unemployment Tax Act, United States Code title 26, chapter 23, section 3306, subsection (j)(3); ~~and~~ or

(4) ~~all~~ the employment during the ~~calendar~~ quarter is performed by an officer or member of the crew of an American vessel ~~on or in connection with the vessel, if the~~ operating on navigable waters within, or within and without, the United States, and the office from which the operations of the vessel ~~operating on navigable waters within, or within and without, the United States are ordinarily and regularly supervised, managed, directed,~~ and controlled is in Minnesota.

(b) "Covered employment" includes covered agricultural employment under subdivision 11.

(c) For the purposes of section 268.095, "covered employment" includes employment covered under an unemployment insurance program:

(1) of any other state; ~~or~~

(2) established by an act of Congress~~.~~; or

(3) the law of Canada.

(d) The percentage of employment performed under paragraph (a) is determined by the amount of hours worked.

(e) Covered employment does not include any employment defined as "noncovered employment" under subdivision 20.

Sec. 2. Minnesota Statutes 2018, section 268.035, subdivision 20, is amended to read:

Subd. 20. **Noncovered employment.** "Noncovered employment" means:

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(1) employment for the United States government or an instrumentality thereof, including military service;

(2) employment for a state, other than Minnesota, or a political subdivision or instrumentality thereof;

(3) employment for a foreign government;

(4) employment covered under the federal Railroad Unemployment Insurance Act;

(5) employment for a church or convention or association of churches, or a nonprofit organization operated primarily for religious purposes that is operated, supervised, controlled, or principally supported by a church or convention or association of churches;

(6) employment for an elementary or secondary school with a curriculum that includes religious education that is operated by a church, a convention or association of churches, or a nonprofit organization that is operated, supervised, controlled, or principally supported by a church or convention or association of churches;

(7) employment for Minnesota or a political subdivision, or a nonprofit organization, of a duly ordained or licensed minister of a church in the exercise of a ministry or by a member of a religious order in the exercise of duties required by the order;

(8) employment for Minnesota or a political subdivision, or a nonprofit organization, of an individual receiving rehabilitation of "sheltered" work in a facility conducted for the purpose of carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury or a program providing "sheltered" work for individuals who because of an impaired physical or mental capacity cannot be readily absorbed in the competitive labor market. This clause applies only to services performed in a facility certified by the Rehabilitation Services Branch of the department or in a day training or habilitation program licensed by the Department of Human Services;

(9) employment for Minnesota or a political subdivision, or a nonprofit organization, of an individual receiving work relief or work training as part of an unemployment work relief or work training program financed in whole or in part by any federal agency or an agency of a state or political subdivision thereof. This clause does not apply to programs that require unemployment benefit coverage for the participants;

(10) employment for Minnesota or a political subdivision, as an elected official, a member of a legislative body, or a member of the judiciary;

(11) employment as a member of the Minnesota National Guard or Air National Guard;

(12) employment for Minnesota or a political subdivision, or instrumentality thereof, of an individual serving on a temporary basis in case of fire, flood, tornado, or similar emergency;

(13) employment as an election official or election worker for Minnesota or a political subdivision, if the compensation for that employment was less than $1,000 in a calendar year;

(14) employment for Minnesota that is a major policy-making or advisory position in the unclassified service;

(15) employment for Minnesota in an unclassified position established under section 43A.08, subdivision 1a;

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(16) employment for a political subdivision of Minnesota that is a nontenured major policy making or advisory position;

(17) domestic employment in a private household, local college club, or local chapter of a college fraternity or sorority, if the wages paid in any calendar quarter in either the current or prior calendar year to all individuals in domestic employment totaled less than $1,000.

"Domestic employment" includes all service in the operation and maintenance of a private household, for a local college club, or local chapter of a college fraternity or sorority as distinguished from service as an employee in the pursuit of an employer's trade or business;

(18) employment of an individual by a son, daughter, or spouse, and employment of a child under the age of 18 by the child's father or mother;

(19) employment of an inmate of a custodial or penal institution;

(20) employment for a school, college, or university, by a student who is enrolled and whose primary relation to the school, college, or university is as a student. This does not include an individual whose primary relation to the school, college, or university is as an employee who also takes courses;

(21) employment of an individual who is enrolled as a student in a full-time program at a nonprofit or public educational institution that maintains a regular faculty and curriculum and has a regularly organized body of students in attendance at the place where its educational activities are carried on, taken for credit at the institution, that combines academic instruction with work experience, if the employment is an integral part of the program, and the institution has so certified to the employer, except that this clause does not apply to employment in a program established for or on behalf of an employer or group of employers;

(22) employment of a foreign college or university student who works on a seasonal or temporary basis under the J-1 visa summer work travel program described in Code of Federal Regulations, title 22, section 62.32;

~~(22)~~ (23) employment of university, college, or professional school students in an internship or other training program with the city of St. Paul or the city of Minneapolis under Laws 1990, chapter 570, article 6, section 3;

~~(23)~~ (24) employment for a hospital by a patient of the hospital. "Hospital" means an institution that has been licensed by the Department of Health as a hospital;

~~(24)~~ (25) employment as a student nurse for a hospital or a nurses' training school by an individual who is enrolled and is regularly attending classes in an accredited nurses' training school;

~~(25)~~ (26) employment as an intern for a hospital by an individual who has completed a four-year course in an accredited medical school;

~~(26)~~ (27) employment as an insurance salesperson, by other than a corporate officer, if all the wages from the employment is solely by way of commission. The word "insurance" includes an annuity and an optional annuity;

~~(27)~~ (28) employment as an officer of a township mutual insurance company or farmer's mutual insurance company under chapter 67A;

~~(28)~~ (29) employment of a corporate officer, if the officer directly or indirectly, including through a subsidiary or holding company, owns 25 percent or more of the employer corporation, and employment of

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a member of a limited liability company, if the member directly or indirectly, including through a subsidiary or holding company, owns 25 percent or more of the employer limited liability company;

~~(29)~~ (30) employment as a real estate salesperson, other than a corporate officer, if all the wages from the employment is solely by way of commission;

~~(30)~~ (31) employment as a direct seller as defined in United States Code, title 26, section 3508;

~~(31)~~ (32) employment of an individual under the age of 18 in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution;

~~(32)~~ (33) casual employment performed for an individual, other than domestic employment under clause (17), that does not promote or advance that employer's trade or business;

~~(33)~~ (34) employment in "agricultural employment" unless it is "covered agricultural employment" under subdivision 11; or

~~(34)~~ (35) if employment during one-half or more of any pay period was covered employment, all the employment for the pay period is covered employment; but if during more than one-half of any pay period the employment was noncovered employment, then all of the employment for the pay period is noncovered employment. "Pay period" means a period of not more than a calendar month for which a payment or compensation is ordinarily made to the employee by the employer.

Sec. 3. Minnesota Statutes 2018, section 268.051, subdivision 2a, is amended to read:

Subd. 2a. **Unemployment insurance tax ~~limits~~ reduction.** (a) If the balance in the trust fund on December 31 of any calendar year is four percent or more above the amount equal to an average high cost multiple of 1.0, future unemployment taxes payable must be reduced by all amounts above 1.0. The amount of tax reduction for any taxpaying employer is the same percentage of the total amount above 1.0 as the percentage of taxes paid by the employer during the calendar year is of the total amount of taxes that were paid by all ~~nonmaximum experience rated~~ employers during the year except taxes paid by employers assigned a tax rate equal to the maximum experience rating plus the applicable base tax rate.

(b) For purposes of this subdivision, "average high cost multiple" has the meaning given in Code of Federal Regulations, title 20, section 606.3, as amended through December 31, 2015. An amount equal to an average high cost multiple of 1.0 is a federal measure of adequate reserves in relation to the state's current economy. The commissioner must calculate and publish, as soon as possible following December 31 of any calendar year, the trust fund balance on December 31 along with the amount an average high cost multiple of 1.0 equals. Actual wages paid must be used in the calculation and estimates may not be used.

(c) The unemployment tax reduction under this subdivision does not apply to employers that were ~~at~~ assigned a tax rate equal to the maximum experience rating plus the applicable base tax rate for the year~~, nor to high experience rating industry employers under subdivision 5, paragraph (b)~~. Computations under paragraph (a) are not subject to the rounding requirement of section 268.034. The refund provisions of section 268.057, subdivision 7, do not apply.

(d) The unemployment tax reduction under this subdivision applies to taxes paid between March 1 and December 15 of the year following the December 31 computation under paragraph (a).

(e) ~~The amount equal to the average high cost multiple of 1.0 on December 31, 2012, must be used for the calculation under paragraph (a) but only for the calculation made on December 31, 2015. Notwithstanding paragraph (d), the tax reduction resulting from the application of this paragraph applies to unemployment~~

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~~taxes paid between July 1, 2016, and June 30, 2017.~~ If there was an experience rating history transfer under subdivision 4, the successor employer must receive that portion of the predecessor employer's tax reduction equal to that portion of the experience rating history transferred. The predecessor employer retains that portion of tax reduction not transferred to the successor. This paragraph applies to that portion of the tax reduction that remains unused at the time of notice of acquisition is provided under subdivision 4, paragraph (e).

Sec. 4. **EFFECTIVE DATE.**

Unless otherwise specified, this article is effective October 1, 2020.

ARTICLE 5

UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; INTEREST

Section 1. Minnesota Statutes 2018, section 268.057, subdivision 5, is amended to read:

Subd. 5. **Interest on amounts past due.** If any amounts due from an employer under this chapter or section 116L.20, except late fees under section 268.044, are not received on the date due ~~the unpaid balance bears~~ the commissioner must assess interest on any amount that remains unpaid. Interest is assessed at the rate of one percent per month or any part of a month. Interest is not assessed on unpaid interest. Interest collected under this subdivision is credited to the contingent account.

EFFECTIVE DATE. This section is effective October 1, 2020.

Sec. 2. Minnesota Statutes 2018, section 268.18, subdivision 2b, is amended to read:

Subd. 2b. **Interest.** On any unemployment benefits obtained by misrepresentation, and any penalty amounts assessed under subdivision 2, the commissioner must assess interest ~~at the rate of one percent per month~~ on any amount that remains unpaid beginning 30 calendar days after the date of a determination of overpayment penalty. Interest is assessed at the rate of one percent per month or any part of a month. A determination of overpayment penalty must state that interest will be assessed. Interest is not assessed ~~in the same manner as on employer debt under section 268.057, subdivision 5~~ on unpaid interest. Interest ~~payments~~ collected under this subdivision ~~are~~ is credited to the trust fund.

EFFECTIVE DATE. This section is effective October 1, 2020.

ARTICLE 6

UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; BASE PERIODS

Section 1. Minnesota Statutes 2018, section 268.035, subdivision 4, is amended to read:

Subd. 4. **Base period.** (a) "Base period," unless otherwise provided in this subdivision, means the most recent four completed calendar quarters before the effective date of an applicant's application for unemployment benefits if the application has an effective date occurring after the month following the most recent completed calendar quarter. The base period under this paragraph is as follows:

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If the application for unemployment benefits is effective on or between these dates:	The base period is the prior:
February 1 - March 31	January 1 - December 31
May 1 - June 30	April 1 - March 31
August 1 - September 30	July 1 - June 30
November 1 - December 31	October 1 - September 30

(b) If an application for unemployment benefits has an effective date that is during the month following the most recent completed calendar quarter, then the base period is the first four of the most recent five completed calendar quarters before the effective date of an applicant's application for unemployment benefits. The base period under this paragraph is as follows:

If the application for unemployment benefits is effective on or between these dates:	The base period is the prior:
January 1 - January 31	October 1 - September 30
April 1 - April 30	January 1 - December 31
July 1 - July 31	April 1 - March 31
October 1 - October 31	July 1 - June 30

(c) Regardless of paragraph (a), a base period of the first four of the most recent five completed calendar quarters must be used if the applicant would have more wage credits under that base period than under a base period of the four most recent completed calendar quarters.

~~(d) If the applicant under paragraph (b) has insufficient wage credits to establish a benefit account, then a base period of the most recent four completed calendar quarters before the effective date of the applicant's application for unemployment benefits must be used.~~

~~(e)~~ (d) If the applicant has insufficient wage credits to establish a benefit account under a base period of the four most recent completed calendar quarters, or a base period of the first four of the most recent five completed calendar quarters, but during either base period the applicant received workers' compensation for temporary disability under chapter 176 or a similar federal law or similar law of another state, or if the applicant whose own serious illness caused a loss of work for which the applicant received compensation for loss of wages from some other source, the applicant may request a base period as follows:

(1) if an applicant was compensated for a loss of work of seven to 13 weeks~~,~~ during a base period referred to in paragraph (a) or (b), then the base period is the first four of the most recent six completed calendar quarters before the effective date of the application for unemployment benefits;

(2) if an applicant was compensated for a loss of work of 14 to 26 weeks~~,~~ during a base period referred to in paragraph (a) or (b), then the base period is the first four of the most recent seven completed calendar quarters before the effective date of the application for unemployment benefits;

(3) if an applicant was compensated for a loss of work of 27 to 39 weeks~~,~~ during a base period referred to in paragraph (a) or (b), then the base period is the first four of the most recent eight completed calendar quarters before the effective date of the application for unemployment benefits; and

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(4) if an applicant was compensated for a loss of work of 40 to 52 weeks~~,~~ during a base period referred to in paragraph (a) or (b), then the base period is the first four of the most recent nine completed calendar quarters before the effective date of the application for unemployment benefits.

~~(f)~~ (e) No base period under this subdivision may include wage credits upon which a prior benefit account was established.

Sec. 2. Minnesota Statutes 2018, section 268.07, subdivision 1, is amended to read:

Subdivision 1. **Application for unemployment benefits; determination of benefit account.** (a) An application for unemployment benefits may be filed in person, by mail, or by electronic transmission as the commissioner may require. The applicant must be unemployed at the time the application is filed and must provide all requested information in the manner required. If the applicant is not unemployed at the time of the application or fails to provide all requested information, the communication is not an application for unemployment benefits.

(b) The commissioner must examine each application for unemployment benefits to determine the base period and the benefit year, and based upon all the covered employment in the base period the commissioner must determine the weekly unemployment benefit amount available, if any, and the maximum amount of unemployment benefits available, if any. The determination, which is a document separate and distinct from a document titled a determination of eligibility or determination of ineligibility issued under section 268.101, must be titled determination of benefit account. A determination of benefit account must be sent to the applicant and all base period employers, by mail or electronic transmission.

(c) If a base period employer did not provide wage detail information for the applicant as required under section 268.044, ~~or provided erroneous information, or wage detail is not yet due and the applicant is using a base period under section 268.035, subdivision 4, paragraph (d),~~ the commissioner may accept an applicant certification of wage credits, based upon the applicant's records, and issue a determination of benefit account.

~~(d) An employer must provide wage detail information on an applicant within five calendar days of request by the commissioner, in a manner and format requested, when:~~

~~(1) the applicant is using a base period under section 268.035, subdivision 4, paragraph (d); and~~

~~(2) wage detail under section 268.044 is not yet required to have been filed by the employer.~~

~~(e)~~ (d) The commissioner may, at any time within 24 months from the establishment of a benefit account, reconsider any determination of benefit account and make an amended determination if the commissioner finds that the wage credits listed in the determination were incorrect for any reason. An amended determination of benefit account must be promptly sent to the applicant and all base period employers, by mail or electronic transmission. This subdivision does not apply to documents titled determinations of eligibility or determinations of ineligibility issued under section 268.101.

~~(f)~~ (e) If an amended determination of benefit account reduces the weekly unemployment benefit amount or maximum amount of unemployment benefits available, any unemployment benefits that have been paid greater than the applicant was entitled is an overpayment of unemployment benefits. A determination or amended determination issued under this section that results in an overpayment of unemployment benefits must set out the amount of the overpayment and the requirement under section 268.18, subdivision 1, that the overpaid unemployment benefits must be repaid.

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Sec. 3. **EFFECTIVE DATE.**

Unless otherwise specified, this article is effective January 1, 2020.

ARTICLE 7

UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; HOUSEKEEPING

Section 1. Minnesota Statutes 2018, section 268.035, subdivision 15, is amended to read:

Subd. 15. **Employment.** (a) "Employment" means service performed by:

(1) an individual who is an employee under the common law of employer-employee and not an independent contractor;

(2) an officer of a corporation;

(3) a member of a limited liability company who is an employee under the common law of employer-employee; ~~or~~

(4) an individual who is an employee under the Federal Insurance Contributions Act, United States Code, title 26, chapter 21, sections 3121 (d)(3)(A) and 3121 (d)(3)(D); or

~~(4)~~ (5) product demonstrators in retail stores or other locations to aid in the sale of products. The person that pays the wages is the employer.

(b) Employment does not include service as a juror.

(c) Construction industry employment is defined in subdivision 9a. Trucking and messenger/courier industry employment is defined in subdivision 25b. Rules on determining worker employment status are described under Minnesota Rules, chapter 3315.

Sec. 2. Minnesota Statutes 2018, section 268.044, subdivision 2, is amended to read:

Subd. 2. **Failure to timely file report; late fees.** (a) Any employer that fails to submit the quarterly wage detail report when due must pay a late fee of $10 per employee, computed based upon the highest of:

(1) the number of employees reported on the last wage detail report submitted;

(2) the number of employees reported in the corresponding quarter of the prior calendar year; or

(3) if no wage detail report has ever been submitted, the number of employees listed at the time of employer registration.

The late fee is canceled if the wage detail report is received within 30 calendar days after a demand for the report is sent to the employer by mail or electronic transmission. A late fee assessed an employer may not be canceled more than twice each 12 months. The amount of the late fee assessed may not be less than $250.

(b) If the wage detail report is not received in a manner and format prescribed by the commissioner within 30 calendar days after demand is sent under paragraph (a), the late fee assessed under paragraph (a) doubles and a renewed demand notice and notice of the increased late fee will be sent to the employer by mail or electronic transmission.

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(c) Late fees due under this subdivision may be canceled, in whole or in part, under section ~~268.066 where good cause for late submission is found by the commissioner~~ 268.067.

Sec. 3. Minnesota Statutes 2018, section 268.047, subdivision 3, is amended to read:

Subd. 3. **Exceptions for taxpaying employers.** Unemployment benefits paid will not be used in computing the future tax rate of a taxpaying base period employer when:

(1) the applicant's wage credits from that employer are less than $500;

(2) the applicant quit the employment, unless it was determined under section 268.095, to have been because of a good reason caused by the employer or because the employer notified the applicant of discharge within 30 calendar days. This exception applies ~~only~~ to unemployment benefits paid for periods after the applicant's quitting the employment and, if the applicant is rehired by the employer, continues only until the beginning of the week the applicant is rehired; or

(3) the employer discharged the applicant from employment because of employment misconduct as determined under section 268.095. This exception applies ~~only~~ to unemployment benefits paid for periods after the applicant's discharge from employment and, if the applicant is rehired by the employer, continues only until the beginning of the week the applicant is rehired.

Sec. 4. Minnesota Statutes 2018, section 268.085, subdivision 3, is amended to read:

Subd. 3. **Vacation and sick payments that delay unemployment benefits.** (a) An applicant is not eligible to receive unemployment benefits for any week the applicant is receiving, has received, or will receive vacation pay, sick pay, or personal time off pay, also known as "PTO."

This paragraph ~~only applies upon temporary, indefinite, or seasonal separation and~~ does not apply:

(1) upon a permanent separation from employment; or

(2) to payments from a vacation fund administered by a union or a third party not under the control of the employer.

~~Payments under this paragraph are applied to the period immediately following the temporary, indefinite, or seasonal separation.~~

~~(b) An applicant is not eligible to receive unemployment benefits for any week the applicant is receiving, has received, or will receive severance pay, bonus pay, or any other payments paid by an employer because of, upon, or after separation from employment.~~

~~This paragraph only applies if the payment is:~~

~~(1) considered wages under section 268.035, subdivision 29; or~~

~~(2) subject to the Federal Insurance Contributions Act (FICA) tax imposed to fund Social Security and Medicare.~~

(b) Payments under this ~~paragraph~~ subdivision are applied to the period immediately following the later of the date of separation from employment or the date the applicant first becomes aware that the employer will be making a payment. The date the payment is actually made or received, or that an applicant must agree to a release of claims, does not affect the application of this ~~paragraph~~ subdivision.

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~~This paragraph does not apply to earnings under subdivision 5, back pay under subdivision 6, or vacation pay, sick pay, or personal time off pay under paragraph (a).~~

~~(c) An applicant is not eligible to receive unemployment benefits for any week the applicant is receiving, has received, will receive, or has applied for pension, retirement, or annuity payments from any plan contributed to by a base period employer including the United States government. The base period employer is considered to have contributed to the plan if the contribution is excluded from the definition of wages under section 268.035, subdivision 29. If the pension, retirement, or annuity payment is paid in a lump sum, an applicant is not considered to have received a payment if:~~

~~(1) the applicant immediately deposits that payment in a qualified pension plan or account; or~~

~~(2) that payment is an early distribution for which the applicant paid an early distribution penalty under the Internal Revenue Code, United States Code, title 26, section 72(t)(1).~~

~~This paragraph does not apply to Social Security benefits under subdivision 4 or 4a.~~

~~(d)~~ (c) This subdivision applies to all the weeks of payment. The number of weeks of payment is determined as follows:

(1) if the payments are made periodically, the total of the payments to be received is divided by the applicant's last level of regular weekly pay from the employer; or

(2) if the payment is made in a lump sum, that sum is divided by the applicant's last level of regular weekly pay from the employer.

~~For purposes of this paragraph,~~ The "last level of regular weekly pay" includes commissions, bonuses, and overtime pay if that is part of the applicant's ongoing regular compensation.

~~(e)~~ (d) Under this subdivision, if the payment with respect to a week is equal to or more than the applicant's weekly unemployment benefit amount, the applicant is ineligible for benefits for that week. If the payment with respect to a week is less than the applicant's weekly unemployment benefit amount, unemployment benefits are reduced by the amount of the payment.

Sec. 5. Minnesota Statutes 2018, section 268.085, subdivision 3a, is amended to read:

Subd. 3a. **Workers' compensation and disability insurance offset.** (a) An applicant is not eligible to receive unemployment benefits for any week in which the applicant is receiving or has received compensation for loss of wages equal to or in excess of the applicant's weekly unemployment benefit amount under:

(1) the workers' compensation law of this state;

(2) the workers' compensation law of any other state or similar federal law; or

(3) any insurance or trust fund paid in whole or in part by an employer.

(b) This subdivision does not apply to an applicant who has a claim pending for loss of wages under paragraph (a); however, before unemployment benefits may be paid when a claim is pending, the issue of the applicant being available for suitable employment, as required under subdivision 1, clause (4), ~~is~~ must be determined under section 268.101, subdivision 2. If the applicant later receives compensation as a result of the pending claim, the applicant is subject to ~~the provisions of~~ paragraph (a) and the unemployment

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benefits paid are ~~subject to recoupment by the commissioner to the extent that the compensation constitutes~~ overpaid unemployment benefits under section 268.18, subdivision 1.

(c) If the amount of compensation described under paragraph (a) for any week is less than the applicant's weekly unemployment benefit amount, unemployment benefits requested for that week are reduced by the amount of that compensation payment.

Sec. 6. Minnesota Statutes 2018, section 268.085, is amended by adding a subdivision to read:

Subd. 3b. **Separation, severance, or bonus payments that delay unemployment benefits.** (a) An applicant is not eligible to receive unemployment benefits for any week the applicant is receiving, has received, or will receive separation pay, severance pay, bonus pay, or any other payments paid by an employer because of, upon, or after separation from employment. This subdivision applies if the payment is:

(1) considered wages under section 268.035, subdivision 29; or

(2) subject to the Federal Insurance Contributions Act (FICA) tax imposed to fund Social Security and Medicare.

(b) Payments under this subdivision are applied to the period immediately following the later of the date of separation from employment or the date the applicant first becomes aware that the employer will be making a payment. The date the payment is actually made or received, or that an applicant must agree to a release of claims, does not affect the application of this paragraph.

(c) This subdivision does not apply to earnings under subdivision 5, back pay under subdivision 6, or vacation pay, sick pay, or personal time off pay under subdivision 3.

(d) This subdivision applies to all the weeks of payment. The number of weeks of payment is determined in accordance with subdivision 3, paragraph (c).

(e) Under this subdivision, if the payment with respect to a week is equal to or more than the applicant's weekly unemployment benefit amount, the applicant is ineligible for benefits for that week. If the payment with respect to a week is less than the applicant's weekly unemployment benefit amount, unemployment benefits are reduced by the amount of the payment.

Sec. 7. Minnesota Statutes 2018, section 268.085, is amended by adding a subdivision to read:

Subd. 3c. **Pension or retirement payment offset.** (a) An applicant is not eligible to receive unemployment benefits for any week the applicant is receiving, has received, will receive, or has applied for pension, retirement, or annuity payments from any plan contributed to by a base period employer including the United States government. The base period employer is considered to have contributed to the plan if the contribution is excluded from the definition of wages under section 268.035, subdivision 29.

(b) If the pension, retirement, or annuity payment is paid in a lump sum, an applicant is not considered to have received a payment if:

(1) the applicant immediately deposits that payment in a qualified pension plan or account; or

(2) that payment is an early distribution for which the applicant paid an early distribution penalty under the Internal Revenue Code, United States Code, title 26, section 72(t)(1).

(c) This subdivision does not apply to Social Security benefits under subdivision 4 or 4a.

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(d) This subdivision applies to all the weeks of payment.

If the payment is made in a lump sum, that sum is divided by the applicant's last level of regular weekly pay from the employer to determine the weeks of payment.

The "last level of regular weekly pay" includes commissions, bonuses, and overtime pay if that is part of the applicant's ongoing regular compensation.

(e) Under this subdivision, if the payment with respect to a week is equal to or more than the applicant's weekly unemployment benefit amount, the applicant is ineligible for benefits for that week. If the payment with respect to a week is less than the applicant's weekly unemployment benefit amount, unemployment benefits are reduced by the amount of the payment.

Sec. 8. Minnesota Statutes 2018, section 268.085, subdivision 13a, is amended to read:

Subd. 13a. **Leave of absence.** (a) An applicant on a voluntary leave of absence is ineligible for unemployment benefits for the duration of the leave of absence. An applicant on an involuntary leave of absence is not ineligible under this subdivision.

A leave of absence is voluntary when work that the applicant can then perform is available with the applicant's employer but the applicant chooses not to work. A medical leave of absence is not presumed to be voluntary.

(b) A period of vacation requested by the applicant, paid or unpaid, is a voluntary leave of absence. A vacation period assigned by an employer under: (1) a uniform vacation shutdown; (2) a collective bargaining agreement; or (3) an established employer policy, is an involuntary leave of absence.

(c) A leave of absence is a temporary stopping of work that has been approved by the employer. A ~~voluntary~~ leave of absence is not a quit ~~and an involuntary leave of absence is not~~ or a discharge from employment ~~for purposes of~~. Section 268.095 does not apply to a leave of absence.

(d) An applicant who is on a paid leave of absence, whether the leave of absence is voluntary or involuntary, is ineligible for unemployment benefits for the duration of the leave.

(e) This subdivision applies to a leave of absence from a base period employer, an employer during the period between the end of the base period and the effective date of the benefit account, or an employer during the benefit year.

Sec. 9. Minnesota Statutes 2018, section 268.095, subdivision 6, is amended to read:

Subd. 6. **Employment misconduct defined.** (a) Employment misconduct means any intentional, negligent, or indifferent conduct, on the job or off the job, that ~~displays clearly:~~

~~(1)~~ is a serious violation of the standards of behavior the employer has the right to reasonably expect of the employee~~; or~~.

~~(2) a substantial lack of concern for the employment.~~

(b) Regardless of paragraph (a), the following is not employment misconduct:

(1) conduct that was a consequence of the applicant's mental illness or impairment;

(2) conduct that was a consequence of the applicant's inefficiency or inadvertence;

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(3) simple unsatisfactory conduct;

(4) conduct an average reasonable employee would have engaged in under the circumstances;

(5) conduct that was a consequence of the applicant's inability or incapacity;

(6) good faith errors in judgment if judgment was required;

(7) absence because of illness or injury of the applicant, with proper notice to the employer;

(8) absence, with proper notice to the employer, in order to provide necessary care because of the illness, injury, or disability of an immediate family member of the applicant;

(9) conduct that was a consequence of the applicant's chemical dependency, unless the applicant was previously diagnosed chemically dependent or had treatment for chemical dependency, and since that diagnosis or treatment has failed to make consistent efforts to control the chemical dependency; or

(10) conduct that was a consequence of the applicant, or an immediate family member of the applicant, being a victim of domestic abuse, sexual assault, or stalking. For the purposes of this subdivision, "domestic abuse," "sexual assault," and "stalking" have the meanings given them in subdivision 1.

(c) Regardless of paragraph (b), clause (9), conduct in violation of sections 169A.20, 169A.31, 169A.50 to 169A.53, or 171.177 that ~~interferes with or~~ adversely affects the employment is employment misconduct.

(d) If the conduct for which the applicant was discharged involved only a single incident, that is an important fact that must be considered in deciding whether the conduct rises to the level of employment misconduct under paragraph (a). This paragraph does not require that a determination under section 268.101 or decision under section 268.105 contain a specific acknowledgment or explanation that this paragraph was considered.

(e) The definition of employment misconduct provided by this subdivision is exclusive and no other definition applies.

Sec. 10. Minnesota Statutes 2018, section 268.095, subdivision 6a, is amended to read:

Subd. 6a. **Aggravated employment misconduct defined.** (a) ~~For the purpose of this section, "aggravated employment misconduct" means:~~

~~(1)~~ The commission of any act, on the job or off the job, that would amount to a gross misdemeanor or felony is aggravated employment misconduct if the act ~~substantially interfered with the employment or~~ had a significant adverse effect on the employment~~; or~~.

A criminal charge or conviction is not necessary to determine aggravated employment misconduct under this paragraph. If an applicant is convicted of a gross misdemeanor or felony, the applicant is presumed to have committed the act.

~~(2)~~ (b) For an employee of a facility as defined in section 626.5572, aggravated employment misconduct includes an act of patient or resident abuse, financial exploitation, or recurring or serious neglect, as defined in section 626.5572 and applicable rules.

~~(b) If an applicant is convicted of a gross misdemeanor or felony for the same act for which the applicant was discharged, it is aggravated employment misconduct if the act substantially interfered with the employment or had a significant adverse effect on the employment.~~

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(c) The definition of aggravated employment misconduct provided by this subdivision is exclusive and no other definition applies.

Sec. 11. **EFFECTIVE DATE.**

Unless otherwise specified, this article is effective October 1, 2019.

ARTICLE 8

UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; TECHNICAL

Section 1. Minnesota Statutes 2018, section 268.044, subdivision 3, is amended to read:

Subd. 3. **Missing or erroneous information.** (a) Any employer that submits the wage detail report, but fails to include all required employee information or enters erroneous information, is subject to an administrative service fee of $25 for each employee for whom the information is partially missing or erroneous.

(b) Any employer that submits the wage detail report, but fails to include an employee, is subject to an administrative service fee equal to two percent of the total wages for each employee for whom the information is completely missing.

(c) An administrative service fee under this subdivision must be canceled under section 268.067 if the commissioner determines that the failure or error by the employer occurred because of ignorance or inadvertence.

Sec. 2. Minnesota Statutes 2018, section 268.046, subdivision 1, is amended to read:

Subdivision 1. **Tax accounts assigned.** (a) Any person that contracts with a taxpaying employer to have that person obtain the taxpaying employer's workforce and provide workers to the taxpaying employer for a fee is, as of the effective date of the contract, assigned for the duration of the contract the taxpaying employer's account under section 268.045. That tax account must be maintained by the person separate and distinct from every other tax account held by the person and identified in a manner prescribed by the commissioner. The tax account is, for the duration of the contract, considered that person's account for all purposes of this chapter. The workers obtained from the taxpaying employer and any other workers provided by that person to the taxpaying employer, including officers of the taxpaying employer as defined in section 268.035, subdivision 20, clause ~~(28)~~ (29), whose wages paid by the person are considered paid in covered employment under section 268.035, subdivision 24, for the duration of the contract between the taxpaying employer and the person, must, under section 268.044, be reported on the wage detail report under that tax account, and that person must pay any taxes due at the tax rate computed for that account under section 268.051, subdivision 2.

(b) Any workers of the taxpaying employer who are not covered by the contract under paragraph (a) must be reported by the taxpaying employer as a separate unit on the wage detail report under the tax account assigned under paragraph (a). Taxes and any other amounts due on the wages reported by the taxpaying employer under this paragraph may be paid directly by the taxpaying employer.

(c) If the taxpaying employer that contracts with a person under paragraph (a) does not have a tax account at the time of the execution of the contract, an account must be registered for the taxpaying employer under

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section 268.042 and the new employer tax rate under section 268.051, subdivision 5, must be assigned. The tax account is then assigned to the person as provided for in paragraph (a).

(d) A person that contracts with a taxpaying employer under paragraph (a) must, within 30 calendar days of the execution or termination of a contract, notify the commissioner by electronic transmission, in a format prescribed by the commissioner, of that execution or termination. The taxpaying employer's name, the account number assigned, and any other information required by the commissioner must be provided by that person.

(e) Any contract subject to paragraph (a) must specifically inform the taxpaying employer of the assignment of the tax account under this section and the taxpaying employer's obligation under paragraph (b). If there is a termination of the contract, the tax account is, as of the date of termination, immediately assigned to the taxpaying employer.

Sec. 3. Minnesota Statutes 2018, section 268.069, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** The commissioner must pay unemployment benefits from the trust fund to an applicant who has met each of the following requirements:

(1) the applicant has filed an application for unemployment benefits and established a benefit account in accordance with section 268.07;

(2) the applicant has not been held ineligible for unemployment benefits under section 268.095 because of a quit or discharge;

(3) the applicant has met all of the ongoing eligibility requirements under section 268.085;

(4) the applicant does not have an outstanding overpayment of unemployment benefits, including any penalties or interest; and

(5) the applicant has not been held ineligible for unemployment benefits under section 268.183 ~~because of a false representation or concealment of facts~~.

Sec. 4. Minnesota Statutes 2018, section 268.105, subdivision 6, is amended to read:

Subd. 6. **Representation; fees.** (a) In any proceeding under subdivision 1 or 2, an applicant or employer may be represented by any authorized representative.

Except for services provided by an attorney-at-law, no person may charge an applicant a fee of any kind for advising, assisting, or representing an applicant in a hearing ~~or~~, on reconsideration, or in a proceeding under subdivision 7.

(b) An applicant may not be charged fees, costs, or disbursements of any kind in a proceeding before an unemployment law judge, the Minnesota Court of Appeals, or the Supreme Court of Minnesota.

(c) No attorney fees may be awarded, or costs or disbursements assessed, against the department as a result of any proceedings under this section.

Sec. 5. Minnesota Statutes 2018, section 268.145, subdivision 1, is amended to read:

Subdivision 1. **Notification.** (a) Upon filing an application for unemployment benefits, the applicant must be informed that:

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(1) unemployment benefits are subject to federal and state income tax;

(2) there are requirements for filing estimated tax payments;

(3) the applicant may elect to have federal income tax withheld from unemployment benefits;

(4) if the applicant elects to have federal income tax withheld, the applicant may, in addition, elect to have Minnesota state income tax withheld; and

(5) at any time during the benefit year the applicant may change a prior election.

(b) If an applicant elects to have federal income tax withheld, the commissioner must deduct ten percent for federal income tax. If an applicant also elects to have Minnesota state income tax withheld, the commissioner must make an additional five percent deduction for state income tax. Any ~~amounts~~ amount deducted ~~or offset~~ under ~~sections 268.155, 268.18, and 268.184 have~~ section 268.085 has priority over any amounts deducted under this section. Federal income tax withholding has priority over state income tax withholding.

(c) An election to have income tax withheld may not be retroactive and only applies to unemployment benefits paid after the election.

Sec. 6. Minnesota Statutes 2018, section 268.18, subdivision 5, is amended to read:

Subd. 5. **Remedies.** (a) Any method undertaken to recover an overpayment of unemployment benefits, including any penalties and interest, is not an election of a method of recovery.

(b) Intervention or lack thereof, in whole or in part, in a workers' compensation matter under section 176.361 is not an election of a remedy and does not prevent the commissioner from determining an applicant ineligible for unemployment benefits ~~or taking action under section 268.183~~.

Sec. 7. **REVISOR INSTRUCTION.**

The revisor of statutes is instructed to make the following changes in Minnesota Statutes:

(1) delete the term "bona fide" wherever it appears in section 268.035;

(2) replace the term "under" with "subject to" in section 268.047, subdivision 2, clause (8);

(3) replace the term "displays clearly" with "shows" in chapter 268;

(4) replace the term "entire" with "hearing" in section 268.105; and

(5) replace "24 calendar months" with "eight calendar quarters" in section 268.052, subdivision 2.

Sec. 8. **EFFECTIVE DATE.**

Unless otherwise specified, this article is effective October 1, 2019.

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ARTICLE 9

LABOR AND INDUSTRY POLICY

Section 1. Minnesota Statutes 2018, section 15.72, subdivision 2, is amended to read:

Subd. 2. **Retainage.** (a) A public contracting agency may reserve as retainage from any progress payment on a public contract for a public improvement an amount not to exceed five percent of the payment. A public contracting agency may reduce the amount of the retainage and may eliminate retainage on any monthly contract payment if, in the agency's opinion, the work is progressing satisfactorily.

(b) The public contracting agency must release all retainage no later than 60 days after substantial completion, subject to the terms of this subdivision. If the public contracting agency reduces the amount of retainage, the contractor must reduce retainage for any subcontractors at the same rate.

(c) A contractor on a public contract for a public improvement must pay all remaining retainage to its subcontractors no later than ten days after receiving payment of retainage from the public contracting agency, unless there is a dispute about the work under a subcontract. If there is a dispute about the work under a subcontract, the contractor must pay out retainage to any subcontractor whose work is not involved in the dispute, and must provide a written statement detailing the amount and reason for the withholding to the affected subcontractor.

(d) Upon written request of a subcontractor, the public contracting agency shall notify the subcontractor of a progress payment, retainage payment, or final payment made to the contractor.

(e) After substantial completion, a public contracting agency may withhold no more than:

(1) 250 percent of the cost to correct or complete work known at the time of substantial completion; and

(2) one percent of the value of the contract or $500, whichever is greater, pending completion and submission of all final paperwork by the contractor or subcontractor. For purposes of this subdivision, "final paperwork" means documents required to fulfill contractual obligations, including, but not limited to, operation manuals, payroll documents for projects subject to prevailing wage requirements, and the withholding exemption certificate required by section 270C.66.

If the public contracting agency withholds payment under this paragraph, the public contracting agency must promptly provide a written statement detailing the amount and basis of withholding to the contractor. The public contracting agency and contractor must provide a copy of this statement to any subcontractor that requests it. Any amounts withheld under clause (1) must be paid within 60 days after completion of the work. Any amounts withheld under clause (2) must be paid within 60 days after submission of all final paperwork.

(f) As used in this subdivision, "substantial completion" shall be determined as provided in section 541.051, subdivision 1, paragraph (a). For construction, reconstruction, or improvement of streets and highways, including bridges, substantial completion means the date when construction-related traffic devices and ongoing inspections are no longer required.

(g) Withholding retainage for warranty work is prohibited. This provision does not waive any rights for warranty claims.

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(h) For a project funded with federal or state aid, the public contracting agency is not required to pay that portion of the contract funded by federal or state aid until the federal or state aid payments have been received.

(i) Nothing in this section requires payment for a portion of a contract that is not complete or for which an invoice has not been submitted.

EFFECTIVE DATE. This section applies to agreements entered into on or after August 1, 2019.

Sec. 2. Minnesota Statutes 2018, section 175.46, subdivision 3, is amended to read:

Subd. 3. **Duties.** (a) The commissioner shall:

(1) approve youth skills training programs that train student learners for careers in high-growth, high-demand occupations that provide:

(i) that the work of the student learner in the occupations declared particularly hazardous shall be incidental to the training;

(ii) that the work shall be intermittent and for short periods of time, and under the direct and close supervision of a qualified and experienced person;

(iii) that safety instruction shall be provided to the student learner and may be given by the school and correlated by the employer with on-the-job training;

(iv) a schedule of organized and progressive work processes to be performed on the job;

(v) a schedule of wage rates in compliance with section 177.24; and

(vi) whether the student learner will obtain secondary school academic credit, postsecondary credit, or both, for the training program;

(2) approve occupations and maintain a list of approved occupations for programs under this section;

(3) issue requests for proposals for grants;

(4) work with individuals representing industry and labor to develop new youth skills training programs;

(5) develop model program guides;

(6) monitor youth skills training programs;

(7) provide technical assistance to local partnership grantees;

(8) work with providers to identify paths for receiving postsecondary credit for participation in the youth skills training program; and

(9) approve other activities as necessary to implement the program.

(b) The commissioner shall collaborate with stakeholders, including, but not limited to, representatives of secondary school institutions, career and technical education instructors, postsecondary institutions, businesses, and labor, in developing youth skills training programs, and identifying and approving occupations and competencies for youth skills training programs.

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Sec. 3. Minnesota Statutes 2018, section 175.46, subdivision 13, is amended to read:

Subd. 13. **Grant awards.** (a) The commissioner shall award grants to local partnerships for youth skills training programs that train student learners for careers in high-growth, high-demand occupations. Grant awards may not exceed $100,000 per local partnership grant.

(b) A local partnership awarded a grant under this section must use the grant award for any of the following implementation and coordination activities:

(1) recruiting additional employers to provide on-the-job training and supervision for student learners and providing technical assistance to those employers;

(2) recruiting students to participate in the local youth skills training program, monitoring the progress of student learners participating in the program, and monitoring program outcomes;

(3) coordinating youth skills training activities within participating school districts and among participating school districts, postsecondary institutions, and employers;

(4) coordinating academic, vocational and occupational learning, school-based and work-based learning, and secondary and postsecondary education for participants in the local youth skills training program;

(5) coordinating transportation for student learners participating in the local youth skills training program; and

(6) any other implementation or coordination activity that the commissioner may direct or permit the local partnership to perform.

~~(b)~~ (c) Grant awards may not be used to directly or indirectly pay the wages of a student learner.

Sec. 4. Minnesota Statutes 2018, section 326B.082, subdivision 6, is amended to read:

Subd. 6. **Notices of violation.** (a) The commissioner may issue a notice of violation to any person who the commissioner determines has committed a violation of the applicable law. The notice of violation must state a summary of the facts that constitute the violation and the applicable law violated. The notice of violation may require the person to correct the violation. If correction is required, the notice of violation must state the deadline by which the violation must be corrected.

(b) The commissioner shall issue the notice of violation by:

(1) serving the notice of violation on the property owner or on the person who committed the violation; or

(2) posting the notice of violation at the location where the violation occurred.

(c) If the person to whom the commissioner has issued the notice of violation believes the notice was issued in error, then the person may request reconsideration of the parts of the notice that the person believes are in error. The request for reconsideration must be in writing and must be served on ~~or~~, faxed, or e-mailed to the commissioner at the address ~~or~~, fax number, or e-mail address specified in the notice of violation by the tenth day after the commissioner issued the notice of violation. The date on which a request for reconsideration is served by mail shall be the postmark date on the envelope in which the request for reconsideration is mailed. If the person does not serve ~~or~~, fax, or e-mail a written request for reconsideration or if the person's written request for reconsideration is not served on or faxed to the commissioner by the tenth day after the commissioner issued the notice of violation, the notice of violation shall become a final

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order of the commissioner and will not be subject to review by any court or agency. The request for reconsideration must:

(1) specify which parts of the notice of violation the person believes are in error;

(2) explain why the person believes the parts are in error; and

(3) provide documentation to support the request for reconsideration.

The commissioner shall respond in writing to requests for reconsideration made under this paragraph within 15 days after receiving the request. A request for reconsideration does not stay a requirement to correct a violation as set forth in the notice of violation. After reviewing the request for reconsideration, the commissioner may affirm, modify, or rescind the notice of violation. The commissioner's response to a request for reconsideration is final and shall not be reviewed by any court or agency.

Sec. 5. Minnesota Statutes 2018, section 326B.082, subdivision 8, is amended to read:

Subd. 8. **Hearings related to administrative orders.** (a) Within 30 days after the commissioner issues an administrative order or within 20 days after the commissioner issues the notice under section 326B.083, subdivision 3, paragraph (b), clause (3), the person to whom the administrative order or notice is issued may request an expedited hearing to review the commissioner's order or notice. The request for hearing must be in writing and must be served on ~~or~~, faxed, or e-mailed to the commissioner at the address ~~or~~, fax number, or e-mail address specified in the order or notice. If the person does not request a hearing or if the person's written request for hearing is not served on ~~or~~, faxed, or e-mailed to the commissioner by the 30th day after the commissioner issues the administrative order or the 20th day after the commissioner issues the notice under section 326B.083, subdivision 3, paragraph (b), clause (3), the order will become a final order of the commissioner and will not be subject to review by any court or agency. The date on which a request for hearing is served by mail shall be the postmark date on the envelope in which the request for hearing is mailed. The hearing request must specifically state the reasons for seeking review of the order or notice. The person to whom the order or notice is issued and the commissioner are the parties to the expedited hearing. The commissioner must notify the person to whom the order or notice is issued of the time and place of the hearing at least 15 days before the hearing. The expedited hearing must be held within 45 days after a request for hearing has been received by the commissioner unless the parties agree to a later date.

(b) Parties may submit written arguments if permitted by the administrative law judge. All written arguments must be submitted within ten days following the completion of the hearing or the receipt of any late-filed exhibits that the parties and the administrative law judge have agreed should be received into the record, whichever is later. The hearing shall be conducted under Minnesota Rules, parts 1400.8510 to 1400.8612, as modified by this subdivision. The Office of Administrative Hearings may, in consultation with the agency, adopt rules specifically applicable to cases under this section.

(c) The administrative law judge shall issue a report making findings of fact, conclusions of law, and a recommended order to the commissioner within 30 days following the completion of the hearing, the receipt of late-filed exhibits, or the submission of written arguments, whichever is later.

(d) If the administrative law judge makes a finding that the hearing was requested solely for purposes of delay or that the hearing request was frivolous, the commissioner may add to the amount of the penalty the costs charged to the department by the Office of Administrative Hearings for the hearing.

(e) If a hearing has been held, the commissioner shall not issue a final order until at least five days after the date of the administrative law judge's report. Any person aggrieved by the administrative law judge's

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report may, within those five days, serve written comments to the commissioner on the report and the commissioner shall consider and enter the comments in the record. The commissioner's final order shall comply with sections 14.61, subdivision 2, and 14.62, subdivisions 1 and 2a, and may be appealed in the manner provided in sections 14.63 to 14.69.

Sec. 6. Minnesota Statutes 2018, section 326B.082, subdivision 12, is amended to read:

Subd. 12. **Issuance of licensing orders; hearings related to licensing orders.** (a) If the commissioner determines that a permit, license, registration, or certificate should be conditioned, limited, suspended, revoked, or denied under subdivision 11, or that the permit holder, licensee, registrant, or certificate holder should be censured under subdivision 11, then the commissioner shall issue to the person an order denying, conditioning, limiting, suspending, or revoking the person's permit, license, registration, or certificate, or censuring the permit holder, licensee, registrant, or certificate holder.

(b) Any order issued under paragraph (a) may include an assessment of monetary penalties and may require the person to cease and desist from committing the violation or committing the act, conduct, or practice set out in subdivision 11, paragraph (b). The monetary penalty may be up to $10,000 for each violation or act, conduct, or practice committed by the person. The procedures in section 326B.083 must be followed when issuing orders under paragraph (a).

(c) The permit holder, licensee, registrant, certificate holder, or applicant to whom the commissioner issues an order under paragraph (a) shall have 30 days after issuance of the order to request a hearing. The request for hearing must be in writing and must be served on ~~or~~, faxed, or e-mailed to the commissioner at the address ~~or~~, fax number, or e-mail address specified in the order by the 30th day after issuance of the order. If the person does not request a hearing or if the person's written request for hearing is not served on ~~or~~, faxed, or e-mailed to the commissioner by the 30th day after issuance of the order, the order shall become a final order of the commissioner and will not be subject to review by any court or agency. The date on which a request for hearing is served by mail shall be the postmark date on the envelope in which the request for hearing is mailed. If the person submits to the commissioner a timely request for hearing, the order is stayed unless the commissioner summarily suspends the license, registration, certificate, or permit under subdivision 13, and a contested case hearing shall be held in accordance with chapter 14.

Sec. 7. Minnesota Statutes 2018, section 326B.103, subdivision 11, is amended to read:

Subd. 11. **Public building.** "Public building" means a building and its grounds the cost of which is paid for by the state or a state agency regardless of its cost, and a ~~school district~~ building project for a school district or charter school ~~building project~~ the cost of which is $100,000 or more.

Sec. 8. Minnesota Statutes 2018, section 326B.106, subdivision 9, is amended to read:

Subd. 9. **Accessibility.** (a) **Public buildings.** The code must ~~provide for making~~ require new public buildings ~~constructed or remodeled after July 1, 1963,~~ and remodeled portions of existing public buildings to be accessible to and usable by persons with disabilities~~, although this does not require the remodeling of public buildings solely to provide accessibility and usability to persons with disabilities when remodeling would not otherwise be undertaken~~.

(b) **Leased space.** No agency of the state may lease space for agency operations in a non-state-owned building unless the building satisfies the requirements of the State Building Code for accessibility by persons with disabilities, or is eligible to display the state symbol of accessibility. This limitation applies to leases of 30 days or more for space of at least 1,000 square feet.

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(c) **Meetings or conferences.** Meetings or conferences for the public or for state employees which are sponsored in whole or in part by a state agency must be held in buildings that meet the State Building Code requirements relating to accessibility for persons with disabilities. This subdivision does not apply to any classes, seminars, or training programs offered by the Minnesota State Colleges and Universities or the University of Minnesota. Meetings or conferences intended for specific individuals none of whom need the accessibility features for persons with disabilities specified in the State Building Code need not comply with this subdivision unless a person with a disability gives reasonable advance notice of an intent to attend the meeting or conference. When sign language interpreters will be provided, meetings or conference sites must be chosen which allow participants who are deaf or hard-of-hearing to see the sign language interpreters clearly.

(d) **Exemptions.** The commissioner may grant an exemption from the requirements of paragraphs (b) and (c) in advance if an agency has demonstrated that reasonable efforts were made to secure facilities which complied with those requirements and if the selected facilities are the best available for access for persons with disabilities. Exemptions shall be granted using criteria developed by the commissioner in consultation with the Council on Disability.

(e) **Symbol indicating access.** The wheelchair symbol adopted by Rehabilitation International's Eleventh World Congress is the state symbol indicating buildings, facilities, and grounds which are accessible to and usable by persons with disabilities. In the interests of uniformity, this symbol is the sole symbol for display in or on all public or private buildings, facilities, and grounds which qualify for its use. The secretary of state shall obtain the symbol and keep it on file. No building, facility, or grounds may display the symbol unless it is in compliance with the rules adopted by the commissioner under subdivision 1. Before any rules are proposed for adoption under this paragraph, the commissioner shall consult with the Council on Disability. Rules adopted under this paragraph must be enforced in the same way as other accessibility rules of the State Building Code.

Sec. 9. Minnesota Statutes 2018, section 326B.46, is amended by adding a subdivision to read:

Subd. 7. **License number to be displayed.** Any vehicle used by a plumbing contractor or restricted plumbing contractor while performing plumbing work for which a contractor's license is required shall have the contractor's name and license number as it appears on the contractor's license in contrasting color with characters at least three inches high and one-half inch in width affixed to each side of the vehicle.

Sec. 10. Minnesota Statutes 2018, section 326B.475, subdivision 4, is amended to read:

Subd. 4. **Renewal; use period for license.** ~~(a)~~ A restricted master plumber and restricted journeyworker plumber license must be renewed for as long as that licensee engages in the plumbing trade. Notwithstanding section 326B.094, failure to renew a restricted master plumber and restricted journeyworker plumber license within 12 months after the expiration date will result in permanent forfeiture of the restricted master plumber and restricted journeyworker plumber license.

~~(b) The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of restricted master plumber and restricted journeyworker plumber licenses from one year to two years. By June 30, 2011, all restricted master plumber and restricted journeyworker plumber licenses shall be two-year licenses.~~

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Sec. 11. Minnesota Statutes 2018, section 326B.821, subdivision 21, is amended to read:

Subd. 21. **Residential building contractor, remodeler, and roofer education.** (a) Each licensee must, during each continuing education reporting period, complete and report one hour of continuing education relating to energy codes or energy conservation measures applicable to residential buildings and one hour of business management strategies applicable to residential construction businesses.

(b) Immediately following the adoption date of a new residential code, the commissioner may prescribe that up to seven of the required 14 hours of continuing education credit per licensure period include education hours specifically designated to instruct licensees on new or existing State Building Code provisions.

Sec. 12. Minnesota Statutes 2018, section 326B.84, is amended to read:

326B.84 GROUNDS FOR SANCTIONS.

The commissioner may use any enforcement provision in section 326B.082 against an applicant for, qualifying person of, or holder of a license or certificate of exemption, or any individual or entity who is required by law to hold a license or certificate of exemption, if the individual, entity, applicant, licensee, certificate of exemption holder, qualifying person, or owner, officer, member, managing employee, or affiliate of the applicant, licensee, or certificate of exemption holder:

(1) has filed an application for licensure or a certificate of exemption which is incomplete in any material respect or contains any statement which, in light of the circumstances under which it is made, is false or misleading with respect to any material fact;

(2) has engaged in a fraudulent, deceptive, or dishonest practice;

(3) is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the business;

(4) has failed to reasonably supervise employees, agents, subcontractors, or salespersons, or has performed negligently or in breach of contract, so as to cause injury or harm to the public;

(5) has violated or failed to comply with any provision of sections 326B.802 to 326B.885, any rule or order under sections 326B.802 to 326B.885, or any other law, rule, or order related to the duties and responsibilities entrusted to the commissioner;

(6) has been convicted of a violation of the State Building Code or has refused to comply with a correction order issued by a certified building official, or in local jurisdictions that have not adopted the State Building Code has refused to correct a violation of the State Building Code when the violation has been documented by a certified building official;

(7) has failed to use the proceeds of any payment made to the licensee for the construction of, or any improvement to, residential real estate, as defined in section 326B.802, subdivision 13, for the payment of labor, skill, material, and machinery contributed to the construction or improvement, knowing that the cost of any labor performed, or skill, material, or machinery furnished for the improvement remains unpaid;

(8) has not furnished to the person making payment either a valid lien waiver as to any unpaid labor performed, or skill, material, or machinery furnished for an improvement, or a payment bond in the basic amount of the contract price for the improvement conditioned for the prompt payment to any person or persons entitled to payment;

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(9) has engaged in an act or practice that results in compensation to an aggrieved owner or lessee from the contractor recovery fund pursuant to section 326B.89, unless:

(i) the applicant or licensee has repaid the fund twice the amount paid from the fund, plus interest at the rate of 12 percent per year; and

(ii) the applicant or licensee has obtained a surety bond in the amount of at least $40,000, issued by an insurer authorized to transact business in this state;

(10) has engaged in bad faith, unreasonable delays, or frivolous claims in defense of a civil lawsuit or arbitration arising out of their activities as a licensee or certificate of exemption holder under this chapter;

(11) has had a judgment entered against them for failure to make payments to employees, subcontractors, or suppliers, that the licensee has failed to satisfy and all appeals of the judgment have been exhausted or the period for appeal has expired;

(12) if unlicensed, has obtained a building permit by the fraudulent use of a fictitious license number or the license number of another, or, if licensed, has knowingly allowed an unlicensed person to use the licensee's license number for the purpose of fraudulently obtaining a building permit; or has applied for or obtained a building permit for an unlicensed person;

(13) has made use of a forged mechanic's lien waiver under chapter 514;

(14) has provided false, misleading, or incomplete information to the commissioner or has refused to allow a reasonable inspection of records or premises;

(15) has engaged in an act or practice whether or not the act or practice directly involves the business for which the person is licensed, that demonstrates that the applicant or licensee is untrustworthy, financially irresponsible, or otherwise incompetent or unqualified to act under the license granted by the commissioner; or

(16) has failed to comply with requests for information, documents, or other requests from the department within the time specified in the request or, if no time is specified, within 30 days of the mailing of the request by the department.

Sec. 13. Minnesota Statutes 2018, section 337.10, subdivision 4, is amended to read:

Subd. 4. **Progress payments and retainages.** (a) Unless the building and construction contract provides otherwise, the owner or other persons making payments under the contract must make progress payments monthly as the work progresses. Payments shall be based upon estimates of work completed as approved by the owner or the owner's agent. A progress payment shall not be considered acceptance or approval of any work or waiver of any defects therein.

(b) Retainage on a building and construction contract may not exceed five percent. An owner or owner's agent may reduce the amount of retainage and may eliminate retainage on any monthly contract payment if, in the owner's opinion, the work is progressing satisfactorily. If the owner reduces the amount of retainage, the contractor must reduce retainage for any subcontractors at the same rate. Nothing in this subdivision is intended to require that retainage be withheld in any building or construction contract.

(c) The owner or the owner's agent must release all retainage no later than 60 days after substantial completion subject to the terms of this subdivision. For purposes of this subdivision, "substantial completion" shall be determined as provided in section 541.051, subdivision 1, paragraph (a).

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~~(c)~~ (d) A contractor must pay all remaining retainage to its subcontractors no later than ten days after receiving payment of retainage, unless there is a dispute about the work under a subcontract, in which case the contractor must pay out retainage to any party whose work is not involved in the dispute. If there is a dispute about the work under a subcontract, the contractor must pay out retainage to any subcontractor whose work is not involved in the dispute, and must provide a written statement detailing the amount and reason for the withholding to the affected subcontractor.

(e) After substantial completion, an owner or owner's agent may withhold no more than:

(1) 250 percent of the cost to correct or complete work known at the time of substantial completion; and

(2) one percent of the value of the contract or $500, whichever is greater, pending completion and submission of all final paperwork by the contractor or subcontractor. For purposes of this subdivision, "final paperwork" means documents required to fulfill contractual obligations, including, but not limited to, operation manuals, payroll documents for projects subject to prevailing wage requirements, and the withholding exemption certificate required by section 270C.66.

If the owner or the owner's agent withholds payment under this paragraph, the owner or the owner's agent must promptly provide a written statement detailing the amount and basis of withholding to the contractor. The owner or the owner's agent and the contractor must provide a copy of this statement to any subcontractor that requests it. Any amounts withheld under clause (1) must be paid within 60 days after completion of the work. Any amounts withheld under clause (2) must be paid within 60 days after submission of all final paperwork.

(f) Withholding retainage for warranty work is prohibited. This provision does not waive any rights for warranty claims.

(g) This subdivision does not apply to a public agency as defined in section 15.71, subdivision 3.

(h) This subdivision does not apply to contracts for professional services as defined in sections 326.02 to 326.15.

(i) Nothing in this section requires payment for a portion of a contract that is not complete or for which an invoice has not been submitted.

EFFECTIVE DATE. This section applies to agreements entered into on or after August 1, 2019.

Sec. 14. Minnesota Statutes 2018, section 341.30, subdivision 1, is amended to read:

Subdivision 1. **Licensure; individuals.** All referees, judges, promoters, trainers, ~~ring announcers,~~ timekeepers, ringside physicians, combatants, ~~managers,~~ and seconds are required to be licensed by the commissioner. The commissioner shall not permit any of these persons to participate in any matter with any combative sport contest unless the commissioner has first issued the person a license.

Sec. 15. Minnesota Statutes 2018, section 341.32, subdivision 1, is amended to read:

Subdivision 1. **Annual licensure.** The commissioner may establish and issue annual licenses subject to the collection of advance fees by the commissioner for promoters, ~~managers,~~ judges, referees, ~~ring announcers,~~ ringside physicians, timekeepers, combatants, trainers, and seconds.

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Sec. 16. Minnesota Statutes 2018, section 341.321, is amended to read:

341.321 FEE SCHEDULE.

(a) The fee schedule for professional and amateur licenses issued by the commissioner is as follows:

(1) referees, ~~$80~~ $25;

(2) promoters, $700;

(3) judges and knockdown judges, ~~$80~~ $25;

(4) trainers and seconds, $80;

~~(5) ring announcers, $80;~~

~~(6)~~ (5) timekeepers, ~~$80~~ $25;

~~(7)~~ (6) professional combatants, $70;

~~(8)~~ (7) amateur combatants, $50;

~~(9) managers, $80;~~ and

~~(10)~~ (8) ringside physicians, ~~$80~~ $25.

License fees for promoters are due at least six weeks prior to the combative sport contest. All other license fees shall be paid no later than the weigh-in prior to the contest. No license may be issued until all prelicensure requirements are satisfied and fees are paid.

(b) The commissioner shall establish a contest fee for each combative sport contest and shall consider the size and type of venue when establishing a contest fee. The combative sport contest fee is $1,500 per event or not more than four percent of the gross ticket sales, whichever is greater, as determined by the commissioner when the combative sport contest is scheduled.

(c) A professional or amateur combative sport contest fee is nonrefundable and shall be paid as follows:

(1) $500 at the time the combative sport contest is scheduled; and

(2) $1,000 at the weigh-in prior to the contest.

If four percent of the gross ticket sales is greater than $1,500, the balance is due to the commissioner within seven days of the completed contest.

(d) The commissioner may establish the maximum number of complimentary tickets allowed for each event by rule.

(e) All fees and penalties collected by the commissioner must be deposited in the commissioner account in the special revenue fund.

Sec. 17. **REPEALER.**

Minnesota Statutes 2018, section 325F.75, is repealed.

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ARTICLE 10

COMMERCE

Section 1. Minnesota Statutes 2018, section 46.131, subdivision 10, is amended to read:

Subd. 10. **Change fee.** Each financial institution described in subdivision 2 shall pay a fee of $50 to the commissioner of commerce upon application to the commissioner for approval of a change in its certificate, charter, articles of incorporation, bylaws, powers or license. Money collected by the commissioner under this subdivision shall be deposited in the ~~general fund~~ financial institutions account in subdivision 11.

Sec. 2. Minnesota Statutes 2018, section 46.131, subdivision 11, is amended to read:

Subd. 11. **Financial institutions account; appropriation.** (a) The financial institutions account is created as a separate account in the special revenue fund. ~~The account consists of funds received from assessments under subdivision 7, examination fees under subdivision 8, and license and renewal fees under section 216C.437, subdivision 12.~~ Earnings, including interest, dividends, and any other earnings arising from account assets, must be credited to the account.

(b) The account consists of funds received from assessments under subdivision 7, examination fees under subdivision 8, and funds received pursuant to subdivision 10 and the following provisions: sections 53B.09; 53B.11, subdivision 1; 58A.045, subdivision 2; and 216C.437, subdivision 12.

~~(b)~~ (c) Funds in the account are annually appropriated to the commissioner of commerce for activities under this section.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 3. Minnesota Statutes 2018, section 82B.021, subdivision 14, is amended to read:

Subd. 14. **~~Federal~~ Appraisal Subcommittee.** "~~Federal~~ Appraisal Subcommittee" means the appraisal subcommittee of the Federal Financial Institutions Examinations Council under United States Code, title 12, section 3301 et seq.

EFFECTIVE DATE. This section is effective January 1, 2020.

Sec. 4. Minnesota Statutes 2018, section 82B.021, subdivision 15, is amended to read:

Subd. 15. **Federal financial institutions regulatory agency.** "Federal financial institutions regulatory agency" means the Board of Governors of the Federal Reserve System, Consumer Financial Protection Bureau, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, ~~the Office of Thrift Supervision,~~ or the National Credit Union Administration.

EFFECTIVE DATE. This section is effective January 1, 2020.

Sec. 5. Minnesota Statutes 2018, section 82B.073, is amended by adding a subdivision to read:

Subd. 2a. **Compensation.** Members of the board must be compensated in accordance with section 15.059.

EFFECTIVE DATE. This section is effective January 1, 2020.

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Sec. 6. Minnesota Statutes 2018, section 82B.09, subdivision 3, is amended to read:

Subd. 3. **Fees to ~~Federal~~ Appraisal Subcommittee.** In addition to the fees required for licensure under this section, the commissioner must collect and remit such other fees as are required by the ~~Federal~~ Appraisal Subcommittee.

EFFECTIVE DATE. This section is effective January 1, 2020.

Sec. 7. Minnesota Statutes 2018, section 82B.095, is amended by adding a subdivision to read:

Subd. 3. **Conformance to Appraisal Qualifications Board criteria.** (a) The requirements to obtain a trainee real property appraiser, licensed real property appraiser, certified residential real property appraiser, or certified general real property appraiser license are the education, examination, and experience requirements established by the Appraiser Qualifications Board of the Appraisal Foundation and published in the most recent version of the Real Property Appraiser Qualification Criteria.

(b) An applicant must complete the applicable education and experience requirements before taking the required examination.

EFFECTIVE DATE. This section is effective January 1, 2020.

Sec. 8. Minnesota Statutes 2018, section 82B.11, is amended by adding a subdivision to read:

Subd. 2a. **Trainee real property appraiser.** The scope of practice for a trainee real property appraiser is the appraisal of properties which a certified residential real property appraiser or certified general real property appraiser acting as the supervisory appraiser is permitted and competent to appraise.

EFFECTIVE DATE. This section is effective January 1, 2020.

Sec. 9. Minnesota Statutes 2018, section 82B.11, subdivision 6, is amended to read:

Subd. 6. **Temporary practice.** (a) The commissioner shall issue a license for temporary practice as a real estate appraiser under subdivision 3, 4, or 5 to a person certified or licensed by another state if:

~~(1) the property to be appraised is part of a federally related transaction and the person is licensed to appraise property limited to the same transaction value or complexity provided in subdivision 3, 4, or 5;~~

~~(2)~~ (1) the appraiser's business is of a temporary nature; and

~~(3)~~ (2) the appraiser registers with the commissioner to obtain a temporary license before conducting appraisals within the state.

(b) The term of a temporary practice license is the lesser of:

(1) the time required to complete the assignment; or

(2) 12 months.

If more than 12 months are necessary to complete the assignment, a new temporary application and fee is required.

EFFECTIVE DATE. This section is effective January 1, 2020.

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Sec. 10. Minnesota Statutes 2018, section 82B.13, subdivision 1, is amended to read:

Subdivision 1. **Trainee real property appraiser.** ~~(a)~~ As a prerequisite for licensing as a trainee real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed~~:~~

~~(1) at least 75 hours of prelicense courses approved by the commissioner. Fifteen of the 75 hours must include successful completion of the 15-hour national USPAP course; and~~

~~(2) in addition to the required hours under clause (1),~~ a six-hour course that is specifically oriented to the requirements and responsibilities of supervisory appraisers and trainee appraisers. A course approved by the commissioner for the purposes of this subdivision must be given the course title "Minnesota Supervisor/Trainee Appraiser Course." This course must not be counted toward qualifying education to upgrade to a higher level appraiser license.

~~(b) All qualifying education must be completed within the five-year period prior to the date of submission of a trainee real property appraiser license application.~~

EFFECTIVE DATE. This section is effective January 1, 2020.

Sec. 11. Minnesota Statutes 2018, section 82B.195, subdivision 2, is amended to read:

Subd. 2. **Disclosure requirements.** In addition to the requirements of the standards of professional appraisal practice as defined by section 82B.021, subdivision 31, an appraiser must, prior to performing any appraisal service which requires licensing pursuant to this chapter, disclose in writing to the person contracting for the appraisal service the information identified in clause (4). In addition, an appraiser must prepare a written disclosure providing the information identified in clauses (1) to (13). The written disclosure must be included as part of the final written appraisal report. As specified in this subdivision, an appraiser must:

(1) disclose who has employed the appraiser;

(2) disclose who the appraisal is rendered for, if not the person who employed the appraiser;

(3) disclose the purpose of the appraisal, including an explanation of the difference between the appraisal being given and an appraisal of fee simple market valuation;

(4) disclose any conflict of interest or situation which might reasonably be perceived to be a conflict of interest which must include, but not be limited to, the following situations:

(i) whether the appraiser has any ownership interest in the subject property or contiguous properties;

(ii) whether there is an ownership interest by a spouse, parent, or child of the appraiser in the property or contiguous properties; and

(iii) whether the appraiser has a continuing business relationship with one of the parties, for example, any part-time or full-time employment of the appraiser, spouse, children living at home, or dependent children.

Failure to promptly give notification of a conflict must be considered a violation of the standards of professional appraisal practice;

(5) disclose that the appraisal is a reevaluation and identify the areas of difference between the two appraisals and the justification for the changes;

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(6) disclose any facts concerning the valuation needed for loan purposes or similar information that was provided to the appraiser before or during the appraisal;

(7) disclose that the appraiser has not performed appraisals of the type requested or for the type of property to be appraised as a regular part of the appraiser's business in the preceding five-year period, provided that if the appraiser asserts qualification by training or related experience to perform the appraisal, the appraiser must set forth the training or experience and how it is applicable to the appraisal;

(8) disclose the license classification of the appraiser and the types of appraisals that the appraiser is authorized to conduct under the licensure;

(9) disclose any lack of experience or training that would affect the ability of the appraiser to perform the appraisal or could cause rejection of the appraisal by the party requiring the appraisal;

(10) disclose any appraisal on the same property made by the appraiser in the last three years;

(11) disclose all pertinent assumptions upon which a valuation based upon income from the property is derived such as expected occupancy rates, rental rates, construction of future improvements, roads, or highways; and

(12) ~~prior to performing the appraisal, disclose whether the appraiser has previously been to the property; and~~

~~(13)~~ disclose any other fact or circumstance that could bring the reliability of the appraisal or the impartiality of the appraiser into question.

EFFECTIVE DATE. This section is effective January 1, 2020.

Sec. 12. Minnesota Statutes 2018, section 82B.21, is amended to read:

82B.21 CLASSIFICATION OF SERVICES.

A client or employer may retain or employ a licensed real estate appraiser to act as a disinterested third party in giving an unbiased estimate of value or analysis; to provide a market analysis to facilitate the client's or employer's objectives~~; or to perform a limited appraisal~~. The appraisal and the appraisal report must comply with the provisions of this chapter and the uniform standards of professional appraisal practice.

EFFECTIVE DATE. This section is effective January 1, 2020.

Sec. 13. Minnesota Statutes 2018, section 345.41, is amended to read:

345.41 REPORT OF ABANDONED PROPERTY.

(a) Every person holding funds or other property, tangible or intangible, presumed abandoned under sections 345.31 to 345.60 shall report annually to the commissioner with respect to the property as hereinafter provided.

(b) The report shall be verified and shall include:

(1) a description of the property, including whether the property is interest-bearing, and, if so, the rate of interest;

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(2) except with respect to traveler's checks and money orders, the name, if known, and last known address, if any, of each person appearing from the records of the holder to be the owner of any property of the value of $100 or more presumed abandoned under sections 345.31 to 345.60;

~~(2)~~ (3) in case of unclaimed funds of life insurance corporations, the full name of the policyholder, insured or annuitant and that person's last known address according to the life insurance corporation's records;

~~(3)~~ (4) the nature and identifying number, if any, or description of the property and the amount appearing from the records to be due, except that items of value under $100 each may be reported in aggregate;

~~(4)~~ (5) the date when the property became payable, demandable or returnable, and the date of the last transaction with the owner with respect to the property; and

~~(5)~~ (6) other information which the commissioner prescribes by rule as necessary for the administration of sections 345.31 to 345.60.

(c) If the person holding property presumed abandoned is a successor to other persons who previously held the property for the owner, or if the holder has changed a name while holding the property, the holder shall file with the report all prior known names and addresses of each holder of the property.

(d) The report shall be filed before November 1 of each year as of June 30 next preceding, but the report of life insurance corporations shall be filed before October 1 of each year as of December 31 next preceding. The commissioner may postpone the reporting date upon written request by any person required to file a report.

(e) Not more than 120 days before filing the report required by this section, the holder in possession of property abandoned and subject to custody as unclaimed property under this chapter shall send written notice to the presumed owner at that owner's last known address informing the owner that the holder is in possession of property subject to this chapter and advising the owner of the steps necessary to prevent abandonment if:

(1) the holder has in its records an address for the presumed owner that the holder's records do not disclose to be inaccurate;

(2) the claim of the apparent owner is not barred by the statute of limitations; and

(3) the property has a value of $100 or more.

(f) Verification, if made by a partnership, shall be executed by a partner; if made by an unincorporated association or private corporation, by an officer, and if made by a public corporation, by its chief fiscal officer.

(g) Holders of property described in section 345.32 shall not impose any charges against property which is described in section 345.32, clause (a), (b) or (c).

(h) Any person who has possession of property which the person has reason to believe will be reportable in the future as unclaimed property may, with the permission of the commissioner, report and deliver such property prior to the date required for reporting in accordance with this section.

(i) Before the last day of each calendar year, the commissioner of revenue shall report to the commissioner as unclaimed property under this section any uncashed checks or warrants for overpayments of taxes that were issued more than two years preceding the date of the report.

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Sec. 14. **[345.451] CREDITING INCOME OR GAIN TO OWNER'S ACCOUNT.**

If property other than money is delivered to the commissioner, the owner is entitled to receive from the commissioner income or gain realized or accrued on the property before the property is sold. If the property was interest-bearing, the commissioner shall pay interest at the lesser of the rate of the weekly average one-year constant maturity treasury yield, as published by the Board of Governors of the Federal Reserve System, for the calendar week preceding the beginning of the fiscal quarter in which the property was sold or the rate the property earned while in the possession of the holder. Interest begins to accrue when the property is delivered to the commissioner and ends on the earlier of the expiration of ten years after its delivery or the date on which payment is made to the owner.

Sec. 15. **REPEALER.**

(a) Minnesota Statutes 2018, section 345.45, is repealed.

(b) Minnesota Statutes 2018, sections 82B.021, subdivision 17; 82B.095, subdivision 2; 82B.10, subdivisions 1, 2, 3, 4, 5, 6, 8, and 9; 82B.11, subdivision 2; 82B.12; 82B.13, subdivisions 1a, 3, 4, 5, 6, 7, and 8; and 82B.14, are repealed effective January 1, 2020.

ARTICLE 11

ENERGY

Section 1. Minnesota Statutes 2018, section 116C.7792, is amended to read:

116C.7792 SOLAR ENERGY INCENTIVE PROGRAM.

The utility subject to section 116C.779 shall operate a program to provide solar energy production incentives for solar energy systems of no more than a total aggregate nameplate capacity of 40 kilowatts ~~direct~~ alternating current per premise. The owner of a solar energy system installed before June 1, 2018, is eligible to receive a production incentive under this section for any additional solar energy systems constructed at the same customer location, provided that the aggregate capacity of all systems at the customer location does not exceed 40 kilowatts. The program shall be operated for eight consecutive calendar years commencing in 2014. $5,000,000 shall be allocated in each of the first four years, $15,000,000 in the fifth year, $10,000,000 in each of the sixth and seventh years, and $5,000,000 in the eighth year from funds withheld from transfer to the renewable development account under section 116C.779, subdivision 1, paragraphs (b) and (e), and placed in a separate account for the purpose of the solar production incentive program operated by the utility and not for any other program or purpose. Any unspent amount allocated in the fifth year is available until December 31 of the sixth year. Any unspent amount remaining at the end of any other allocation year must be transferred to the renewable development account. The solar system must be sized to less than 120 percent of the customer's on-site annual energy consumption when combined with other distributed generation resources and subscriptions provided under section 216B.1641 associated with the premise. The production incentive must be paid for ten years commencing with the commissioning of the system. The utility must file a plan to operate the program with the commissioner of commerce. The utility may not operate the program until it is approved by the commissioner. A change to the program to include projects up to a nameplate capacity of 40 kilowatts or less does not require the utility to file a plan with the commissioner. Any plan approved by the commissioner of commerce must not provide an increased incentive scale over prior years unless the commissioner demonstrates that changes in the market for solar energy facilities require an increase.

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

Sec. 2. Minnesota Statutes 2018, section 216B.16, is amended by adding a subdivision to read:

Subd. 7e. **Energy storage system pilot projects.** (a) A public utility may petition the commission under this section to recover costs associated with implementing an energy storage system pilot project. As part of the petition, the public utility must submit a report to the commission containing, at a minimum, the following information regarding the proposed energy storage system pilot project:

(1) the storage technology utilized;

(2) the energy storage capacity and the duration of output at that capacity;

(3) the proposed location;

(4) the purchase and installation costs;

(5) how the project will interact with existing distributed generation resources on the utility's grid; and

(6) the goals the project proposes to achieve, which may include controlling frequency or voltage, mitigating transmission congestion, providing emergency power supplies during outages, reducing curtailment of existing renewable energy generators, and reducing peak power costs.

(b) A utility may petition the commission to approve a rate schedule that provides for the automatic adjustment of charges to recover prudently incurred investments, expenses, or costs associated with energy storage system pilot projects approved by the commission under this subdivision. A petition filed under this subdivision must include the elements listed in section 216B.1645, subdivision 2a, paragraph (b), clauses (1) to (4), and must describe the benefits of the pilot project.

(c) The commission may approve, or approve as modified, a rate schedule filed under this subdivision. The rate schedule filed by the public utility may include the elements listed in section 216B.1645, subdivision 2a, paragraph (a), clauses (1) to (5).

(d) For each pilot project that the commission has found is in the public interest, the commission must make its determination on the specific amounts that are eligible for recovery under the approved rate schedule within 90 days of final approval of the specific pilot program or within 90 days of the public utility filing for approval of cost recovery for the specific pilot program, whichever is later.

(e) Nothing in this subdivision prohibits or deters the deployment of energy storage systems.

(f) For the purposes of this subdivision:

(1) "energy storage system" has the meaning given in section 216B.2422, subdivision 1; and

(2) "pilot project" means a project that is (i) owned, operated, and controlled by a public utility to optimize safe and reliable system operations, and (ii) deployed at a limited number of locations in order to assess the technical and economic effectiveness of its operations.

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

Sec. 3. Minnesota Statutes 2018, section 216B.1642, subdivision 2, is amended to read:

Subd. 2. **Recognition of beneficial habitat.** An owner of a solar site implementing solar site management practices under this section may claim that the site provides benefits to gamebirds, songbirds,

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and pollinators only if the site adheres to guidance set forth by the pollinator plan provided by the Board of Water and Soil Resources or any other gamebird, songbird, or pollinator foraging-friendly vegetation standard established by the Board of Water and Soil Resources. An owner making a beneficial habitat claim must:

(1) make the site's vegetation management plan available to the public ~~and~~;

(2) provide a copy of the plan to a Minnesota nonprofit solar industry trade association; and

(3) report on its site management practices to the Board of Water and Soil Resources, on a standard reporting form developed by the board for solar site management practices, by June 1, 2020, and every third year thereafter. An owner that enters into operation after June 1, 2019, must report to the board on the progress made toward establishing beneficial habitat on or before June 1 of the year after operations commence and every third year thereafter.

Sec. 4. Minnesota Statutes 2018, section 216B.2422, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Utility" means an entity with the capability of generating 100,000 kilowatts or more of electric power and serving, either directly or indirectly, the needs of 10,000 retail customers in Minnesota. Utility does not include federal power agencies.

(c) "Renewable energy" means electricity generated through use of any of the following resources:

(1) wind;

(2) solar;

(3) geothermal;

(4) hydro;

(5) trees or other vegetation;

(6) landfill gas; or

(7) predominantly organic components of wastewater effluent, sludge, or related by-products from publicly owned treatment works, but not including incineration of wastewater sludge.

(d) "Resource plan" means a set of resource options that a utility could use to meet the service needs of its customers over a forecast period, including an explanation of the supply and demand circumstances under which, and the extent to which, each resource option would be used to meet those service needs. These resource options include using, refurbishing, and constructing utility plant and equipment, buying power generated by other entities, controlling customer loads, and implementing customer energy conservation.

(e) "Refurbish" means to rebuild or substantially modify an existing electricity generating resource of 30 megawatts or greater.

(f) "Energy storage system" means a commercially available technology that:

(1) uses mechanical, chemical, or thermal processes to:

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(i) store energy, including energy generated from renewable resources and energy that would otherwise be wasted, and deliver the stored energy for use at a later time; or

(ii) store thermal energy for direct use for heating or cooling at a later time in a manner that reduces the demand for electricity at the later time;

(2) is composed of stationary equipment;

(3) if being used for electric grid benefits, is operationally visible and capable of being controlled by the distribution or transmission entity managing it, to enable and optimize the safe and reliable operation of the electric system; and

(4) achieves any of the following:

(i) reduces peak or electrical demand;

(ii) defers the need or substitutes for an investment in electric generation, transmission, or distribution assets;

(iii) improves the reliable operation of the electrical transmission or distribution systems, while ensuring transmission or distribution needs are not created; or

(iv) lowers customer costs by storing energy when the cost of generating or purchasing it is low and delivering it to customers when the costs are high.

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

Sec. 5. Minnesota Statutes 2018, section 216B.2422, is amended by adding a subdivision to read:

Subd. 7. **Energy storage systems assessment.** (a) Each public utility required to file a resource plan under subdivision 2 must include in the filing an assessment of energy storage systems that analyzes how the deployment of energy storage systems contributes to:

(1) meeting identified generation and capacity needs; and

(2) evaluating ancillary services.

(b) The assessment must employ appropriate modeling methods to enable the analysis required in paragraph (a).

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

Sec. 6. Minnesota Statutes 2018, section 216B.62, subdivision 3b, is amended to read:

Subd. 3b. **Assessment for department regional and national duties.** In addition to other assessments in subdivision 3, the department may assess up to $500,000 per fiscal year for performing its duties under section 216A.07, subdivision 3a. The amount in this subdivision shall be assessed to energy utilities in proportion to their respective gross operating revenues from retail sales of gas or electric service within the state during the last calendar year and shall be deposited into an account in the special revenue fund and is appropriated to the commissioner of commerce for the purposes of section 216A.07, subdivision 3a. An assessment made under this subdivision is not subject to the cap on assessments provided in subdivision 3 or any other law. For the purpose of this subdivision, an "energy utility" means public utilities, generation

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and transmission cooperative electric associations, and municipal power agencies providing natural gas or electric service in the state. This subdivision expires June 30, ~~2018~~ 2021.

EFFECTIVE DATE. This section is revived and reenacted effective retroactively from June 29, 2018, except that the department is prohibited from making an assessment under this subdivision to finance the performance of any duties that occurred between June 30, 2018, and June 30, 2019.

Sec. 7. Minnesota Statutes 2018, section 216C.435, subdivision 3a, is amended to read:

Subd. 3a. **Cost-effective energy improvements.** "Cost-effective energy improvements" mean:

(1) any new construction, renovation, or retrofitting of~~:~~

~~(i)~~ qualifying commercial real property to improve energy efficiency that is permanently affixed to the property, results in a net reduction in energy consumption without altering the principal source of energy, and has been identified in an energy audit as repaying the purchase and installation costs in 20 years or less, based on the amount of future energy saved and estimated future energy prices; ~~or~~

~~(ii)~~ (2) any renovation or retrofitting of qualifying residential real property that is permanently affixed to the property and is eligible to receive an incentive through a program offered by the electric or natural gas utility that provides service under section 216B.241 to the property or is otherwise determined to be a cost-effective energy improvement by the commissioner under section 216B.241, subdivision 1d, paragraph (a);

~~(2)~~ (3) permanent installation of new or upgraded electrical circuits and related equipment to enable electrical vehicle charging; or

~~(3)~~ (4) a solar voltaic or solar thermal energy system attached to, installed within, or proximate to a building that generates electrical or thermal energy from a renewable energy source that has been identified in an energy audit or renewable energy system feasibility study as repaying their purchase and installation costs in 20 years or less, based on the amount of future energy saved and estimated future energy prices.

Sec. 8. Minnesota Statutes 2018, section 216C.435, subdivision 8, is amended to read:

Subd. 8. **Qualifying commercial real property.** "Qualifying commercial real property" means a multifamily residential dwelling, or a commercial or industrial building, that the implementing entity has determined, after review of an energy audit or renewable energy system feasibility study, can be benefited by installation of cost-effective energy improvements. Qualifying commercial real property includes new construction.

Sec. 9. Minnesota Statutes 2018, section 216C.436, subdivision 4, is amended to read:

Subd. 4. **Financing terms.** Financing provided under this section must have:

(1) a cost-weighted average maturity not exceeding the useful life of the energy improvements installed, as determined by the implementing entity, but in no event may a term exceed 20 years;

(2) a principal amount not to exceed the lesser of:

(i) the greater of 20 percent of the assessed value of the real property on which the improvements are to be installed or 20 percent of the real property's appraised value, accepted or approved by the mortgage lender; or

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(ii) the actual cost of installing the energy improvements, including the costs of necessary equipment, materials, and labor, the costs of each related energy audit or renewable energy system feasibility study, and the cost of verification of installation; and

(3) an interest rate sufficient to pay the financing costs of the program, including the issuance of bonds and any financing delinquencies.

Sec. 10. Minnesota Statutes 2018, section 216C.436, is amended by adding a subdivision to read:

Subd. 10. **Improvements; real property or fixture.** A cost-effective energy improvement financed under a PACE loan program, including all equipment purchased in whole or in part with loan proceeds under a loan program, is deemed real property or a fixture attached to the real property.

Sec. 11. Laws 2017, chapter 94, article 10, section 28, is amended to read:

Sec. 28. **PROGRAM ADMINISTRATION; "MADE IN MINNESOTA" SOLAR THERMAL REBATES.**

(a) No rebate may be paid under Minnesota Statutes 2016, section 216C.416, to an owner of a solar thermal system whose application was approved by the commissioner of commerce after the effective date of this act.

(b) Unspent money remaining in the account established under Minnesota Statutes 2014, section 216C.416, as of July 2, 2017, must be transferred to the ~~C-LEAF~~ renewable development account established under Minnesota Statutes 2016, section 116C.779, subdivision 1.

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

Sec. 12. Laws 2017, chapter 94, article 10, section 29, is amended to read:

Sec. 29. **RENEWABLE DEVELOPMENT ACCOUNT; TRANSFER OF UNEXPENDED GRANT FUNDS.**

(a) No later than 30 days after the effective date of this section, the utility subject to Minnesota Statutes, section 116C.779, subdivision 1, must notify in writing each person who received a grant funded from the renewable development account previously established under that subdivision:

(1) after January 1, 2012; and

(2) before January 1, 2012, if the funded project remains incomplete as of the effective date of this section.

The notice must contain the provisions of this section and instructions directing grant recipients how unexpended funds can be transferred to the ~~clean energy advancement fund~~ renewable development account.

(b) A recipient of a grant from the renewable development account previously established under Minnesota Statutes, section 116C.779, subdivision 1, must, no later than 30 days after receiving the notice required under paragraph (a), transfer any grant funds that remain unexpended as of the effective date of this section to the ~~clean energy advancement fund~~ renewable development account if, by that effective date, all of the following conditions are met:

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(1) the grant was awarded more than five years before the effective date of this section;

(2) the grant recipient has failed to obtain control of the site on which the project is to be constructed;

(3) the grant recipient has failed to secure all necessary permits or approvals from any unit of government with respect to the project; and

(4) construction of the project has not begun.

(c) A recipient of a grant from the renewable development account previously established under Minnesota Statutes, section 116C.779, subdivision 1, must transfer any grant funds that remain unexpended five years after the grant funds are received by the grant recipient if, by that date, the conditions in paragraph (b), clauses (2) to (4), have been met. The grant recipient must transfer the unexpended funds no later than 30 days after the fifth anniversary of the receipt of the grant funds.

(d) A person who transfers funds to the ~~clean energy advancement fund~~ renewable development account under this section is eligible to apply for funding from the ~~clean energy advancement fund~~ renewable development account.

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

Sec. 13. **ENERGY UTILITY DIVERSITY STAKEHOLDER GROUP; REPORT.**

(a) The Public Utilities Commission must convene a stakeholder group to examine the challenges and opportunities for Minnesota's energy utilities to attract a diverse workforce with the skills needed to advance a 21st century industry and to increase the supplier diversity of energy utilities. The stakeholder group must include but is not limited to stakeholders representative of public utilities as defined in Minnesota Statutes, section 216B.02, subdivision 4, municipal electric or gas utilities, and electric or gas cooperative associations. The executive director of the commission must convene the first meeting of the stakeholder group.

(b) The stakeholder group must:

(1) examine current and projected employment in the energy utility sector;

(2) provide information on possible approaches to assist workers and energy utilities to develop a diverse workforce that has the skills to build, maintain, and operate the electricity system of the future;

(3) review key trends that have shaped employment in this sector and the demographics of the sector, including the underrepresentation of women, veterans, and minorities in employment and leadership;

(4) identify the challenges to replacing retiring workers;

(5) examine the imbalance of available worker skills to utility workforce needs; and

(6) identify the challenges and possible approaches to increasing supplier diversity.

(c) The stakeholder group must also consider whether information regarding workforce and supplier diversity should be included and considered as part of any resource plan filed by a utility with the commission.

(d) By January 15, 2020, the stakeholder group must issue a report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over energy policy and finance identifying its findings and recommendations for establishing a more diverse workforce and increasing supplier diversity within the electric energy sector.

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Sec. 14. **REPORT; COST-BENEFIT ANALYSIS OF ENERGY STORAGE SYSTEMS.**

(a) The commissioner of commerce must contract with an independent consultant selected through a request for proposal process to produce a report analyzing the potential costs and benefits of energy storage systems, as defined in Minnesota Statutes, section 216B.2422, subdivision 1, in Minnesota. The study may also include scenarios examining energy storage systems that are not capable of being controlled by a utility. The commissioner must engage a broad group of Minnesota stakeholders, including electric utilities and others, to develop and provide information for the report. The study must:

(1) identify and measure the different potential costs and savings produced by energy storage system deployment, including but not limited to:

(i) generation, transmission, and distribution facilities asset deferral or substitution;

(ii) impacts on ancillary services costs;

(iii) impacts on transmission and distribution congestion;

(iv) impacts on peak power costs;

(v) impacts on emergency power supplies during outages;

(vi) impacts on curtailment of renewable energy generators; and

(vii) reduced greenhouse gas emissions;

(2) analyze and estimate the:

(i) costs and savings to customers that deploy energy storage systems;

(ii) impact on the utility's ability to integrate renewable resources;

(iii) impact on grid reliability and power quality; and

(iv) effect on retail electric rates over the useful life of a given energy storage system compared to providing the same services using other facilities or resources;

(3) consider the findings of analysis conducted by the Midcontinent Independent System Operator on energy storage capacity accreditation and participation in regional energy markets, including updates of the analysis; and

(4) include case studies of existing energy storage applications currently providing the benefits described in clauses (1) and (2).

(b) By December 31, 2019, the commissioner of commerce must submit the study to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over energy policy and finance.

(c) The commission is prohibited from spending more than the amount appropriated for the study, cost-benefit analysis, and other activities required under this section.

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

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ARTICLE 12

WORKERS' COMPENSATION ADVISORY COUNCIL

Section 1. Minnesota Statutes 2018, section 176.011, is amended by adding a subdivision to read:

Subd. 1c. **Agency.** "Agency" means, unless the context indicates otherwise, the commissioner of the Department of Labor and Industry, the Department of Labor and Industry, the Department's workers' compensation division, the Office of Administrative Hearings, the chief administrative law judge, and the Workers' Compensation Court of Appeals.

EFFECTIVE DATE. This section is effective August 31, 2020.

Sec. 2. Minnesota Statutes 2018, section 176.011, is amended by adding a subdivision to read:

Subd. 1d. **CAMPUS.** "CAMPUS" means the workers' compensation Claims Access and Management Platform User System, developed pursuant to the appropriations in Laws 2015, First Special Session chapter 1, article 1, section 5, as amended by Laws 2017, chapter 94, article 2, section 17, and Laws 2017, chapter 94, article 1, section 4, and referenced as the workers' compensation modernization program in section 176.2611 and as described in section 176.2612.

EFFECTIVE DATE. This section is effective August 31, 2020.

Sec. 3. Minnesota Statutes 2018, section 176.011, is amended by adding a subdivision to read:

Subd. 8d. **Division file.** "Division file" means the official file created and maintained by the department within CAMPUS to retain imaged or electronic documents and data related to an employee's workers' compensation claim or injury under chapter 176, including documents transmitted to the commissioner under sections 176.281 and 176.2611. The division file does not include:

(1) paper, images, or electronic data created, used, or maintained for internal operational purposes by an agency, the special compensation fund, or the vocational rehabilitation unit;

(2) a confidential mediation statement, including any documents submitted with the statement for the mediator's review and any additional documents submitted to or sent by the mediator in furtherance of mediation efforts; and

(3) work product of a compensation judge, mediator, or commissioner that is not issued or sent to a party to a claim. Examples of work product include personal notes of hearings or conferences and draft decisions or orders.

EFFECTIVE DATE. This section is effective August 31, 2020.

Sec. 4. Minnesota Statutes 2018, section 176.011, is amended by adding a subdivision to read:

Subd. 8e. **Document.** "Document" includes a form, record, report, notice, order, and paper. Document also includes information and data, regardless of format, that are required or authorized by this chapter to be filed with or served on or by an agency. Document excludes physical objects such as clothing, flash drives, compact discs, or physical objects used as demonstrative evidence.

EFFECTIVE DATE. This section is effective August 31, 2020.

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Sec. 5. Minnesota Statutes 2018, section 176.1812, subdivision 2, is amended to read:

Subd. 2. **Filing and review.** (a) A copy of the agreement and the approximate number of employees who will be covered under it must be filed with the commissioner. Within 21 days of receipt of an agreement, the commissioner shall review the agreement for compliance with this section and the benefit provisions of this chapter and notify the parties of any additional information required or any recommended modification that would bring the agreement into compliance. Upon receipt of any requested information or modification, the commissioner must notify the parties within 21 days whether the agreement is in compliance with this section and the benefit provisions of this chapter.

(b) After an agreement is approved by the commissioner under paragraph (a), a qualified employer may join or withdraw from a qualified group of employers without commissioner review or approval. The commissioner must be notified within 30 days when a qualified employer joins or withdraws from a qualified group of employers.

(c) In order for any agreement to remain in effect, it must provide for a timely and accurate method of reporting to the commissioner ~~necessary information regarding service cost and utilization~~ the individual claims covered by the agreement and claim-specific dispute resolution data, in the form and manner prescribed by the commissioner. Dispute resolution data includes information about facilitation, mediation, and arbitration and shall be provided annually to the commissioner to enable the commissioner to ~~annually~~ report aggregate dispute data to the legislature. ~~The information provided to the commissioner must include aggregate data on the:~~

~~(i) person hours and payroll covered by agreements filed;~~

~~(ii) number of claims filed;~~

~~(iii) average cost per claim;~~

~~(iv) number of litigated claims, including the number of claims submitted to arbitration, the Workers' Compensation Court of Appeals, the Office of Administrative Hearings, the district court, the Minnesota Court of Appeals or the supreme court;~~

~~(v) number of contested claims resolved prior to arbitration;~~

~~(vi) projected incurred costs and actual costs of claims;~~

~~(vii) employer's safety history;~~

~~(viii) number of workers participating in vocational rehabilitation; and~~

~~(ix) number of workers participating in light-duty programs.~~

EFFECTIVE DATE. Paragraphs (a) and (b) are effective June 1, 2019. Paragraph (c) is effective August 31, 2020.

Sec. 6. Minnesota Statutes 2018, section 176.231, is amended to read:

176.231 REPORT OF DEATH OR INJURY TO COMMISSIONER OF DEPARTMENT OF LABOR AND INDUSTRY.

Subdivision 1. **Time limitation.** (a) Where death or serious injury occurs to an employee during the course of employment, the employer shall report the injury or death to the commissioner and insurer within

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48 hours after its occurrence. Where any other injury occurs which wholly or partly incapacitates the employee from performing labor or service for more than three calendar days, the employer shall report the injury to the insurer on a form prescribed by the commissioner within ten days from its occurrence.

(b) An insurer and self-insured employer shall report the injury to the commissioner no later than 14 days from its occurrence. If an injury has not previously been required to be reported, the insurer or self-insured employer must report the injury to the commissioner, in the manner and format prescribed by the commissioner, no later than 14 days after the date that:

(1) any document initiating a dispute is filed under this chapter;

(2) a rehabilitation consultation report or a rehabilitation plan is filed under this chapter; or

(3) permanent partial disability is ascertainable under section 176.101, subdivision 3.

(c) Where an injury has once been reported but subsequently death ensues, the employer shall report the death to the commissioner and insurer within 48 hours after the employer receives notice of this fact.

(d) An employer who provides notice to the Occupational Safety and Health Division of the Department of Labor and Industry of a fatality within the eight-hour time frame required by law, or of an inpatient hospitalization, amputation, or loss of an eye, within the 24-hour time frame required by law, has satisfied the employer's obligation under ~~this section~~ paragraph (a).

(e) At the time an injury is required to be reported under paragraph (b), the insurer or self-insured employer must also specify whether the injury is covered by a collective bargaining agreement approved by the commissioner under section 176.1812. Notice must be provided in the format and manner prescribed by the commissioner.

Subd. 2. **Initial report, written report.** (a) Where subdivision 1 requires an injury to be reported within 48 hours, the employer may make an initial report to the commissioner by telephone or personal notice, and ~~file a written~~ must report ~~of~~ the injury to the insurer within seven days from its occurrence ~~or within such time as the commissioner of labor and industry designates~~. After receiving this notice, the insurer or self-insured employer must report the injury to the commissioner as provided in subdivision 1. All ~~written~~ reports of ~~injuries~~ injury required by subdivision 1 or this subdivision shall include the date of injury. The reports shall be ~~on a form designed~~ made in the manner and format designated by the commissioner, with ~~a clear copy suitable for imaging to the commissioner,~~ one copy to the insurer, and one copy to the employee. The employer must give the employee the "Minnesota Workers' Compensation System Employee Information Sheet" at the time the employee is given a copy of the first report of injury. Within two business days after a report of injury filed by a self-insured employer or insurer is accepted by the commissioner, the self-insured employer or insurer must serve the report on the employee in the manner and format prescribed by the commissioner.

(b) If an insurer or ~~self-insurer~~ self-insured employer repeatedly fails to pay benefits within three days of the due date, pursuant to section 176.221, the insurer or ~~self-insurer~~ self-insured employer shall be ordered by the commissioner to explain, in person, the failure to pay benefits due in a reasonable time. If prompt payments are not thereafter made, the commissioner shall refer the insurer or ~~self-insurer~~ self-insured employer to the commissioner of commerce for action pursuant to section 176.225, subdivision 4.

Subd. 3. **Physicians, chiropractors, or other health care providers to report injuries.** A physician, chiropractor, or other health care provider who has examined, treated, or has special knowledge of an injury to an employee which may be compensable under this chapter, shall report to the commissioner all facts relating to the nature and extent of the injury and disability, and the treatment provided for the injury or

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disability, within ten days after the health care provider has received a written request for the information from the commissioner or an authorized representative of the commissioner.

Subd. 4. **Supplementary reports.** The commissioner or an authorized representative may require the filing of supplementary reports of accidents as is deemed necessary to provide information required by law.

Supplementary reports or other documents related to the current nature and extent of the employee's injury, disability, or treatment may be requested from a physician, surgeon, chiropractor, or other health care provider by the commissioner or a representative, an employer or insurer, or the employee.

Subd. 5. ~~**Forms for reports**~~ **Electronic reports filed under this section.** (a) The commissioner shall prescribe ~~forms~~ the manner and format for ~~use in making~~ providing the reports and other documents required by this section. ~~Forms for reports required by this section shall be as prescribed by the commissioner and shall be the only forms used by an employer, insurer, self-insurer, group self-insurer, and all health care providers.~~

(b) A report or other document that is required to be filed with the commissioner under this section must be filed electronically in the manner and format required by the commissioner. Except as provided in paragraph (d), the commissioner must give at least 60 days' notice to self-insured employers and insurers, and publish notice in the State Register, of the effective date of required electronic filing of the report or other document.

(c) Where specified by the commissioner under paragraph (d), a self-insured employer or insurer must file a report or other document with the commissioner electronically according to the version of the Claims Release Standard published by the International Association of Industrial Accident Boards and Commissions (IAIABC) adopted by the commissioner. The commissioner must publish on the department's website a Minnesota implementation guide that prescribes reporting requirements consistent with this chapter.

(d) The commissioner must give notice to self-insured employers and insurers, and publish notice in the State Register, of intent to adopt a version of the Claims Release Standard for a report or other document required to be filed with the commissioner. The notice must include a link to the Minnesota implementation guide. Interested parties must have at least 90 days to submit comments to the commissioner. After considering the comments, the commissioner must publish notice of the adopted version of the Claims Release Standard and Minnesota implementation guide in the State Register at least 90 days before the effective date of the Standard and Guide. The commissioner must also give at least 30 days' notice to self-insured employers and insurers, and publish notice in the State Register, of any updates to the Minnesota implementation guide. The requirements in the adopted versions of the Claims Release Standard and the Minnesota implementation guide supersede any conflicting rule. The adopted versions of the Claims Release Standards and Minnesota implementation guides adopted by the commissioner under this section are not rules under chapter 14, but have the force and effect of law as of the effective date specified in the notice published in the State Register. The commissioner may publish the initial notices in this subdivision before August 31, 2020, to ensure the adopted versions of the Standard and Guide are effective on that date.

Subd. 6. **Commissioner of the Department of Labor and Industry; duty to keep informed.** The commissioner of the Department of Labor and Industry shall keep fully informed of the nature and extent of all injuries compensable under this chapter, their resultant disabilities, and of the rights of employees to compensation. The insurer or self-insured employer must keep the department advised of all payments of compensation, the amounts of payments made, and the date of the first payment. Where a physician or surgeon has examined, treated, or has special knowledge relating to an injury which may be compensable

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under this chapter, the commissioner of the Department of Labor and Industry or any member or employee thereof shall request in writing a report from such person of the attendant facts.

Subd. 7. **Medical reports.** If requested by the division, a compensation judge, the Workers' Compensation Court of Appeals, or any member or employee thereof an employer, insurer, or employee shall file with the commissioner a ~~verified~~ copy suitable for imaging of any medical report or other document in possession which bears upon the case and shall also file a ~~verified~~ copy of the same report or document with the agency or individual who made the request.

Subd. 8. **No public inspection of reports.** Subject to subdivision 9, a report or other document, or its copy, which has been filed with the commissioner of the Department of Labor and Industry under this section is not available to public inspection. Any person who has access to such a report shall not disclose its contents to anyone in any manner.

A person who unauthorizedly discloses a report or its contents to another is guilty of a misdemeanor.

Subd. 9. **Uses that may be made of reports; access to division file.** (a) Reports ~~filed with the commissioner under this section~~ and other documents in the division file are private data on individuals and nonpublic data as those terms are defined in section 13.02, except that the reports and documents in the division file may be used in hearings held under this chapter, and for the purpose of state investigations and for statistics. ~~These~~ The reports and documents in the division file are also available without authorization to:

(1) the Department of Revenue for use in enforcing Minnesota income tax and property tax refund laws, and the information shall be protected as provided in chapter 270B.~~:~~;

(2) an agency, as needed to perform its responsibilities under this chapter;

(3) the Workers' Compensation Reinsurance Association for use by the association in carrying out its responsibilities under chapter 79;

(4) the special compensation fund for the purpose of auditing assessments under section 176.129; and

(5) the persons and entities allowed access under subdivisions 9a, 9b, and 9c.

~~(b) The division or Office of Administrative Hearings or Workers' Compensation Court of Appeals may permit the examination of its file by the employer, insurer, employee, or dependent of a deceased employee or any person who furnishes signed authorization to do so from the employer, insurer, employee, or dependent of a deceased employee. Reports filed under this section and other information the commissioner has regarding injuries or deaths shall be made available to the Workers' Compensation Reinsurance Association for use by the association in carrying out its responsibilities under chapter 79.~~

(b) A person with an authorization signed by the employer, insurer, employee, or dependent of a deceased employee has access to reports and other documents in the division file as provided in the authorization. An authorization must:

(1) be in writing;

(2) include the printed name and dated signature of the employee or dependent of an employee, employer, or insurer representative who is authorizing the documents to be released;

(3) specify the employer, date of injury, and worker identification or Social Security number;

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(4) include the name of the individual or entity that is authorized to receive the documents. If the authorization is signed by the employer or insurer, the authorization must specify that the access is granted to a person acting on the employer or insurer's behalf in performing responsibilities under chapter 176;

(5) specify the time period within which the authorization is valid, which may not exceed one year from the date the authorization was signed, except that access to the division file may exceed one year if provided in subdivision 9a, paragraph (b); and

(6) include a statement that the person signing the authorization may revoke the authorization by filing written notice with the department at any time, which shall be effective upon receipt by the department.

Subd. 9a. **Access to division file without an authorization.** (a) Access to the division file established for a specific claimed date or dates of injury under this chapter is allowed without an authorization from the employee, employer, insurer, or dependent, as described in clauses (1) to (6):

(1) an employee, an employee's guardian under section 176.092, and a deceased employee's legal heir or dependent as defined in section 176.011, have access to the division file established for the employee's claimed date or dates of injury;

(2) an employer and insurer have access to the division file for a workers' compensation claim to which the employer and insurer are parties;

(3) the Department of Administration under section 13.43, subdivision 18, the assigned risk plan under chapter 79, the special compensation fund established under section 176.129, the self-insurers security fund under chapter 79A, and the Minnesota insurance guarantee association under chapter 60C have access to all of the documents in the division file for a claim to which they are a party or are otherwise providing, paying, or reimbursing workers' compensation benefits under this chapter;

(4) a person who has filed a motion to intervene in a pending dispute at an agency has access to the documents in the division file that are filed in connection with the dispute in which the person has filed a motion to intervene;

(5) a registered rehabilitation provider assigned to provide rehabilitation services to an employee has access to the documents in the division file that are filed in connection with the employee's vocational rehabilitation or a dispute about vocational rehabilitation under section 176.102; and

(6) a third-party administrator licensed under section 60A.23, subdivision 8, has access to the division file for a claim it has contracted to administer on behalf of any of the entities listed in this subdivision.

(b) An attorney who has filed with the commissioner: a written authorization signed by a person listed in paragraph (a), clause (1) or (2); or a retainer agreement, a notice of appearance or representation, or a pleading or a response to a pleading, on behalf of a person or entity listed in paragraph (a); has the same access to documents in the division file that the authorizing person has, unless access is limited by the authorization, retainer agreement, or notice of appearance or representation. If the attorney's access is not limited by one of the documents in this paragraph, the attorney's access continues until one of the following occurs, whichever is later:

(1) one year after an authorization is filed;

(2) five years after the date a retainer agreement or notice of appearance or representation was filed where no dispute has been initiated;

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(3) five years after the date the attorney filed a document initiating or responding to a workers' compensation dispute under this chapter;

(4) five years after the date an award on stipulation was served and filed if the award was related to a dispute in which the attorney represented a party in paragraph (a); or

(5) five years after the date a final order or final penalty assessment was issued as defined in subdivision 9c, paragraph (a), clause (3), if the final order or penalty assessment was related to a dispute in which the attorney represented a party in paragraph (a).

Notwithstanding the time frames in clauses (1) to (5), an attorney no longer has access to the division file as of the date the attorney files a notice of withdrawal from the case, or the date the department receives written notice that the authorization is withdrawn or that the attorney no longer represents the person. However, if a dispute over an attorney's fees is pending at the office, the attorney has continued access to the division file until a final order or award on stipulation resolving the attorney fee dispute is received by the commissioner.

(c) The division may provide the worker identification number assigned under section 176.275, subdivision 1, without a signed authorization required under paragraph (b) to an:

(1) attorney who represents one of the persons described in paragraph (b);

(2) attorney who represents an intervenor or potential intervenor under section 176.361;

(3) intervenor; or

(4) employee's assigned qualified rehabilitation consultant under section 176.102.

(d) If the department receives information that indicates that identifying or contact information for an employee, dependent, employer, insurer, or third-party administrator for an employer or insurer is erroneous or no longer accurate, the department may update the information in all relevant workers' compensation files to reflect:

(1) the current and accurate name, address, Social Security number or worker identification number, and contact information for an employee, unless the employee notifies the commissioner in writing that the information in a workers' compensation file for a specific date of injury may not be updated; and

(2) the current and accurate name, address, and contact information for an employer, insurer, or third-party administrator for an employer or insurer.

Subd. 9b. **Interagency access to documents and data related to workers' compensation disputes.** An agency shall, without the need for an authorization, have full, read-only, real-time, electronic access to view all documents, document contents, dispositions, outcomes, and other data related to a workers' compensation dispute at one of the other agencies, except for the following:

(1) paper, images, or electronic data created, used or maintained for internal operational purposes by an agency, the special compensation fund, or the vocational rehabilitation unit;

(2) a confidential mediation statement, including any documents submitted with the statement for the mediator's review and any additional documents submitted to or sent by the mediator in furtherance of mediation efforts; and

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(3) the work product of a compensation judge, Workers' Compensation Court of Appeals judge, a mediator at the office or department, or the commissioner that is not issued or sent to a party to a claim. Examples of work product include personal notes of hearings or conferences and draft decisions or orders.

This subdivision is not intended to allow interagency access to non-dispute related paper, images, or electronic data created, used or maintained solely for an agency's internal operational purposes.

Each agency's responsible authority as defined in section 13.02 is responsible for its own employees' use and dissemination of the data and documents in CAMPUS and the office's case management system as required by section 13.05, subdivision 5.

Subd. 9c. **Investigative and enforcement data.** (a) For purposes of this subdivision, the terms in this paragraph have the meanings given.

(1) "Enforcement action" means a proceeding initiated by the department, commissioner, medical services review board under section 176.103, or rehabilitation review panel under section 176.102, that may result in a penalty, fine, or sanction for violation of workers' compensation laws or that may result in an order for compliance with workers' compensation laws.

(2) "Investigation" includes an investigation, inspection, audit, file review, inquiry, or examination performed by the department or commissioner to administer, enforce, and monitor compliance with workers' compensation laws within the department's jurisdiction.

(3) "Final order" or "final penalty assessment," means that:

(i) no objection, appeal, or request for hearing has been filed in the manner and within the time required by law;

(ii) an objection, appeal, or request for hearing has been withdrawn;

(iii) a settlement agreement or stipulation resolving all or part of the matter has been signed by all parties and, if required by law, has been approved by a judge; or

(iv) all appeals have been exhausted or waived.

(b) A claim-specific final order or final penalty assessment issued by the department or commissioner pursuant to a workers' compensation investigation or enforcement proceeding shall be placed in the division file for that employee's claim. Access to the final enforcement order or penalty assessment in the division file shall be as provided in subdivision 9a. Before the enforcement order or penalty assessment is final, only the employee, dependent of a deceased employee, employer, or insurer who are parties to the claim, and any respective attorney representing the party, shall have access to it.

(c) Enforcement orders and penalty assessments issued by the department, commissioner, medical services review board, or rehabilitation review panel pursuant to workers' compensation investigations or enforcement proceedings that are not claim-specific shall not be placed in the division file. The data practices classification of these orders and penalties is as provided in sections 13.39 and 13.41, except that the names, Social Security numbers, and worker identification numbers of employees with workers' compensation claims and their dependents, and the identity of persons filing a complaint with the department about the subject of the investigation or enforcement action, are private or nonpublic data as those terms are defined in section 13.02 when maintained by a government entity.

Subd. 10. **Failure to file required report, penalty.** If an employer, qualified rehabilitation consultant or rehabilitation vendor, insurer, physician, chiropractor, or other health provider fails to file with the

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commissioner any report or other document required by this chapter in the manner and within the time limitations prescribed, or otherwise fails to provide a report or other document required by this chapter in the manner provided by this chapter, the commissioner may impose a penalty of up to $500 for each failure.

The imposition of a penalty may be appealed to a compensation judge within 30 days of notice of the penalty.

Penalties collected by the state under this subdivision shall be payable to the commissioner for deposit into the assigned risk safety account.

Subd. 11. **Failure to file required report; substitute filing.** Where this section requires the employer to file a report of injury with the commissioner, and the employer is unable or refuses to file the report, the insurer shall file the report within ten days of a request from the division. The report shall be filed in the manner prescribed by this section. If both the employer and the insurer fail to file the report within 30 days of notice of the injury, the commissioner shall file the report.

The filing of a report of injury by the commissioner does not subject an employee or the dependents of an employee to the three-year time limitations under section 176.151, paragraphs (a) and (b).

A substitute filing under this subdivision shall not be a defense to a penalty assessed under subdivision 10.

Subd. 12. **Reports; electronic monitoring.** Beginning July 1, 1995, the commissioner shall monitor electronically all reports of injury, all payments for reported injuries, and compliance with all reporting and payment timelines.

EFFECTIVE DATE. This section is effective August 31, 2020.

Sec. 7. Minnesota Statutes 2018, section 176.253, is amended to read:

176.253 INSURER, EMPLOYER, AND THIRD-PARTY ADMINISTRATOR; PERFORMANCE OF ACTS.

Subdivision 1. **Definitions.** (a) The terms used in this section have the meanings given to them in this subdivision.

(b) "Department" has the meaning in section 176.011, subdivision 8b.

(c) "Employer" means an employer as defined in section 176.011, subdivision 10, against whom a workers' compensation claim has been asserted or who is liable for a workers' compensation injury under this chapter. Employer includes:

(1) an employer authorized to self-insure by the Department of Commerce under chapter 79A; and

(2) the state or a political subdivision that is not required to be authorized to self-insure by the commissioner of commerce in order to pay its workers' compensation claims.

(d) "Insurer" means a workers' compensation insurer licensed by the Department of Commerce under section 60A.

(e) "Third-party administrator" means an administrator that is licensed by the Department of Commerce to administer a workers' compensation self-insurance or insurance plan under section 60A.23, subdivision 8, with a contract to act on behalf of an employer or insurer.

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Subd. 2. **General.** Where this chapter requires an employer to perform an act, the insurer of the employer may perform that act. Where the insurer acts in behalf of the employer, the employer is responsible for the authorized acts of the insurer and for any delay, failure, or refusal of the insurer to perform the act. This section does not relieve the employer from any penalty or forfeiture which this chapter imposes on the employer.

Subd. 3. **Authority of a third-party administrator.** A third-party administrator that has an active account in CAMPUS under section 176.2612 may act on behalf of the employer or insurer as provided in the contract between the administrator and the employer or insurer. If the department or commissioner issues an order or assesses a penalty against an employer or insurer, the order or penalty must be served on any administrator acting on behalf of the employer or insurer. A third-party administrator has the authority to act on behalf of the employer or insurer in responding to a commissioner or department inquiry, order or penalty assessment, or paying a penalty, until the insurer or administrator notifies the department in writing that the administrator does not have authority.

EFFECTIVE DATE. This section is effective August 31, 2020.

Sec. 8. Minnesota Statutes 2018, section 176.2611, subdivision 2, is amended to read:

Subd. 2. **Applicability.** Subject to further amendments pursuant to section 176.2612, subdivision 2, this section ~~governs filing requirements pending completion of the workers' compensation modernization program~~ specifies whether documents must be filed with the office or the commissioner, and governs access to dispute-related documents and data ~~in the office's case management system, the workers' compensation Informix imaging system, and the system that will be developed as a result of the workers' compensation modernization program~~ at the office or department. This section prevails over any conflicting provision in this chapter, Laws 1998, chapter 366, or corresponding rules.

EFFECTIVE DATE. This section is effective August 31, 2020.

Sec. 9. Minnesota Statutes 2018, section 176.2611, subdivision 5, is amended to read:

Subd. 5. **Form revision and access to documents and data.** (a) The commissioner must revise dispute resolution forms, in consultation with the chief administrative law judge, to reflect the filing requirements in this section.

(b) For purposes of this subdivision, "complete, read-only electronic access" means the ability to view all data and document contents, including scheduling information, related to workers' compensation disputes, except for the following:

(1) a confidential mediation statement, including any documents submitted with the statement for the mediator's review and any additional documents submitted to or sent by the mediator in furtherance of mediation efforts;

(2) work product of a compensation judge, mediator, or commissioner that is not issued. Examples of work product include personal notes of hearings or conferences and draft decisions;

(3) the department's Vocational Rehabilitation Unit's case management system data;

(4) the special compensation fund's case management system data; and

(5) audit trail information.

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~~(c) The office must be provided with continued, complete, read-only electronic access to the workers' compensation Informix imaging system.~~

~~(d) The department must be provided with read-only electronic access to the office's case management system, including the ability to view all data, including scheduling information, but excluding access into filed documents.~~

~~(e)~~ (c) Until August 31, 2020, the office must send the department all documents that are accepted for filing or issued by the office. The office must send the documents to the department, electronically or by courier, within two business days of when the documents are accepted for filing or issued by the office. Beginning August 31, 2020, all dispute-related documents accepted for filing or issued by the office, and all dispute-related documents filed with the department that are referred to the office under section 176.106, must be immediately transmitted between the office's case management system and CAMPUS using application programming interfaces.

~~(f)~~ (d) The department must place documents that the office sends to the department in the appropriate imaged file for the employee. This paragraph expires August 31, 2020.

~~(g) The department must send the office copies of the following documents, electronically or by courier, within two business days of when the documents are filed with or issued by the department:~~

~~(1) notices of discontinuance;~~

~~(2) decisions issued by the department; and~~

~~(3) mediated agreements.~~

~~(h) Upon integration of the office's case management system and the department's system resulting from the workers' compensation modernization program,~~ (e) Each agency ~~will~~ must be provided with complete, read-only electronic access, as defined in paragraph (b), to the other agency's case management system.

~~(i)~~ (e) Each agency's responsible authority pursuant to section 13.02, subdivision 16, is responsible for its own employees' use and dissemination of the data and documents in the workers' compensation Informix imaging system, the office's case management system, and the system developed as a result of the workers' compensation modernization program. This paragraph expires August 31, 2020.

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

Sec. 10. Minnesota Statutes 2018, section 176.2611, subdivision 6, is amended to read:

Subd. 6. **Data privacy.** (a) All documents filed with or issued by ~~the department or~~ the office under this chapter are private data on individuals and nonpublic data pursuant to chapter 13, except that the documents are available to the following:

(1) the office;

(2) the department;

(3) the employer;

(4) the insurer;

(5) the employee;

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(6) the dependent of a deceased employee;

(7) an intervenor in the dispute;

(8) the attorney to a party in the dispute;

(9) a person who furnishes written authorization from the employer, insurer, employee, or dependent of a deceased employee; and

(10) a person, agency, or other entity allowed access to the documents under this chapter or other law.

Once a document filed with or issued by the office under this chapter is transmitted to the commissioner under subdivision 5 or section 176.281, access to the document in the division file is as provided in section 176.231.

(b) The office and department may post notice of scheduled proceedings on the agencies' websites and at their principal places of business in any manner that protects the employee's identifying information. Identifying information includes the employee's name or any part of the employee's name.

EFFECTIVE DATE. This section is effective August 31, 2020, except that the amendments to paragraph (b) are effective the day following final enactment.

Sec. 11. **[176.2612] THE WORKERS' COMPENSATION CLAIMS ACCESS AND MANAGEMENT PLATFORM USER SYSTEM (CAMPUS).**

Subdivision 1. **Requirements.** (a) The commissioner shall maintain the workers' compensation Claims Access and Management Platform User System (CAMPUS) as defined in section 176.011, subdivision 1d. This section applies to the department and the Workers' Compensation Court of Appeals. Except for paragraph (b), clause (4), this subdivision does not apply to the office.

(b) CAMPUS must:

(1) provide a single filing system for users to electronically file documents required or authorized to be filed under this chapter with the commissioner or the Workers' Compensation Court of Appeals;

(2) maintain and retain the division file and other claim-related documents;

(3) accept filings by electronic data entry and by uploaded images of supplemental documents, such as a medical or narrative report or document;

(4) electronically and securely transmit data, and images of documents, between each agency to allow the agency to perform its statutory functions;

(5) electronically and securely serve documents;

(6) organize electronic data filed in the division file into an image for viewing or printing by parties to a claim and staff at each agency;

(7) provide electronic access to the division file by parties and each agency to workers' compensation documents and other data as authorized or required by this chapter; and

(8) allow authorized stakeholders, the department, and the Workers' Compensation Court of Appeals to manage and monitor claims and perform statutorily required functions.

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Subd. 2. **Plan and proposal for improvement.** By January 11, 2021, the commissioner must recommend to the Workers' Compensation Advisory Council a plan and proposed statutory amendments for the most effective means, based on an assessment of benefits and value, to implement improvements to CAMPUS and the case management system at the office, including ensuring a single calendaring system and a single filing system. The filing requirements in section 176.2611, subdivisions 3 and 4, remain in effect until further amendments related to a single filing system in CAMPUS are enacted pursuant to the recommendations of the Workers' Compensation Advisory Council.

Subd. 3. **Creating a CAMPUS account.** (a) For purposes of this subdivision, "employer," "insurer," and "third-party administrator" have the meanings given in section 176.253, subdivision 1.

(b) Electronic access to view or file documents in CAMPUS shall be granted according to the requirements established by the department and MN.IT services to authenticate the identity of the person or entity creating the account and authorize access to the documents that the person or entity is entitled to under this chapter.

(c) The persons or entities in clauses (1) to (12) must create and maintain an account in CAMPUS to electronically access or file documents.

(1) an employee with a workers' compensation claim, the employee's guardian under section 176.092, or the deceased employee's dependent under section 176.111;

(2) an employer with a workers' compensation claim;

(3) a licensed workers' compensation insurer acting on behalf of an employer with a Minnesota workers' compensation claim;

(4) an intervenor or potential intervenor in a workers' compensation dispute;

(5) a registered rehabilitation provider under section 176.102;

(6) the state or a political subdivision or school district that is not required to be self-insured by the commissioner of the Department of Commerce in order to pay its workers' compensation claims;

(7) the assigned risk plan under chapter 79A;

(8) the Workers' Compensation Reinsurance Association under chapter 79;

(9) the Minnesota Insurance Guarantee Association established under chapter 60C;

(10) the self-insurers' security fund under chapter 79A;

(11) a third-party administrator that has contracted to act on behalf of any of the entities listed in this subdivision; and

(12) an attorney representing a person or entity listed above.

(d) The commissioner may require that any person or entity listed in paragraph (c), clauses (2) to (12), create and maintain an account in CAMPUS if the person or entity is a party to a workers' compensation claim or associated with an enforcement action of the department.

(e) A designated medical contact under section 176.135 and a managed care organization certified by the department under section 176.1351 must create and maintain an account to file and view documents related to the certified managed care plan or designated medical contact.

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(f) If a person or entity is required to create and maintain an account under this subdivision and fails to do so:

(1) unless good cause is shown, the commissioner may assess a $500 penalty against the person or entity for each 30-day period that an account is not created or maintained following the commissioner's notice that one is required;

(2) failure to create or maintain an account shall not be a defense to untimely filing where electronic filing is required under this chapter; and

(3) failure to create or maintain an account results in the appointment of the commissioner and successors in office as the person's agent to receive service by the commissioner or the Workers' Compensation Court of Appeals where service is required under this chapter, provided that the commissioner attempts service by United States mail on the party at the last known address.

EFFECTIVE DATE. This section is effective August 31, 2020.

Sec. 12. Minnesota Statutes 2018, section 176.275, is amended to read:

176.275 FILING OF PAPERS; PROOF OF SERVICE.

Subdivision 1. **Filing.** If a document is required to be filed by this chapter or any rules adopted pursuant to authority granted by this chapter, the filing shall be completed ~~by the receipt~~ upon acceptance of the document ~~at the division, department, office, or the court of appeals~~ by the agency. ~~The division, department, office, and the court of appeals shall accept any document which has been delivered to it for legal filing, but may refuse to accept~~ Any ~~form or~~ document that lacks information required by statute or rule, or is not filed in the manner and format required by this chapter, may be rejected. ~~The division, department, office, and court of appeals are~~ A document rejected for any of these reasons is not considered filed. An agency is not required to maintain, and may destroy, a duplicate of a ~~form or~~ document that has already been filed. If a workers' compensation identification number has been assigned by the department, it ~~may~~ must be substituted for the Social Security number on a ~~form or~~ document. ~~If the injured employee has fewer than three days of lost time from work, the party submitting the required document must attach to it, at the time of filing, a copy of the first report of injury.~~

A notice or other document required to be served or filed at either the department, the office, or the court of appeals which is inadvertently served or filed at the wrong one of these agencies by an unrepresented employee shall be deemed to have been served or filed with the proper agency. The receiving agency shall note the date of receipt of a document and shall forward the documents to the proper agency no later than two working days following receipt.

Subd. 2. **Proof of service; affidavits and notarized statements.** (a) Whenever a provision of this chapter or rules adopted pursuant to authority granted by this chapter require either a proof of service ~~or~~, an affidavit of service, or a notarized statement on a document, the requirement is satisfied by ~~the inclusion of a proof of service on the document which has been served, in a form acceptable by the state district courts or approved by the commissioner~~ a document that meets the definition of an affidavit under Rule 15 of the General Rules of Practice for the district courts.

(b) An agency is not required to verify the accuracy of a proof or affidavit of service filed by a party before accepting a document for filing. This does not prevent a party from asserting insufficient or lack of service in a proceeding.

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(c) Service on a party's attorney constitutes service on the represented party, unless service on the employee is specifically required by this chapter.

(d) A party is not required to file a proof or affidavit of service when the party is served electronically by the agency and the agency has issued a proof of service.

EFFECTIVE DATE. This section is effective August 31, 2020.

Sec. 13. Minnesota Statutes 2018, section 176.281, is amended to read:

176.281 ORDERS, DECISIONS, AND AWARDS; FILING; SERVICE.

(a) When the commissioner or compensation judge or Office of Administrative Hearings or the Workers' Compensation Court of Appeals has ~~rendered a final~~ issued correspondence, a notice, order, decision, ~~or~~ award, or other disposition or outcome of a dispute, or an amendment to an order, decision, or award, it shall be filed immediately with the commissioner.

(b) The agencies' systems must be configured so that transmission of data and documents described in paragraph (a) and section 176.2611, subdivision 5, paragraph (c), are immediately transmitted between the Office of Administrative Hearings' case management system and CAMPUS using application programming interfaces.

(c) If the commissioner, compensation judge, Office of Administrative Hearings, or Workers' Compensation Court of Appeals has rendered a final order, decision, or award, or amendment thereto, the commissioner or the Office of Administrative Hearings or the Workers' Compensation Court of Appeals shall immediately serve a copy upon every party in interest, together with a notification of the date the order was filed.

(d) On all orders, decisions, awards, and other documents, the commissioner or compensation judge or Office of Administrative Hearings or the Workers' Compensation Court of Appeals may digitize the signatures of all officials, including judges, for the use of electronic data interchange and clerical automation. These signatures shall have the same legal authority of an original signature, provided that proper security is used to safeguard the use of the digitized signatures and each digitized signature has been certified by the division, department, office, or court of appeals before its use, in accordance with rules adopted by that agency or court.

EFFECTIVE DATE. This section is effective August 31, 2020.

Sec. 14. Minnesota Statutes 2018, section 176.285, is amended to read:

176.285 SERVICE OF PAPERS AND NOTICES; ELECTRONIC FILING.

Subdivision 1. **Service by mail.** Service of ~~papers and notices~~ documents shall be by United States mail ~~or otherwise as the commissioner or the chief administrative law judge may by rule direct~~ except where electronic service is authorized or required under this section and section 176.275. An employee cannot be required to accept electronic service where service on the employee is required. Where service is by mail, service is effected at the time mailed if properly addressed and stamped. If it is so mailed, it is presumed the paper or notice reached the party to be served. However, a party may show by competent evidence that that party did not receive it or that it had been delayed in transit for an unusual or unreasonable period of time. In case of nonreceipt or delay, an allowance shall be made for the party's failure to assert a right within the prescribed time.

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Subd. 2. **Electronic service and filing on an agency.** (a) Where a statute or rule authorizes or requires a document to be filed with or served on ~~an agency~~ the office, the document may be filed electronically if electronic filing is authorized by the ~~agency~~ office and if the document is transmitted in the manner and in the format specified by the ~~agency.~~ office. Where a statute or rule authorizes or requires a document to be filed with or served on the commissioner or the Workers' Compensation Court of Appeals, the document must be filed electronically in the manner and format specified by the commissioner. An employee must not be required to file a document electronically at any agency unless the document is filed by an attorney on behalf of the employee.

(b) If electronic filing of a document is authorized by the ~~agency~~ office or required under this subdivision and a statute or rule requires a copy of the document to be provided or served on another person or party, the document filed electronically with the agency and provided or served on the other person or party must contain the same information in the format required by the ~~commissioner~~ agency.

(c) For purposes of serving on and filing with an agency under this chapter, "electronic" and "electronically" excludes facsimile and e-mail unless authorized by the agency. A document is deemed filed with an agency on the business day it is accepted for filing on or before 11:59 p.m.

Subd. 2a. **Electronic signatures.** ~~(b)~~ (a) Where a statute or rule authorizes or requires a person's signature on a document to be filed with or served on an agency, the signature may be an electronic signature, as defined by section 325L.02, or transmitted electronically, if authorized by the agency and if the signature is transmitted in the manner and format specified by the agency. The commissioner may require that a document authorized or required to be filed with the commissioner, department, or division be filed electronically in the manner and format specified by the commissioner, except that an employee must not be required to file a document electronically unless the document is filed by an attorney on behalf of an employee. The department or court may adopt rules for the certification of signatures.

(b) If a rehabilitation provider files a rehabilitation plan or other document that requires the signature of the employee, employer, or insurer pursuant to section 176.102, or rules adopted under section 176.102, the rehabilitation provider shall specify whether each party's signature has been obtained. The rehabilitation provider must retain the document with the original signature or signatures of the employee and insurer or self-insured employer for five years after the rehabilitation plan is closed and must make the signed document available to the commissioner or compensation judge upon request.

Subd. 2b. **Electronic service of documents on a party through the office's case management system or CAMPUS.** ~~(c) An agency~~ (a) The office may serve a document electronically on a payer, rehabilitation provider, or attorney. ~~An agency~~ The office may serve a document on any other party if the recipient agrees to receive it in an electronic format. The date of electronic service of a document is the date the recipient is sent a document electronically, or the date the recipient is notified that the document is available on a website, whichever occurs first.

(b) The commissioner, the Workers' Compensation Court of Appeals, and a party may electronically serve through CAMPUS a document required to be served on a party or filed with the commissioner on any person with an account in CAMPUS under section 176.2612. Service through CAMPUS must be either by secure e-mail or by e-mailing a notice that the document may be accessed through a web portal. Service of a document through CAMPUS on an attorney for a party is considered to be service on the party, except where service on the employee is specifically required by this chapter.

(c) An employee must not be electronically served unless the employee has created an account and has agreed to accept electronic service through the office's case management system or CAMPUS.

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(d) The date of electronic service of a document is the date the recipient is sent a document electronically, or the date the recipient is notified that the document is available on a website, whichever occurs first.

Subd. 2c. **Time to assert a right when a document is served or filed electronically.** ~~(d)~~ When the electronic filing of a legal document with ~~the department~~ an agency marks the beginning of a prescribed time for another party to assert a right, the prescribed time for another party to assert a right shall be ~~lengthened~~ extended by two calendar days when it can be shown that service to ~~the other~~ another party was by United States mail, and extended by one business day if the document was electronically served on the party in CAMPUS or the office's case management system after 4:30 p.m.

Subd. 3. **Proof of service of documents served by parties and agencies.** (a) The commissioner ~~and~~, the chief administrative law judge and the chief judge of the Workers' Compensation Court of Appeals shall ensure that proof of service of all papers and notices served by their respective agencies is ~~placed in~~ transmitted to the ~~official~~ division file ~~of the case~~ in the manner described in section 176.281.

(b) If a document unrelated to a dispute, such as a first report of injury, is required to be filed with the commissioner and required to be served on the employee or other party, the serving party must retain the proof of service and provide it to the commissioner or compensation judge upon request.

Subd. 4. **Definitions; applicability.** (a) For purposes of this section, ~~"agency" means the workers' compensation division, the Department of Labor and Industry, the commissioner of the Department of Labor and Industry, the Office of Administrative Hearings, the chief administrative law judge, or the Workers' Compensation Court of Appeals. "Document" includes documents, reports, notices, orders, papers, forms, information, and data elements that are authorized or required to be filed with an agency or the commissioner or that are authorized or required to be served on or by an agency or the commissioner.~~ "payer" means a workers' compensation insurer, self-insurer employer, or third-party administrator.

(b) Except as otherwise modified by this ~~section~~ chapter, the provisions of chapter 325L apply to electronic signatures and the electronic transmission of documents under this ~~section~~ chapter.

EFFECTIVE DATE. This section is effective August 31, 2020.

Sec. 15. Minnesota Statutes 2018, section 176.312, is amended to read:

176.312 AFFIDAVITS OF PREJUDICE AND PETITIONS FOR REASSIGNMENT.

In accordance with rules adopted by the chief administrative law judge, an affidavit of prejudice for cause may be filed by each party to the claim against a compensation judge assigned to hear a case.

A petition for reassignment of a case to a different compensation judge for hearing may be filed once, in any case, by each party to the claim within ~~ten~~ 20 days after the filing party has received notice of the assigned judge. Upon receipt of a timely petition for reassignment, the chief administrative law judge shall assign the case to another judge.

An affidavit of prejudice or a petition for reassignment shall be filed with the chief administrative law judge and shall not result in the continuance or delay of a hearing scheduled under section 176.341.

This section does not apply to prehearing ~~or~~, settlement conferences, or administrative conferences.

EFFECTIVE DATE. This section is effective July 1, 2019.

Presented to the governor May 28, 2019

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