

sion 3; and 485.018, Subdivision 3, are repealed.

Sec. 17. **EFFECTIVE DATE.** This act is effective the day following its final enactment, except that section 16 shall be effective January 1, 1976. Any amounts in the nature of per diems payable to members of the board of county commissioners pursuant to laws amended, repealed, or superseded by this act may continue to be paid until the board of county commissioners establishes compensation for its members in accordance with section 375.055, subdivision 1 or until January 1, 1977, whichever occurs first.

Approved June 4, 1975.

CHAPTER 302—S.F.No.226

An act relating to employment services; unemployment compensation; administrative expense; re-establishing the contingent account, providing for its funding; appropriating Reed Act federal moneys; amending Minnesota Statutes 1974. Sections 268.05, Subdivision 5; 268.15, Subdivision 3; and 268.16, Subdivisions 1 and 2.

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

Section 1. Minnesota Statutes 1974, Section 268.05, Subdivision 5, is amended to read:

Subd. 5. **EMPLOYMENT SERVICES; UNEMPLOYMENT COMPENSATION; PAYMENT OF EXPENSES OF ADMINISTRATION; APPROPRIATION.** (1) Money credited to the account of this state in the unemployment trust fund by the secretary of the treasury of the United States Of America pursuant to section 903 of the Social Security Act, as amended, may be requisitioned and used for the payment of expenses incurred for the administration of Laws 1957, Chapter 883 pursuant to a specific appropriation by the legislature, provided that the expenses are incurred and the money is requisitioned after the enactment of an appropriation law which:

(a) Specifies the purposes for which such money is appropriated and the amounts appropriated therefor.

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

(c) Limits the amount which may be obligated during any twelve-month period beginning on July 1 and ending on the next June 30 to an amount which does not exceed the amount by which (i) the aggregate of the amounts credited to the account of this state pursuant to section 903 of the Social Security Act, as amended, during the same twelve-

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month period and the ~~14-24~~ preceding twelve-month periods, exceeds (ii) the aggregate of the amounts used pursuant to this subdivision and charged against the amounts credited to the account of this state during any of such ~~15-25~~ twelve-month periods. For the purposes of this subdivision, amounts used during any such twelve-month period shall be charged against equivalent amounts which were first credited and which are not already so charged; except that no amount obligated for administration during any such twelve-month period may be charged against any amount credited during such a twelve-month period earlier than the ~~14th-24th~~ preceding such period.

(2) Money credited to the account of this state pursuant to section 903 of the Social Security Act, as amended, may not be withdrawn or used except for the payment of benefits and for the payment of expenses for the administration of Laws 1957, Chapter 883 and of public employment offices pursuant to this subdivision.

(3) Money requisitioned for the payment of expenses of administration pursuant to this subdivision shall be deposited in the ~~manpower~~ employment services administration fund, but, until expended, shall remain a part of the unemployment fund. The commissioner shall maintain a separate record of the deposit, obligation, expenditure, and return of funds so deposited. If any money so deposited is, for any reason, not to be expended for the purpose for which it was appropriated, or, if it remains unexpended at the end of the period specified by the law appropriating such money, it shall be withdrawn and returned to the secretary of the treasury of the United States for credit to this state's account in the unemployment trust fund.

Sec. 2. Minnesota Statutes 1974, Section 268.15, Subdivision 3, is amended to read:

Subd. 3. CONTINGENT ACCOUNT. There is hereby created in the state treasury a special account, to be known as the employment services contingent account, which shall not lapse nor revert to any other fund. Such account shall consist of all moneys appropriated therefor by the legislature, all moneys in the form of interest and penalties collected pursuant to section 268.16 shall be paid into the general fund and all moneys received in the form of voluntary contributions to this account and interest thereon. All moneys in such account shall be supplemental to all federal moneys that would be available to the commissioner but for the existence of this account. Monies in this account are hereby appropriated to the commissioner and shall be expended in accordance with the provisions of Minnesota Statutes, Section 3.30, in connection with the administration of Minnesota Statutes, Sections 268.03 to 268.24. Whenever the commissioner expends moneys from said contingent account for the proper and efficient administration of the Minnesota employment services law for which funds have not yet been made available by the federal government, such moneys so withdrawn from the contingent account shall be replaced as hereinafter provided. Upon the deposit in the employment services administration

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fund of moneys which are received in reimbursement of payments made as above provided for said contingent account, the commissioner shall certify to the state treasurer the amount of such reimbursement and thereupon the state treasurer shall transfer such amount from the employment services administration fund to said contingent account. All moneys in this account shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as is provided by law for the other special accounts in the state treasury. The state treasurer shall be liable on his official bond for the faithful performance of his duties in connection with the employment services contingent account provided for herein. Notwithstanding anything to the contrary contained herein, on June 30 of each year all amounts in excess of \$300,000 in this account shall be paid over to the unemployment compensation fund established under section 268.05 and administered in accordance with the provisions set forth therein .

Sec. 3. Minnesota Statutes 1974, Section 268.16, Subdivision 1, is amended to read:

268.16 COLLECTION OF CONTRIBUTIONS. Subdivision 1. **INTEREST ON PAST DUE CONTRIBUTIONS.** If contributions are not paid on the date on which they are due and payable, as prescribed by the commissioner, the whole or part thereafter remaining unpaid shall bear interest at the rate of one percent per month from and after such date until the first day of the calendar month during which payment is made to the department of employment services; provided, however, that during the first month of delinquency interest shall be computed on the basis of one-thirtieth of one percent per month for each and every day of such delinquency. After any contribution has become delinquent for a period of 12 months thereafter interest thereon shall be computed at the rate of six percent per annum. Contributions, if mailed, shall be deemed to have been paid on the date of mailing as indicated by the postmark on the cover thereof; provided, however, that after January 1, 1949, contributions received by mail postmarked on a day following the date on which the law requires such contributions to be paid shall be deemed to have been paid on the due date if there is substantial evidence by affidavit or otherwise reasonably tending to prove that said report or contribution was actually deposited in the United States mails properly addressed to the department with postage prepaid thereon on or before the due date. Interest collected pursuant to this subdivision shall be paid into the contingent account.

Sec. 4. Minnesota Statutes 1974, Section 268.16, Subdivision 2, is amended to read:

Subd. 2. **FAILURE TO MAKE REPORT. (1) PENALTIES.** Any employer who knowingly fails to make and submit to the department of employment services any report of wages paid by or due from him for insured work in the manner and at the time such report is required by regulations prescribed by the commissioner shall pay to the department of employment services for the contingent account an amount

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equal to one percent of contributions accrued during the period for which such report is required, for each month from and after such date until such report is properly made and submitted to the department of employment services. In no case shall the amount of the penalty imposed hereby be less than \$5 except that in cases where the contribution is less than \$10 and the commissioner finds that the employer does not habitually fail to report on time the penalty shall be \$1. Any employing unit which fails to make and submit to the commissioner any report, other than one of wages paid or payable for insured work, as and when required by the regulations of the commissioner, shall be subject to a penalty in the sum of \$10 payable to the department of employment services for the contingent account. All such penalties shall be in addition to interest and any other penalties provided for by sections 268.03 to 268.24 and shall be collected by civil action as hereinafter provided.

(2) **ASSESSMENT MAY BE MADE.** If any employing unit required by sections 268.03 to 268.24 to make and submit contribution reports shall fail to do so within the time prescribed by these sections or by regulations under the authority thereof, or shall make, wilfully or otherwise, an incorrect, false or fraudulent contribution report, he shall, on the written demand of the commissioner, make such contribution report, or corrected report, within ten days after the mailing of such written demand and at the same time pay the whole contribution, or additional contribution, due on the basis thereof. If such employer shall fail within that time to make such report, or corrected report, the commissioner shall make for him a report, or corrected report, from his own knowledge and from such information as he can obtain through testimony, or otherwise, and assess a contribution on the basis thereof, which contribution, plus penalties and interest which thereafter accrued (less any payments theretofore made) shall be paid within ten days after the commissioner has mailed to such employer a written notice of the amount thereof and demand for its payment. Any such contribution report or assessment made by the commissioner on account of the failure of the employer to make a report or corrected report shall be prima facie correct and valid, and the employer shall have the burden of establishing its incorrectness or invalidity in any action or proceeding in respect thereto. Whenever such delinquent employer shall file a report or corrected report, the commissioner may, if he finds it substantially correct, substitute it for the commissioner's report. If an employer has failed to submit any report of wages paid, or has filed an incorrect report, and the commissioner finds that such noncompliance with the terms of sections 268.03 to 268.24 was not wilful and that such employer was free from fraudulent intent, the commissioner shall limit the charge against such employer to the period of the year in which such condition has been found to exist and for the preceding calendar year.

Sec. 5. There is hereby appropriated from the moneys credited and which may hereafter be credited to this state's account in the federal unemployment trust fund by the secretary of the treasury of the

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United States of America pursuant to the provisions of Public Law 567, Chapter 657, entitled the Employment Security Administrative Financing Act of 1954, as amended, the sum of \$250,000 for the purpose of funding the contingent account herein established and the accomplishment of the purposes set forth therein. Subject to the provisions of section 903 (c) (2) of said act, the commissioner of employment services may requisition moneys appropriated by this act and upon receipt shall deposit such moneys in the state treasury to the credit of the employment services contingent account. The money appropriated herein shall be deemed to have been obligated upon the final enactment of this act. The commissioner of employment services may enter into any agreement for and in behalf of the state of Minnesota with the United States of America or any department or agency thereof pursuant to any federal law or rule or regulation promulgated thereunder governing or relating to the availability and use of the funds contemplated by this act and upon such terms and conditions as may be prescribed by the United States of America or any department or agency thereof, notwithstanding the provisions of any state law to the contrary or inconsistent therewith.

Sec. 6. This act is effective the day following its final enactment.

Approved June 4, 1975.

CHAPTER 303—S.F.No.230

An act relating to credit unions; raising application fees for new state chartered credit unions; amending Minnesota Statutes 1974, Section 52.01.

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

Section 1. Minnesota Statutes 1974, Section 52.01, is amended to read:

52.01 CREDIT UNIONS; CHARTER APPLICATION FEES; ORGANIZATION. Any seven residents of the state may apply to the commissioner of banks for permission to organize a credit union.

A credit union is a cooperative society, incorporated for the twofold purpose of promoting thrift among its members and creating a source of credit for them at legitimate rates of interest for provident purposes.

A credit union is organized in the following manner:

(1) The applicants execute, in duplicate, a certificate of organization by the terms of which they agree to be bound, which shall state:

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