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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 2284

02/15/2012 Authored by Winkler, Murphy, E., Wagenius, Lesch, Murphy, M. and others
The bill was read for the first time and referred to the Committee on Jobs and Economic Development Finance

1.1 A bill for an act
1.2 relating to workforce development; designating the Middle Class Jobs Act;
1.3 providing for early warning; modifying sick leave; amending business subsidy
1.4 disclosure requirements; clarifying workplace communications; modifying
1.5 minimum wage requirements; creating penalties; amending Minnesota Statutes
1.6 2010, sections 16C.08, subdivision 4; 116J.035, by adding subdivisions;
1.7 116J.994, subdivisions 7, 8, by adding a subdivision; 116L.976, subdivision 1,
1.8 by adding a subdivision; 177.24, subdivision 1; proposing coding for new law in
1.9 Minnesota Statutes, chapters 16C; 181.

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

1.11 ARTICLE 1

1.12 TITLE

1.13 Section 1. TITLE.

1.14 This act shall be known as the "Middle Class Jobs Act."

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

1.16 ARTICLE 2

1.17 EARLY WARNING PLANT CLOSINGS, JOB RELOCATION, MASS LAYOFFS

1.18 Section 1. Minnesota Statutes 2010, section 116J.035, is amended by adding a
1.19 subdivision to read:

1.20 Subd. 8. Compliance orders. The commissioner may issue an order requiring an
1.21 employer to comply with section 116L.976. The department shall serve the order upon
1.22 the employer or the employer's authorized representative in person or by certified mail
1.23 at the employer's place of business. An employer who wishes to contest the order must

2.1 file written notice of objection to the order with the commissioner within 15 calendar
2.2 days after being served with the order. A contested case proceeding must then be held
2.3 in accordance with sections 14.57 to 14.69. If, within 15 calendar days after being
2.4 served with the order, the employer fails to file a written notice of objection with the
2.5 commissioner, the order becomes a final order of the commissioner.

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

2.7 Sec. 2. Minnesota Statutes 2010, section 116J.035, is amended by adding a subdivision
2.8 to read:

2.9 Subd. 9. **Civil actions.** The commissioner may bring an action in the district court
2.10 where an employer resides or where the commissioner maintains an office to enforce or
2.11 require compliance with orders issued under subdivision 8.

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

2.13 Sec. 3. Minnesota Statutes 2010, section 116J.035, is amended by adding a subdivision
2.14 to read:

2.15 Subd. 10. **Employer liability.** If an employer is found by the commissioner to
2.16 have violated a section identified in subdivision 8, or any rule adopted under section
2.17 116L.976, and the commissioner issues an order to comply, the commissioner shall order
2.18 the employer to cease and desist from engaging in the violative practice and to take such
2.19 affirmative steps that in the judgment of the commissioner will effectuate the purposes
2.20 of the section or rule violated. The commissioner shall order the employer to pay to
2.21 the aggrieved parties back pay, gratuities, and compensatory treble damages, less any
2.22 amount actually paid to the employee by the employer, and an additional equal amount as
2.23 liquidated damages. Any employer who is found by the commissioner to have repeatedly
2.24 or willfully violated section 116L.976 shall be subject to a civil penalty of \$1,000 for each
2.25 violation for each employee. In determining the amount of a civil penalty under this
2.26 subdivision, the appropriateness of the penalty to the size of the employer's business and
2.27 the gravity of the violation shall be considered. In addition, the commissioner may order
2.28 the employer to reimburse the department and the attorney general for all appropriate
2.29 litigation and hearing costs expended in preparation for and in conducting the contested
2.30 case proceeding, unless payment of costs would impose extreme financial hardship
2.31 on the employer. If the employer is able to establish extreme financial hardship, the
2.32 commissioner may order the employer to pay a percentage of the total costs that will not
2.33 cause extreme financial hardship. Costs include but are not limited to the following:

- 3.1 (1) costs of services rendered by the attorney general, including reasonable attorney
3.2 fees;
- 3.3 (2) costs of services of private attorneys if engaged by the department and reasonable
3.4 attorney fees;
- 3.5 (3) costs of services of administrative law judges, court reporters, and expert
3.6 witnesses; and
- 3.7 (4) the cost of transcripts.

3.8 Interest shall accrue on and be added to the unpaid balance of a commissioner's order from
3.9 the date the order is signed by the commissioner until it is paid, at an annual rate provided
3.10 in section 549.09, subdivision 1, paragraph (c). The commissioner may establish escrow
3.11 accounts for purposes of distributing damages.

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

3.13 Sec. 4. Minnesota Statutes 2010, section 116J.035, is amended by adding a subdivision
3.14 to read:

3.15 Subd. 11. **Court actions; suits brought by private parties.** An employee may
3.16 bring a civil action seeking redress for a violation or violations of section 116L.976
3.17 directly to district court. An employer who violates the requirements under section
3.18 116L.976 is liable to the employee for the full amount of the wages, gratuities, and
3.19 overtime compensation, and for an additional equal amount as liquidated damages. In
3.20 addition, in an action under this subdivision the employee may seek treble damages and
3.21 other appropriate relief provided by subdivision 10 and otherwise provided by law.

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

3.23 Sec. 5. Minnesota Statutes 2010, section 116J.035, is amended by adding a subdivision
3.24 to read:

3.25 Subd. 12. **District court jurisdiction.** Any action brought under subdivision 11
3.26 may be filed in the district court of the county where a violation of section 116L.976 is
3.27 alleged to have been committed, where the respondent resides or has a principal place
3.28 of business, or any other court of competent jurisdiction. The action may be brought by
3.29 one or more employees.

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

4.1 Sec. 6. Minnesota Statutes 2010, section 116J.035, is amended by adding a subdivision
4.2 to read:

4.3 Subd. 13. **Attorney fees and costs.** In any action brought pursuant to subdivision
4.4 11, the court shall order an employer who is found to have committed a violation of
4.5 section 116L.976 to pay the employee's costs, disbursements, witness fees, and reasonable
4.6 attorney fees.

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

4.8 Sec. 7. Minnesota Statutes 2010, section 116L.976, subdivision 1, is amended to read:

4.9 Subdivision 1. **Notice.** (a) ~~The commissioner shall encourage those business~~
4.10 ~~establishments~~ An employer considering a decision to effect a plant closing, substantial
4.11 layoff, or relocation of operations located in this state ~~to~~ shall give 60 days' notice of
4.12 that decision ~~as early as possible~~ to the commissioner, the employees of the affected
4.13 establishment, any employee organization representing the employees, and the local
4.14 government unit in which the affected establishment is located. This notice shall be in
4.15 addition to any notice required under the Worker Adjustment and Retraining Notification
4.16 Act, United States Code, title 29, section 2101. All exemptions provided by United States
4.17 Code, title 29, sections 2101 to 2109, under the Worker Adjustment and Retraining
4.18 Notification Act shall be recognized and enforced under this provision.

4.19 (b) For purposes of this section, "plant closing" means the announced or actual
4.20 permanent or temporary shutdown of a single site of employment, or one or more facilities
4.21 or operating units within a single site of employment, if the shutdown results in an
4.22 employment loss at the single site of employment during any 30-day period for 50 or more
4.23 employees excluding employees who work less than 20 hours per week.

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

4.25 Sec. 8. Minnesota Statutes 2010, section 116L.976, is amended by adding a subdivision
4.26 to read:

4.27 Subd. 3. **Penalties for noncompliance.** In addition to other fines and penalties
4.28 provided by law, an aggrieved person may bring a civil action against an employer who:

4.29 (1) violates the provisions of this section;

4.30 (2) violates federal requirements under the Worker Adjustment and Retraining
4.31 Notification Act, United States Code, title 29, sections 2101 to 2109; and

4.32 (3) intentionally denies payment of back pay and benefits for the period of violation,
4.33 up to 60 days as required under the Worker Adjustment Retraining Notification Act.

5.1 A plaintiff prevailing in an action under this subdivision is entitled to treble damages,
5.2 along with an award of costs, disbursements, and reasonable attorney fees.

5.3 **EFFECTIVE DATE.** This section is effective August 1, 2012, and applies to crimes
5.4 committed and causes of action arising on or after that date.

5.5 **ARTICLE 3**

5.6 **HEALTHY FAMILIES, HEALTHY WORKPLACES**

5.7 Section 1. **[181.9395] SICK LEAVE.**

5.8 Subdivision 1. **Citation; Healthy Families, Healthy Workplaces Act.** This section
5.9 may be cited as the "Healthy Families, Healthy Workplaces Act."

5.10 Subd. 2. **Definitions.** (a) For purposes of this section, the following definitions
5.11 apply.

5.12 (b) "Child" means biological child, adopted or foster child, stepchild or legal ward,
5.13 or a child to whom the employee stands in loco parentis who is under the age of 18 years
5.14 or who is 18 years of age or older but incapable of self care or earning a living due to a
5.15 physical or mental disability or incapacity.

5.16 (c) "Commissioner" means the commissioner of labor and industry or an authorized
5.17 designee or representative.

5.18 (d) "Department" means the Department of Labor and Industry.

5.19 (e) "Domestic abuse" is as defined in the Domestic Abuse Act, section 518B.01,
5.20 subdivision 2, paragraph (a), and includes a threat of such acts committed against
5.21 an individual, regardless of whether these acts or threats have been reported to law
5.22 enforcement officers.

5.23 (f) "Employ" has the meaning given in section 177.23, subdivision 5.

5.24 (g) "Employee" has the meaning given in section 177.23, subdivision 7, and
5.25 includes recipients of public benefits who are engaged in work activity as a condition of
5.26 receiving public assistance.

5.27 (h) "Employer" has the meaning given in section 177.23, subdivision 6.

5.28 (i) "Extended family member" means any other individual related by blood or affinity
5.29 whose close association with the employee is the equivalent of a family relationship.

5.30 (j) "Grandparent" means a parent of a parent.

5.31 (k) "Paid sick leave" means leave that is compensated at the same hourly rate as the
5.32 employee earns from employment and is provided by an employer to an employee for
5.33 the purposes described in subdivision 4.

6.1 (l) "Parent" means a biological parent, foster parent, stepparent or adoptive parent,
6.2 or legal guardian of an employee or an employee's spouse, or a person who stood in loco
6.3 parentis when the employee was a minor child.

6.4 (m) "Retaliatory personnel action" means the discharge, suspension, or demotion
6.5 by an employer of an employee or any other adverse employment action taken by an
6.6 employer against an employee in the terms and conditions of employment.

6.7 (n) "Sexual assault" includes criminal sexual conduct in the first, second, third,
6.8 fourth, and fifth degrees as defined in sections 609.342 to 609.3451 and includes a threat
6.9 of such acts committed against an individual, regardless of whether these acts or threats
6.10 have been reported to law enforcement officers.

6.11 (o) "Spouse" means a person to whom the employee is legally married under the
6.12 laws of Minnesota.

6.13 (p) "Stalking" means acts criminalized under section 609.749 and includes a threat
6.14 of such acts committed against an individual, regardless of whether these acts or threats
6.15 have been reported to law enforcement officers.

6.16 Subd. 3. **Accrual of paid sick leave.** (a) An employee who works at least 56 hours
6.17 in the state has the right to paid sick leave as provided in this section.

6.18 (b) An employer that employs at least 15 but not more than 50 employees must
6.19 provide a minimum of one hour of paid sick leave for every 80 hours worked by an
6.20 employee, except that the employer is not required to provide more than 26 hours of paid
6.21 sick leave to an employee in a calendar year.

6.22 (c) An employer that employs more than 50 employees must provide a minimum of
6.23 one hour of paid sick leave for every 40 hours worked by an employee, except that the
6.24 employer is not required to provide more than 52 hours of paid sick leave to an employee
6.25 in a calendar year.

6.26 (d) An employee who is exempt from overtime requirements under United States
6.27 Code, title 29, section 213(a)(1) of the Federal Fair Labor Standards Act, is assumed
6.28 to work 40 hours in each work week for purposes of paid sick leave accrual under this
6.29 subdivision, unless the employee's normal work week is less than 40 hours, in which case
6.30 paid sick leave accrues based upon that normal work week.

6.31 (e) Paid sick leave must accrue in hour-unit or smaller increments.

6.32 (f) Paid sick leave must begin to accrue at the commencement of employment.

6.33 (g) An employee is entitled to use accrued paid sick leave beginning on the 90th
6.34 day following commencement of employment. After the 90th day of employment, an
6.35 employee may use sick leave as it is accrued.

7.1 (h) An employee may carry forward unused paid sick leave from one calendar
 7.2 year to the next.

7.3 (i) An employer that employs at least 15 but not more than 50 employees may limit
 7.4 the amount of paid sick leave an employee may use in each calendar year to 26 hours.

7.5 (j) An employer that employs more than 50 employees may limit the amount of paid
 7.6 sick leave an employee may use in each calendar year to 52 hours.

7.7 (k) An employer complies with this section if it has a paid leave policy that makes
 7.8 available an amount of paid leave that may be used for the same purposes and under the
 7.9 same conditions as paid sick leave under this section.

7.10 (l) An employer may adopt or retain leave policies that are more generous to an
 7.11 employee than the policies required under this section.

7.12 (m) When an employee separates from employment and is rehired within 12 months
 7.13 of separation by the same employer, previously accrued paid sick leave that has not been
 7.14 used must be reinstated. The employee is entitled to use accrued paid sick leave and to
 7.15 accrue additional sick leave at the recommencement of employment.

7.16 (n) At its discretion, an employer may loan paid sick leave to an employee in
 7.17 advance of accrual by the employee.

7.18 Subd. 4. Use of paid sick leave. (a) Subject to subdivision 3, an employer must
 7.19 allow an employee to use accrued paid sick leave for:

7.20 (1) an employee's mental or physical illness, injury, or health condition; medical
 7.21 diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or
 7.22 preventive medical care;

7.23 (2) care of a spouse, child, parent, grandparent, or extended family member with a
 7.24 mental or physical illness, injury, or health condition who needs medical diagnosis, care,
 7.25 or treatment of a mental or physical illness, injury, or health condition, or who needs
 7.26 preventive medical care; and

7.27 (3) any absence necessary due to domestic abuse, provided the leave is to:

7.28 (i) seek medical attention for the employee or employee's child, spouse, parent,
 7.29 grandparent, or extended family member to recover from physical or psychological injury
 7.30 or disability caused by domestic abuse or sexual assault;

7.31 (ii) obtain services from a victim services organization;

7.32 (iii) obtain psychological or other counseling;

7.33 (iv) seek relocation due to domestic abuse, sexual assault, or stalking; or

7.34 (v) take legal action, including preparing for or participating in any civil or criminal
 7.35 legal proceeding related to or resulting from the domestic abuse or sexual assault.

8.1 (b) An employer may require reasonable notice of the need for paid sick leave. If
8.2 the need for the leave is foreseeable, an employer may require no more than seven days'
8.3 advance notice of the intention to take the leave. If the need is not foreseeable, an employer
8.4 may require an employee to give notice of the need for leave as soon as practicable.

8.5 (c) An employer may not require as a condition of providing paid sick leave under
8.6 this section that an employee search for or find a replacement worker to cover the hours
8.7 during which the employee is on paid sick leave.

8.8 Subd. 5. **Retaliation prohibited.** An employer shall not take retaliatory personnel
8.9 action or discriminate against an employee because the employee has requested paid
8.10 sick leave under this section, taken paid sick leave guaranteed by this section, or made a
8.11 complaint or filed an action to enforce a right to paid sick leave under this section.

8.12 Subd. 6. **Notice and posting.** (a) An employer must provide to each employee
8.13 notice of the following:

8.14 (1) an employee's entitlement to and amount of paid sick leave and the terms of its
8.15 use guaranteed under this section;

8.16 (2) that retaliation against an employee who requests or uses paid sick leave is
8.17 prohibited; and

8.18 (3) that each employee has the right to file a complaint or bring a civil action if an
8.19 employer denies sick leave as required by this section or retaliates against the employee
8.20 for requesting or taking paid sick leave.

8.21 (b) An employer may comply with this section by supplying each employee with a
8.22 notice in English and Spanish that contains the information required in paragraph (a).

8.23 (c) An employer may comply with this section by displaying a poster in a
8.24 conspicuous and accessible place in each establishment where an employee is employed
8.25 that contains in English and Spanish the information required under paragraph (a).

8.26 (d) The commissioner shall create and make available to employers for their use
8.27 in complying with this subdivision posters that contain the information required under
8.28 paragraph (a).

8.29 Subd. 7. **Confidentiality and nondisclosure.** If an employer possesses health
8.30 information or information pertaining to domestic abuse about an employee or employee's
8.31 child, parent, spouse, extended family member, or other individual described in subdivision
8.32 4, paragraph (a), clause (2), the information shall be treated as confidential and not
8.33 disclosed except to the affected employee or with the permission of the affected employee.

8.34 Subd. 8. **Encouragement of more generous leave policies.** (a) Nothing in this
8.35 section shall be construed to discourage or prohibit an employer from the adoption or
8.36 retention of a paid leave policy more generous than the one required by this section.

9.1 (b) Nothing in this section shall be construed as diminishing the obligation of an
 9.2 employer to comply with any contract, collective bargaining agreement, employment
 9.3 benefit plan, or other agreement providing more generous leave to an employee than
 9.4 required by this section.

9.5 (c) Nothing in this section shall be construed as diminishing the rights of public
 9.6 employees regarding paid sick leave or use of sick leave as provided in section 43A.1815.

9.7 Subd. 9. Severability. If any provision of this section or application thereof to any
 9.8 person or circumstance is judged invalid, the invalidity shall not affect other provisions
 9.9 or applications of this section which can be given effect without the invalid provision or
 9.10 application, and to this end the provisions of this section are declared severable.

9.11 **EFFECTIVE DATE.** This section is effective January 1, 2013.

9.12 **ARTICLE 4**

9.13 **BUSINESS SUBSIDIES DISCLOSURE**

9.14 Section 1. Minnesota Statutes 2010, section 16C.08, subdivision 4, is amended to read:

9.15 Subd. 4. **Reports.** (a) The commissioner shall submit to the governor, the chairs and
 9.16 ranking minority members of the house of representatives Ways and Means and senate
 9.17 Finance Committees, and the Legislative Reference Library a yearly listing of all contracts
 9.18 for professional or technical services executed. The report must identify the contractor,
 9.19 contract amount, duration, and services to be provided. The commissioner shall also issue
 9.20 yearly reports summarizing the contract review activities of the department by fiscal year.

9.21 (b) The fiscal year report must be submitted by September 1 of each year and must:

9.22 (1) be sorted by agency and by contractor;

9.23 (2) show the aggregate value of contracts issued by each agency and issued to each
 9.24 contractor;

9.25 (3) distinguish between contracts that are being issued for the first time and contracts
 9.26 that are being extended;

9.27 (4) state the termination date of each contract;

9.28 (5) identify services by commodity code, including topics such as contracts for
 9.29 training, contracts for research and opinions, and contracts for computer systems; and

9.30 (6) identify which contracts were awarded without following the solicitation process
 9.31 in this chapter because it was determined that there was only a single source for the
 9.32 services.

9.33 (c) Within 30 days of final completion of a contract over \$25,000 covered by this
 9.34 subdivision, the head of the agency entering into the contract must submit a report to the

10.1 commissioner who must make the report publicly available online and submit a copy to
 10.2 the Legislative Reference Library. The report must:

10.3 (1) summarize the purpose of the contract, including why it was necessary to enter
 10.4 into a contract;

10.5 (2) state the amount spent on the contract;

10.6 (3) if the contract was awarded without following the solicitation process in this
 10.7 chapter because it was determined that there was only a single source for the services,
 10.8 explain why the agency determined there was only a single source for the services; ~~and~~

10.9 (4) specify the extent to which work under the contract was performed in Minnesota,
 10.10 was performed in the United States but outside Minnesota, or was performed outside the
 10.11 United States; and

10.12 (5) include a written performance evaluation of the work done under the contract.

10.13 The evaluation must include an appraisal of the contractor's timeliness, quality, cost, and
 10.14 overall performance in meeting the terms and objectives of the contract. Contractors may
 10.15 request copies of evaluations prepared under this subdivision and may respond in writing.

10.16 Contractor responses must be maintained with the contract file.

10.17 Sec. 2. **[16C.175] RESPONSE TO DISCLOSE WHERE WORK WILL BE**
 10.18 **PERFORMED.**

10.19 A response from a vendor in regard to a solicitation for a contract for professional or
 10.20 technical services or nonprofessional or nontechnical services must disclose the extent to
 10.21 which the vendor anticipates that work under the contract will be performed in Minnesota,
 10.22 in the United States but outside Minnesota, or outside the United States.

10.23 Sec. 3. Minnesota Statutes 2010, section 116J.994, is amended by adding a subdivision
 10.24 to read:

10.25 Subd. 4a. **Disclosure of where work is to be performed.** Any application for a
 10.26 business subsidy must disclose the extent to which the applicant anticipates that jobs
 10.27 created under the subsidy will be performed in Minnesota, in the United States but outside
 10.28 Minnesota, or outside the United States.

10.29 Sec. 4. Minnesota Statutes 2010, section 116J.994, subdivision 7, is amended to read:

10.30 Subd. 7. **Reports by recipients to grantors.** (a) A business subsidy grantor must
 10.31 monitor the progress by the recipient in achieving agreement goals.

10.32 (b) A recipient must provide information regarding goals and results for two years
 10.33 after the benefit date or until the goals are met, whichever is later. If the goals are not

11.1 met, the recipient must continue to provide information on the subsidy until the subsidy
 11.2 is repaid. The information must be filed on forms developed by the commissioner in
 11.3 cooperation with representatives of local government. Copies of the completed forms must
 11.4 be sent to the local government agency that provided the subsidy or to the commissioner if
 11.5 the grantor is a state agency. If the Iron Range Resources and Rehabilitation Board is the
 11.6 grantor, the copies must be sent to the board. The report must include:

- 11.7 (1) the type, public purpose, and amount of subsidies and type of district, if the
 11.8 subsidy is tax increment financing;
- 11.9 (2) the hourly wage of each job created with separate bands of wages;
- 11.10 (3) the sum of the hourly wages and cost of health insurance provided by the
 11.11 employer with separate bands of wages;
- 11.12 (4) the date the job and wage goals will be reached;
- 11.13 (5) a statement of goals identified in the subsidy agreement and an update on
 11.14 achievement of those goals;
- 11.15 (6) the location of the recipient prior to receiving the business subsidy;
- 11.16 (7) the number of employees who ceased to be employed by the recipient when the
 11.17 recipient relocated to become eligible for the business subsidy;
- 11.18 (8) why the recipient did not complete the project outlined in the subsidy agreement
 11.19 at their previous location, if the recipient was previously located at another site in
 11.20 Minnesota;
- 11.21 (9) the name and address of the parent corporation of the recipient, if any;
- 11.22 (10) a list of all financial assistance by all grantors for the project; ~~and~~
- 11.23 (11) the extent to which jobs created by the recipient under the subsidy were
 11.24 performed in Minnesota, were performed in the United States but outside Minnesota, or
 11.25 were performed outside the United States; and
- 11.26 (12) other information the commissioner may request.

11.27 A report must be filed no later than March 1 of each year for the previous year. The local
 11.28 agency and the Iron Range Resources and Rehabilitation Board must forward copies of
 11.29 the reports received by recipients to the commissioner by April 1.

11.30 (c) Financial assistance that is excluded from the definition of "business subsidy" by
 11.31 section 116J.993, subdivision 3, clauses (4), (5), (8), and (16), is subject to the reporting
 11.32 requirements of this subdivision, except that the report of the recipient must include
 11.33 instead:

- 11.34 (1) the type, public purpose, and amount of the financial assistance, and type of
 11.35 district if the assistance is tax increment financing;

12.1 (2) progress towards meeting goals stated in the assistance agreement and the public
12.2 purpose of the assistance;

12.3 (3) if the agreement includes job creation, the hourly wage of each job created with
12.4 separate bands of wages;

12.5 (4) if the agreement includes job creation, the sum of the hourly wages and cost of
12.6 health insurance provided by the employer with separate bands of wages;

12.7 (5) the location of the recipient prior to receiving the assistance; and

12.8 (6) other information the grantor requests.

12.9 (d) If the recipient does not submit its report, the local government agency must mail
12.10 the recipient a warning within one week of the required filing date. If, after 14 days of the
12.11 postmarked date of the warning, the recipient fails to provide a report, the recipient must
12.12 pay to the grantor a penalty of \$100 for each subsequent day until the report is filed. The
12.13 maximum penalty shall not exceed \$1,000.

12.14 Sec. 5. Minnesota Statutes 2010, section 116J.994, subdivision 8, is amended to read:

12.15 Subd. 8. **Reports by grantors.** (a) Local government agencies of a local
12.16 government with a population of more than 2,500 and state government agencies,
12.17 regardless of whether or not they have awarded any business subsidies, must file a report
12.18 by April 1 of each year with the commissioner. Local government agencies of a local
12.19 government with a population of 2,500 or less are exempt from filing this report if they
12.20 have not awarded a business subsidy in the past five years. The report must include a list
12.21 of recipients that did not complete the recipient report required under subdivision 7 and a
12.22 list of recipients that have not met their job and wage goals within two years and the steps
12.23 being taken to bring them into compliance or to recoup the subsidy.

12.24 If the commissioner has not received the report by April 1 from an entity required
12.25 to report, the commissioner shall issue a warning to the government agency. If the
12.26 commissioner has still not received the report by June 1 of that same year from an entity
12.27 required to report, then that government agency may not award any business subsidies
12.28 until the report has been filed.

12.29 (b) The report required under paragraph (a) is also required for financial assistance
12.30 of \$25,000 and greater that is excluded from the definition of "business subsidy" by
12.31 section 116J.993, subdivision 3, clause (1), and of \$75,000 and greater that is excluded
12.32 from the definition of "business subsidy" by section 116J.993, subdivision 3, clause (21).
12.33 The report for the financial assistance under this paragraph must be completed within one
12.34 year of the granting of the financial assistance. The report required for financial assistance
12.35 under this paragraph must include:

13.1 (1) the name of the recipient, its organizational structure, its address and contact
13.2 information, and its industry sector;

13.3 (2) a description of the amount and use of the financial assistance and the total
13.4 project budget, including a list of all financial assistance by all grantors for the project and
13.5 the private sources of financial assistance;

13.6 (3) the public purpose of the financial assistance, the job goals associated with both
13.7 the financial assistance and the total project in which the financial assistance is included,
13.8 the hourly wage of each job created, ~~and~~ the cost of health insurance provided by the
13.9 employer, and the extent to which jobs were created in Minnesota, in the United States but
13.10 outside Minnesota, or outside the United States;

13.11 (4) the date the project will be completed;

13.12 (5) the name and address of the parent corporation of the recipient, if any; and

13.13 (6) any other information the commissioner may request.

13.14 (c) Within one year of completing a report under paragraph (b), the local government
13.15 agency must report to the commissioner on progress in achieving the purposes and goals
13.16 under paragraph (b), clause (3).

13.17 (d) The commissioner of employment and economic development must provide
13.18 information on reporting requirements to state and local government agencies.

13.19 Sec. 6. **EFFECTIVE DATE.**

13.20 This article is effective July 1, 2013.

13.21 **ARTICLE 5**

13.22 **WORKPLACE COMMUNICATIONS**

13.23 Section 1. **[181.987] WORKPLACE COMMUNICATIONS.**

13.24 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms
13.25 have the meanings given them in this subdivision.

13.26 (b) "Communication" means any printed or electronic document, letter, brochure,
13.27 flyer, advertisement, e-mail, text message, or similar means pertaining to union business
13.28 or labor organizing as provided under state or federal law.

13.29 (c) "Employee" means a person who performs services for hire in Minnesota for an
13.30 employer, but does not include independent contractors.

13.31 (d) "Employee organization" and "labor organization" have the meanings given them
13.32 in sections 179.01, subdivision 6, and 179A.03, subdivision 6.

14.1 (e) "Employer" means any person, business entity, or nonprofit organization having
 14.2 one or more employees in Minnesota, and includes the state and any political subdivisions
 14.3 of the state.

14.4 Subd. 2. **Prohibited practice.** An employer may not refuse to hire a job applicant
 14.5 or discipline or discharge an employee because the applicant or employee has received
 14.6 or responded to a communication from an employee organization or labor organization.
 14.7 Nor shall an employer prohibit an employee from receiving communications from an
 14.8 employee organization at the employee's work location, work mailbox, in an employee
 14.9 break room or meal area, or on the employee's work computer. Reasonable rules
 14.10 concerning the quantity of the communications, political or other inappropriate content of
 14.11 the communications, attachments to electronic communications, and appropriate nonwork
 14.12 times for review of these types of communications are permitted. An employer may
 14.13 discipline or discharge an employee for violations of these rules in accordance with the
 14.14 employer's personnel policies or union contract.

14.15 Subd. 3. **Remedy.** The remedy for a violation of this section is through any
 14.16 applicable grievance procedure. Damages are limited to wages and benefits lost by the
 14.17 individual because of the violation.

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

14.19 **ARTICLE 6**

14.20 **MINIMUM WAGE**

14.21 Section 1. Minnesota Statutes 2010, section 177.24, subdivision 1, is amended to read:

14.22 Subdivision 1. **Amount.** (a) For purposes of this subdivision, the terms defined in
 14.23 this paragraph have the meanings given them.

14.24 (1) "Large employer" means an enterprise whose annual gross volume of sales made
 14.25 or business done is not less than ~~\$625,000~~ \$750,000, adjusted annually for inflation,
 14.26 (exclusive of excise taxes at the retail level that are separately stated) and covered by the
 14.27 Minnesota Fair Labor Standards Act, sections 177.21 to 177.35.

14.28 (2) "Small employer" means an enterprise whose annual gross volume of sales
 14.29 made or business done is less than ~~\$625,000~~ \$750,000, adjusted annually for inflation,
 14.30 (exclusive of excise taxes at the retail level that are separately stated) and covered by the
 14.31 Minnesota Fair Labor Standards Act, sections 177.21 to 177.35.

14.32 (b) Except as otherwise provided in sections 177.21 to 177.35, beginning January
 14.33 1, 2013, every large employer must pay each employee wages at a rate of at least \$5.15
 14.34 an hour beginning September 1, 1997, and at a an hourly rate of at least \$6.15 an hour

15.1 ~~beginning August 1, 2005~~ equal to the quotient of the amount equal to 35 percent of the
15.2 median household income for Minnesota as calculated annually by the United States
15.3 Census Bureau divided by 2,080, and at an hourly rate at least equal to the quotient of the
15.4 amount equal to 50 percent of the median household income for Minnesota as calculated
15.5 annually by the United States Census Bureau divided by 2,080 beginning January 1,
15.6 2014. Beginning January 1, 2013, every small employer must pay each employee at a
15.7 an hourly rate of at least \$4.90 an hour beginning January 1, 1998, and at a rate of at
15.8 least \$5.25 an hour beginning August 1, 2005 equal to 80 percent of the rate calculated
15.9 for large employers.

15.10 (c) Notwithstanding paragraph (b), during the first 90 consecutive days of
15.11 employment, an employer may pay an employee under the age of 20 years a wage of \$4.90
15.12 an hour. No employer may take any action to displace any employee, including a partial
15.13 displacement through a reduction in hours, wages, or employment benefits, in order to
15.14 hire an employee at the wage authorized in this paragraph.

15.15 (d) For the purposes of this subdivision, "adjusted annually for inflation" means
15.16 that for the calendar year beginning January 1, 2014, the commissioner shall adjust the
15.17 amounts of annual gross volume of sales made or business done under paragraph (a),
15.18 clauses (1) and (2), by the percentage change in the Consumer Price Index-All Urban
15.19 Consumers as prepared by the United States Bureau of Labor Standards from the 12
15.20 months ending December 31, 2011, to the 12 months ending December 31, 2012, and in
15.21 each subsequent year, from the 12 months ending on December 31, 2011, to the 12 months
15.22 ending on December 31 of the year preceding the calendar year. No later than February 1
15.23 of each year, the commissioner shall announce the specific percentage that will be used to
15.24 adjust the amounts of gross volume of sales or business done.

15.25 **EFFECTIVE DATE.** This section is effective January 1, 2013.