

This Document can be made available in alternative formats upon request

State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 2446

02/22/2012 Authored by Winkler

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; establishing an emergency employment
1.3 development program; providing wage subsidies; designating the Middle Class
1.4 Jobs Act; establishing the Grow Minnesota Development Authority; providing
1.5 for early warning; modifying sick leave; amending business subsidy disclosure
1.6 requirements; clarifying workplace communications; modifying minimum wage
1.7 requirements; creating penalties; authorizing rulemaking; appropriating money;
1.8 amending Minnesota Statutes 2010, sections 16C.08, subdivision 4; 116J.035,
1.9 by adding subdivisions; 116J.994, subdivisions 7, 8, by adding a subdivision;
1.10 116L.976, subdivision 1, by adding a subdivision; 177.24, subdivision 1;
1.11 proposing coding for new law in Minnesota Statutes, chapters 16C; 181;
1.12 proposing coding for new law as Minnesota Statutes, chapter 116X.

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

1.14 ARTICLE 1

1.15 TITLE

1.16 Section 1. TITLE.

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

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

1.19 ARTICLE 2

1.20 MINNESOTA EMPLOYMENT DEVELOPMENT INITIATIVE (MEDI)

1.21 Section 1. CITATION.

1.22 This article may be cited as the "Minnesota Employment Development Initiative
1.23 (MEDI) Act of 2012."

1.24 Sec. 2. DEFINITIONS.

2.1 Subdivision 1. **Terms.** For the purposes of sections 2 to 14, the following terms
2.2 have the meanings given them.

2.3 Subd. 2. **Commissioner.** "Commissioner" means the commissioner of employment
2.4 and economic development.

2.5 Subd. 3. **Department.** "Department" means the Department of Employment and
2.6 Economic Development.

2.7 Subd. 4. **Eligible business.** "Eligible business" means a for-profit business.

2.8 Subd. 5. **Eligible employer.** "Eligible employer" means an eligible nonprofit
2.9 agency, or an eligible business.

2.10 Subd. 6. **Eligible job applicant.** "Eligible job applicant" means a person who:

2.11 (1)(i) has been a resident of Minnesota for at least six of the last 12 months;

2.12 (ii) is currently unemployed and has been unemployed for at least 12 of the last 16
2.13 months except as provided for under clause (2), item (i);

2.14 (iii) has attempted to secure a nonsubsidized job by completing a comprehensive job
2.15 search program administered by a county or workforce service area; and

2.16 (iv) is determined by the employment administrator to be likely to be available for
2.17 employment by an eligible employer for the duration of the job; and

2.18 (2) meets at least one of the following requirements:

2.19 (i) is at least 50 years of age and has been unemployed for at least six of the last
2.20 12 months;

2.21 (ii) requires education or training to meet the minimum qualifications of the job; or

2.22 (iii) requires training for a position which the employer has been unable to fill due to
2.23 an absence of qualified applicants.

2.24 Subd. 7. **Eligible nonprofit agency.** "Eligible nonprofit agency" means an
2.25 organization exempt from taxation under the Internal Revenue Code of 1986, section
2.26 501(c)(3), as amended.

2.27 Subd. 8. **Employment administrator.** "Employment administrator" means the
2.28 administrative entity designated by the commissioner to administer the provisions of the
2.29 Minnesota Employment Development Initiative (MEDI) in each workforce service area.

2.30 Subd. 9. **Household.** "Household" means an individual, the individual's spouse, and
2.31 any person considered a dependent under sections 151 and 152 of the Internal Revenue
2.32 Code domiciled at the same address.

2.33 Subd. 10. **Program.** "Program" means the MEDI created by sections 2 to 14.

2.34 Subd. 11. **Workforce service area.** "Workforce service area" means an area
2.35 designated as a workforce service area under section 116L.666.

3.1 Sec. 3. **DUTIES OF COMMISSIONER.**

3.2 Subdivision 1. **Duties.** The commissioner shall administer the provisions of sections
3.3 2 to 14. The commissioner shall:

3.4 (1) enter into contracts with the workforce service areas within 30 days of final
3.5 enactment of this article;

3.6 (2) review the employment development plan submitted by the employment
3.7 administrator of each workforce service area and approve satisfactory plans. If an
3.8 employment administrator submits an unsatisfactory plan, the department shall assist the
3.9 employment administrator in developing a satisfactory one;

3.10 (3) coordinate the program with other state agencies;

3.11 (4) coordinate administration of the program with the Minnesota family investment
3.12 program under Minnesota Statutes, chapter 256J;

3.13 (5) set policies regarding disbursement of program funds;

3.14 (6) perform general program marketing and monitoring functions; and

3.15 (7) apply to the federal government for a waiver allowing Minnesota to use
3.16 unemployment insurance benefits for wage subsidies and to seek federal funding for
3.17 this program.

3.18 Subd. 2. **Enforcement.** The commissioner shall ensure that all eligible employers
3.19 and employment administrators comply with sections 2 to 14 and all other applicable state
3.20 and federal laws, including those relating to:

3.21 (1) affirmative action;

3.22 (2) occupational health and safety standards;

3.23 (3) environmental standards; and

3.24 (4) fair labor practices.

3.25 Subd. 3. **Report to governor and legislature.** The commissioner shall report
3.26 semiannually to the governor and the chairs of the standing committees of the house
3.27 of representatives and the senate having jurisdiction over employment and economic
3.28 development issues:

3.29 (1) the number of persons employed and other information including the age of the
3.30 person, employment status prior to participation in the program, and training required;

3.31 (2) the number and type of employers under the program;

3.32 (3) the amount of money spent in each service delivery area for wages for each type
3.33 of employment and each type of other expense;

3.34 (4) the number of persons who have completed participation in the program and their
3.35 current employment, educational, or training status; and

3.36 (5) any other information deemed pertinent by the commissioner.

4.1 Subd. 4. Rules. The commissioner may adopt rules necessary to implement the
4.2 MEDI Act of 2012.

4.3 **Sec. 4. ALLOCATION OF FUNDS AMONG WORKFORCE SERVICE AREAS.**

4.4 (a) Ninety percent of the funds available for allocation to employment administrators
4.5 for the program must be allocated among eligible workforce service areas. Workforce
4.6 service areas are eligible to receive that proportion of the funds available which equals
4.7 the number of unemployed persons in the workforce service area divided by the total
4.8 number of unemployed persons in the state for the 12-month period ending the most
4.9 recent March 31.

4.10 (b) Ten percent of the funds available for allocation to employment administrators
4.11 under the program must be allocated at the discretion of the commissioner to employment
4.12 administrators:

4.13 (1) who will maximize the use of the funds through coordination with other
4.14 programs and state, local, and federal agencies, including the use of matching funds;

4.15 (2) who have demonstrated need beyond the allocation available under paragraph
4.16 (a); or

4.17 (3) who have demonstrated outstanding performance in job creation.

4.18 **Sec. 5. ALLOCATION WITHIN WORKFORCE SERVICE AREA.**

4.19 The employment administrator within each workforce service area shall determine
4.20 allocation of funds within a workforce service area.

4.21 **Sec. 6. USE OF FUNDS.**

4.22 (a) Funds appropriated for the purposes of the program may be used as follows:

4.23 (1) to provide a state contribution for wages and fringe benefits for eligible job
4.24 applicants for a maximum of 2,080 hours over a maximum period of 52 weeks per job
4.25 applicant. For eligible job applicants participating in a job training program, the state
4.26 contribution for wages may be used for a maximum period of 52 weeks per job applicant.

4.27 The state contribution for wages shall be 50 percent of the wage up to \$12 per hour for
4.28 each eligible job applicant employed by an eligible employer. The employer may use
4.29 funds from other sources to provide increased wages to the applicants it employs. At
4.30 least 95 percent of the funds appropriated for the program must be used to pay wages
4.31 for eligible job applicants;

4.32 (2) to reimburse the department for the actual cost of administering the program;

5.1 (3) to reimburse the employment administrators for the actual cost of program
 5.2 operations. The commissioner and the employment administrators shall reallocate funds
 5.3 from other sources to cover the administrative costs of this program whenever possible;

5.4 (4) to provide child care services or subsidies to applicants employed under the
 5.5 program;

5.6 (5) to provide workers' compensation coverage to applicants employed by
 5.7 government or nonprofit agencies under the program; and

5.8 (6) to provide job search assistance, labor market orientation, job-seeking skills, and
 5.9 referral for other services.

5.10 (b) Any funds allocated to the workforce service area for which there is no spending
 5.11 plan approved by the commissioner or which are significantly underspent in the reporting
 5.12 period shall cancel back to the Minnesota emergency employment development account
 5.13 and must be reallocated by the commissioner to other employment administrators.

5.14 Sec. 7. **EMPLOYMENT ADMINISTRATORS; POWERS AND DUTIES.**

5.15 Subdivision 1. **In general.** The employment administrator for each workforce
 5.16 service area has the powers and duties given in this section and any additional duties
 5.17 given by the commissioner.

5.18 Subd. 2. **Employment plan.** Each employment administrator shall develop an
 5.19 employment development plan for the workforce service area under guidelines developed
 5.20 by the commissioner and submit it to the commissioner within the period allowed by the
 5.21 commissioner. To the extent feasible, the employment administrator shall seek input from
 5.22 potential eligible employers and the public.

5.23 Subd. 3. **Outreach.** Each employment administrator shall publicize the program
 5.24 within the workforce service area to seek maximum participation by eligible job applicants
 5.25 and employers.

5.26 Subd. 4. **Contracts.** Each employment administrator shall enter into contracts with
 5.27 eligible employers setting forth the terms of the employers' participation in the program.

5.28 Subd. 5. **Screening and coordination.** Each employment administrator shall screen
 5.29 job applicants and employers to achieve the best possible placement of eligible job
 5.30 applicants with eligible employers.

5.31 Subd. 6. **Eligible job applicant lists.** Each employment administrator shall
 5.32 maintain a list of eligible job applicants unable to secure employment under the program
 5.33 at the time of application.

5.34 Subd. 7. **Coordination of education and training programs.** Each employment
 5.35 administrator shall cooperate with local educational and training institutions to coordinate

6.1 and publicize the availability of their resources to assure that applicants may receive
6.2 training needed before or while employed in jobs made available under the program.

6.3 **Sec. 8. ELIGIBLE EMPLOYERS.**

6.4 Subdivision 1. **Eligible employers.** An employer is an eligible employer if it enters
6.5 into a written contract with the employment administrator in its workforce service area
6.6 containing assurances that:

6.7 (1) funds received by an employer shall be used only as permitted under section 6;

6.8 (2) the employer has submitted a plan to the employment administrator:

6.9 (i) describing the duties and proposed compensation of each employee proposed to
6.10 be hired under the program; and

6.11 (ii) demonstrating that, with the funds provided under the program, the employer is
6.12 likely to succeed and continue to employ persons hired under the program;

6.13 (3) the employer will use funds exclusively for compensation and fringe benefits
6.14 of eligible job applicants and will provide employees hired with these funds with fringe
6.15 benefits and other terms and conditions of employment comparable to those provided to
6.16 other employees of the employer who do comparable work;

6.17 (4) the funds are necessary to allow the employer to commence or expand operations,
6.18 or to employ additional people, but not to fill positions which would be filled even in
6.19 the absence of funds from this program;

6.20 (5) the employer will cooperate with the commissioner and the employment
6.21 administrator in collecting data to assess the result of the program; and

6.22 (6) the employer is in compliance with all applicable affirmative action, fair labor,
6.23 health, safety, and environmental standards.

6.24 Subd. 2. **Employer accountability.** (a) An employer receiving funds under this
6.25 program is expected to retain employees at least 12 months beyond the initial 12-month
6.26 subsidy period. In the event an employer terminates participation in the subsidy program
6.27 during the initial 12-month subsidy phase for any participant, the employer shall pay
6.28 back 50 percent of the subsidies received to date. In the event an employer has not
6.29 retained a participant at least 90 days beyond the subsidy phase, the employer shall pay
6.30 back 25 percent of the wage subsidies received. In the event an employer has retained
6.31 a participant 12 months beyond the subsidy period, the employer will be eligible for a
6.32 bonus equivalent to \$4 per hour for the hours the participant worked during the 12 months
6.33 beyond the initial subsidy period.

6.34 (b) If an employer dismisses an employee for good cause or the employee chooses to
6.35 leave the position and the employer works in good faith with the program administrator

7.1 to employ and train another person referred by the employment administrator, the
7.2 accountability conditions shall apply as if the original participant had fulfilled the
7.3 employment timeline.

7.4 Subd. 3. **Recovery of payments.** If the commissioner at any time determines that
7.5 funds have been used to fill positions that would have been filled in the absence of funds
7.6 from this program, the employer shall repay all funds received under this program.

7.7 **Sec. 9. MINNESOTA EMPLOYMENT DEVELOPMENT ACCOUNT.**

7.8 The Minnesota employment development account is created in the state treasury.
7.9 All payments an employer pays under section 8 shall be deposited in this account, and all
7.10 funds in the account are appropriated to the commissioner of employment and economic
7.11 development for the purpose of making disbursements allowed under the MEDI program.

7.12 **Sec. 10. WORKER DISPLACEMENT PROHIBITED.**

7.13 Subdivision 1. **Layoffs; work reductions.** An eligible employer may not terminate,
7.14 lay off, or reduce the working hours of an employee for the purpose of hiring an individual
7.15 with funds available under the MEDI program.

7.16 Subd. 2. **Hiring during layoffs.** An eligible employer may not hire an individual
7.17 with funds available under sections 2 to 14 if any other person has been laid off from the
7.18 same or a substantially equivalent job within the previous six months.

7.19 Subd. 3. **Employer certification.** In order to qualify as an eligible employer, a
7.20 nonprofit agency or business must certify to the employment administrator that each job
7.21 created and funded under sections 2 to 14:

7.22 (1) will result in an increase in employment opportunities over those which would
7.23 otherwise be available;

7.24 (2) will not result in the displacement of currently employed workers, including
7.25 partial displacement such as reduction in hours of nonovertime work, wages, or
7.26 employment benefits; and

7.27 (3) will not impair existing contracts for service or result in the substitution of
7.28 program funds for other funds in connection with work that would otherwise be performed.

7.29 **Sec. 11. TERMINATION; NOTIFICATION.**

7.30 (a) On the date the program is terminated, any balance remaining in the Minnesota
7.31 employment development account established under section 9 shall cancel to the general
7.32 fund. Any payments received on or after that date shall be deposited in the general fund.

8.1 (b) The commissioner shall immediately terminate the Minnesota employment
 8.2 development program if and when none of the money appropriated under section 13
 8.3 remains.

8.4 Sec. 12. **SUNSET.**

8.5 Sections 1 to 11 and 13 expire June 30, 2016.

8.6 Sec. 13. **APPROPRIATION.**

8.7 \$25,000,000 is appropriated from the general fund to the commissioner for
 8.8 deposit in the Minnesota employment development account each year for the Minnesota
 8.9 Employment Development Initiative (MEDI) Act of 2012. Any unexpended balance
 8.10 remaining at the end of the fiscal year does not cancel and is available until expended.

8.11 Sec. 14. **EFFECTIVE DATE.**

8.12 This article is effective July 1, 2012.

8.13 **ARTICLE 3**

8.14 **GROW MINNESOTA DEVELOPMENT AUTHORITY**

8.15 Section 1. **[116X.01] GROW MINNESOTA DEVELOPMENT AUTHORITY**
 8.16 **ACT.**

8.17 This chapter may be cited as the "Grow Minnesota Development Authority Act."

8.18 Sec. 2. **[116X.02] DEFINITIONS.**

8.19 Subdivision 1. **Applicability.** For the purposes of this chapter, the terms in this
 8.20 section have the meanings given them.

8.21 Subd. 2. **Authority.** "Authority" means the Grow Minnesota Development
 8.22 Authority.

8.23 Subd. 3. **Eligible recipient.** "Eligible recipient" means an entity primarily operating
 8.24 to create and retain jobs in the state and maximize the economic growth of the state
 8.25 through:

8.26 (1) infrastructure development;

8.27 (2) workforce development;

8.28 (3) site selection incentives; or

8.29 (4) assistance with financing, including closing costs.

8.30 Subd. 4. **Advisory commission.** "Advisory commission" means the advisory
 8.31 commission under section 116X.06.

9.1 **Sec. 3. [116X.03] GROW MINNESOTA DEVELOPMENT AUTHORITY.**

9.2 Subdivision 1. **Membership.** The Grow Minnesota Development Authority consists
9.3 of the commissioners of employment and economic development, management and
9.4 budget, revenue, commerce, and agriculture.

9.5 Subd. 2. **Chair; other officers.** The commissioner of employment and economic
9.6 development shall serve as the chair and chief executive officer of the authority. The
9.7 authority shall rotate the position of vice-chair annually among its members. The
9.8 commissioner of employment and economic development shall convene the first meeting
9.9 of the authority no later than August 1, 2012. In the absence of the chair or vice-chair at
9.10 meetings of the authority, members may elect a chair for the meeting and may elect other
9.11 officers as necessary from its members.

9.12 Subd. 3. **Delegation.** In addition to any powers to delegate that members of the
9.13 authority have as commissioners, they may delegate to the chair, vice-chair, or executive
9.14 director their responsibilities as members of the authority for reviewing and approving
9.15 financing of eligible projects, projects that have been authorized by law, or programs
9.16 specifically authorized by resolution of the authority.

9.17 Subd. 4. **Actions.** (a) A majority of the authority, excluding vacancies, constitutes a
9.18 quorum to conduct its business, to exercise its powers, and for all other purposes.

9.19 (b) The authority may conduct its business by any technological means available,
9.20 including interactive video or teleconference calls, that allows for an interaction between
9.21 members. If a meeting is conducted under this paragraph, a specific location must be
9.22 available for the public to attend the meeting and at least one member must be present at
9.23 that location.

9.24 Subd. 5. **Executive director; staffing.** The authority shall employ an executive
9.25 director in the unclassified service. The executive director is responsible for hiring staff
9.26 necessary to assist the executive director to carry out the duties and responsibilities of the
9.27 authority. The executive director shall perform duties that the authority may require in
9.28 carrying out its responsibilities to manage and implement the funds and programs in this
9.29 chapter, and comply with all state and federal program requirements and state and federal
9.30 securities, tax laws, and regulations. The executive director shall assist the advisory board
9.31 in fulfilling its duties under this chapter.

9.32 Subd. 6. **Administrative services.** The authority shall enter into agreements for
9.33 administrative and professional services and technical support.

9.34 Subd. 7. **Expiration.** This section expires June 30, 2020. Section 15.059,
9.35 subdivision 5, does not apply to the authority.

10.1 Sec. 4. **[116X.04] POWERS AND DUTIES.**

10.2 Subdivision 1. **Duties.** The Grow Minnesota Development Authority shall:

10.3 (1) develop a strategic vision for economic development in all areas of the state;

10.4 (2) define and guide a tactical economic development agenda;

10.5 (3) brand and market the state and individual regions within the state to internal
10.6 and external audiences;

10.7 (4) develop, promote, and administer initiatives to retain and expand current
10.8 businesses in the state;

10.9 (5) develop, promote, and administer initiatives to attract new businesses to the state;

10.10 (6) connect businesses with state and local resources and incentives;

10.11 (7) provide grants or other forms of financial assistance to eligible recipients
10.12 for purposes of this chapter pursuant to evidence-based outcome criteria and measures
10.13 developed by the authority; and

10.14 (8) coordinate workshops, assistance with business proposals, licensing, intellectual
10.15 property protection, commercialization, and government auditing with the University of
10.16 Minnesota and the Minnesota State Colleges and Universities.

10.17 Subd. 2. **Power to sue; enter contracts.** The authority may sue and be sued. The
10.18 authority may make and enter into contracts, leases, and agreements necessary to perform
10.19 its duties and exercise its powers.

10.20 Subd. 3. **Gifts; grants.** The authority may apply for, accept, and disburse gifts,
10.21 grants, loans, or other property from the United States, the state, private sources, or
10.22 any other source for any of its purposes. Money received by the authority under this
10.23 subdivision must be deposited in the state treasury and is appropriated to the authority to
10.24 carry out its duties.

10.25 Subd. 4. **Contract for services.** The authority may retain or contract for the
10.26 services of accountants, financial advisors, and other consultants or agents needed to
10.27 perform its duties and exercise its powers.

10.28 Subd. 5. **Fees.** The authority may set and collect fees for costs incurred by the
10.29 authority, the Departments of Employment and Economic Development, Management
10.30 and Budget, Revenue, Commerce, and Agriculture, including costs for personnel and
10.31 professional and administrative services.

10.32 Subd. 6. **Reports.** (a) The authority shall report by February 1 each year to the
10.33 chairs and ranking minority members of the legislative committees and divisions with
10.34 jurisdiction over finance and economic development on its progress to design, coordinate,
10.35 and administer a strategic economic development and job creation agenda for the state

11.1 to promote the welfare of the people of the state, maximize the economic growth of the
11.2 state, and create and retain jobs in the state.

11.3 (b) The report must include a complete operating and financial statement covering
11.4 the authority's operations during the year, including amounts of income from all sources.
11.5 Books and records of the authority are subject to audit by the legislative auditor in the
11.6 manner prescribed for state agencies.

11.7 Subd. 7. **Consultative and technical services.** The authority may provide general
11.8 consultative and technical services to assist eligible projects and enter into agreements or
11.9 other transactions concerning the receipt or provision of those services.

11.10 Subd. 8. **Financial information.** Financial information, including credit reports,
11.11 financial statements, and net worth calculations, received or prepared by the authority
11.12 regarding financial assistance, is private data with regard to data on individuals as defined
11.13 in section 13.02, subdivision 12, and nonpublic data with regard to data not on individuals
11.14 as defined in section 13.02, subdivision 9.

11.15 Subd. 9. **General.** The authority shall have all powers necessary and appropriate to
11.16 fulfill its responsibilities under this chapter.

11.17 Sec. 5. **[116X.05] PROJECT FINANCIAL ASSISTANCE.**

11.18 Subdivision 1. **Determination of financial assistance.** The authority shall assist
11.19 eligible recipients in identifying grants or other sources of financial assistance available to
11.20 finance projects and may assist eligible recipients in applying for and obtaining grants and
11.21 other forms of assistance.

11.22 Subd. 2. **Financial feasibility review.** (a) The authority shall review the proposed
11.23 financing for each project submitted to the authority to determine whether: (1) the
11.24 proposed project and financing plan is an eligible use of the money; and (2) the proposal is
11.25 in compliance with applicable state and federal tax and securities laws and regulations.
11.26 Grants in excess of \$50,000 must be approved by the authority. Grants of \$50,000 or less
11.27 may be authorized by the executive director. All grant approvals or disapprovals must
11.28 be completed within 30 days of submission to the authority. Grants approved by the
11.29 executive director must be reviewed by the authority each month.

11.30 (b) Unless a project is specifically authorized by law, the authority may reject the
11.31 proposed financing for a project meeting the requirements in paragraph (a) if there are not
11.32 sufficient funds available or if a majority of members believe the financing of the project
11.33 would not be in the best interests of the state or would be detrimental to the authority's
11.34 funds or programs. A determination to reject a proposed project must not be made in an

12.1 arbitrary and capricious manner, and must be supported by substantive evidence and
 12.2 documented by a resolution of the authority stating its findings.

12.3 **Sec. 6. [116X.06] ADVISORY COMMISSION.**

12.4 **Subdivision 1. Membership.** A Grow Minnesota Advisory Commission of 18
 12.5 members is established and comprised of:

12.6 (1) two representatives of the University of Minnesota, selected by the president of
 12.7 the university;

12.8 (2) two representatives of the Minnesota State Colleges and Universities, selected
 12.9 by the chancellor;

12.10 (3) the chief executive officer of Mayo Clinic or a designee;

12.11 (4) six chief executive officers or designees from Minnesota businesses or business
 12.12 organizations;

12.13 (5) five representatives from state or local governments;

12.14 (6) one representative of organized labor; and

12.15 (7) a venture capital representative.

12.16 Members of the commission listed in clauses (4) to (7) shall be appointed by the
 12.17 authority.

12.18 **Subd. 2. Duties.** The advisory commission must assist the authority in developing
 12.19 a comprehensive economic development plan to be presented to the chairs and ranking
 12.20 minority members of the legislative committees and divisions with jurisdiction over
 12.21 economic development by January 15, 2014. The plan must include recommendations in
 12.22 strategic areas for economic development and job creation initiatives and investments,
 12.23 selection of specific programs and grantees for support from program funds authorized by
 12.24 the advisory commission and ongoing assessment of the effectiveness of programmatic
 12.25 elements according to metrics to be developed by the authority in consultation with the
 12.26 advisory commission. The advisory commission may also advise and assist the authority
 12.27 in fulfilling its duties under section 116X.04.

12.28 **Subd. 3. Membership terms; vacancies; compensation.** The membership terms,
 12.29 removal of members, and filling of vacancies are as provided under section 15.059. The
 12.30 executive director may provide compensation to members if funds are available.

12.31 **Subd. 4. Expiration.** The advisory commission expires June 30, 2020.

12.32 **Subd. 5. Convening of meetings; staffing.** The executive director of the authority
 12.33 must convene the first meeting of the commission by September 1, 2012. The executive
 12.34 director must provide administrative support and staff to the commission.

13.1 Sec. 7. **[116X.07] MONEY OF THE AUTHORITY.**

13.2 Subdivision 1. **Functions of commissioner of management and budget.** Except
13.3 as otherwise provided in this section, money of the authority must be paid to the
13.4 commissioner of management and budget as agent of the authority and the commissioner
13.5 shall not commingle the money with other money. The money in the accounts of the
13.6 authority must be paid out only on warrants drawn by the commissioner of management
13.7 and budget on requisition of the executive director of the authority or of another officer or
13.8 employee as the authority authorizes. Deposits of the authority's money must, if required
13.9 by the commissioner or the authority, be secured by obligations of the United States or of
13.10 the state of a market value equal at all times to the amount of the deposit and all banks and
13.11 trust companies are authorized to give security for the deposits. All money paid to the
13.12 commissioner as agent of the authority is appropriated to the authority. The commissioner
13.13 must annually report to the committees of the legislature with responsibility for economic
13.14 development and management and budget on the use of appropriations under this section.

13.15 Subd. 2. **System of accounts.** The commissioner of management and budget shall
13.16 prescribe a system of accounts.

13.17 Sec. 8. **[116X.08] NONLIABILITY.**

13.18 Subdivision 1. **Nonliability of individuals.** No member of the authority, staff of
13.19 the authority, or other person executing other agreements or contracts of the authority is
13.20 liable personally or is subject to any personal liability or accountability by reason of the
13.21 issuance, execution, delivery, or performance of the agreement or contract.

13.22 Subd. 2. **Nonliability of state.** The state is not liable on loans or other agreements
13.23 or contracts of the authority issued or entered into under this chapter and the loans or
13.24 other agreements or contracts of the authority are not a debt of the state. The loans or
13.25 other agreements or contracts of the authority must contain on their face a statement
13.26 to that effect.

13.27 Sec. 9. **[116X.09] STATE PLEDGE AGAINST IMPAIRMENT OF CONTRACTS.**

13.28 The state pledges and agrees with parties to any loans or other agreements or
13.29 contracts of the authority that the state will not: (1) limit or alter the rights vested in the
13.30 authority to fulfill the terms of any agreements made with the parties to any loans or other
13.31 agreements or contracts of the authority; or (2) in any way impair the rights and remedies
13.32 of the parties to any loans or other agreements or contracts of the authority. The authority
13.33 may include this pledge and agreement of the state in any agreement with the parties in
13.34 any loans or other agreements or contracts of the authority.

14.1 Sec. 10. **[116X.10] RESERVES; FUNDS; ACCOUNTS.**

14.2 The authority may establish reserves, funds, or accounts necessary to carry out the
 14.3 purposes of the authority or to comply with any agreement made by or any resolution
 14.4 passed by the authority.

14.5 Sec. 11. **[116X.11] TRANSFER.**

14.6 The unencumbered and unexpended balances as of June 30, 2012, of any funds
 14.7 appropriated for the primary purposes of promoting economic development or job
 14.8 creation activities in the state shall be transferred by July 2, 2012, by the commissioner
 14.9 of management and budget and credited to the authority as provided for under section
 14.10 116X.07.

14.11 Sec. 12. **EFFECTIVE DATE.**

14.12 This article is effective the day following final enactment.

14.13 **ARTICLE 4**

14.14 **EARLY WARNING PLANT CLOSINGS, JOB RELOCATION, MASS LAYOFFS**

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

14.17 Subd. 8. **Compliance orders.** The commissioner may issue an order requiring an
 14.18 employer to comply with section 116L.976. The department shall serve the order upon
 14.19 the employer or the employer's authorized representative in person or by certified mail
 14.20 at the employer's place of business. An employer who wishes to contest the order must
 14.21 file written notice of objection to the order with the commissioner within 15 calendar
 14.22 days after being served with the order. A contested case proceeding must then be held
 14.23 in accordance with sections 14.57 to 14.69. If, within 15 calendar days after being
 14.24 served with the order, the employer fails to file a written notice of objection with the
 14.25 commissioner, the order becomes a final order of the commissioner.

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

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

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

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

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

15.4 Subd. 10. **Employer liability.** If an employer is found by the commissioner to
15.5 have violated a section identified in subdivision 8, or any rule adopted under section
15.6 116L.976, and the commissioner issues an order to comply, the commissioner shall order
15.7 the employer to cease and desist from engaging in the violative practice and to take such
15.8 affirmative steps that in the judgment of the commissioner will effectuate the purposes
15.9 of the section or rule violated. The commissioner shall order the employer to pay to
15.10 the aggrieved parties back pay, gratuities, and compensatory treble damages, less any
15.11 amount actually paid to the employee by the employer, and an additional equal amount as
15.12 liquidated damages. Any employer who is found by the commissioner to have repeatedly
15.13 or willfully violated section 116L.976 shall be subject to a civil penalty of \$1,000 for each
15.14 violation for each employee. In determining the amount of a civil penalty under this
15.15 subdivision, the appropriateness of the penalty to the size of the employer's business and
15.16 the gravity of the violation shall be considered. In addition, the commissioner may order
15.17 the employer to reimburse the department and the attorney general for all appropriate
15.18 litigation and hearing costs expended in preparation for and in conducting the contested
15.19 case proceeding, unless payment of costs would impose extreme financial hardship
15.20 on the employer. If the employer is able to establish extreme financial hardship, the
15.21 commissioner may order the employer to pay a percentage of the total costs that will not
15.22 cause extreme financial hardship. Costs include but are not limited to the following:

15.23 (1) costs of services rendered by the attorney general, including reasonable attorney
15.24 fees;

15.25 (2) costs of services of private attorneys if engaged by the department and reasonable
15.26 attorney fees;

15.27 (3) costs of services of administrative law judges, court reporters, and expert
15.28 witnesses; and

15.29 (4) the cost of transcripts.

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

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

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

16.3 Subd. 11. **Court actions; suits brought by private parties.** An employee may
16.4 bring a civil action seeking redress for a violation or violations of section 116L.976
16.5 directly to district court. An employer who violates the requirements under section
16.6 116L.976 is liable to the employee for the full amount of the wages, gratuities, and
16.7 overtime compensation, and for an additional equal amount as liquidated damages. In
16.8 addition, in an action under this subdivision the employee may seek treble damages and
16.9 other appropriate relief provided by subdivision 10 and otherwise provided by law.

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

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

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

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

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

16.21 Subd. 13. **Attorney fees and costs.** In any action brought pursuant to subdivision
16.22 11, the court shall order an employer who is found to have committed a violation of
16.23 section 116L.976 to pay the employee's costs, disbursements, witness fees, and reasonable
16.24 attorney fees.

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

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

16.27 Subdivision 1. **Notice.** (a) ~~The commissioner shall encourage those business~~
16.28 ~~establishments~~ An employer considering a decision to effect a plant closing, substantial
16.29 layoff, or relocation of operations located in this state ~~to~~ shall give 60 days' notice of
16.30 that decision ~~as early as possible~~ to the commissioner, the employees of the affected
16.31 establishment, any employee organization representing the employees, and the local
16.32 government unit in which the affected establishment is located. This notice shall be in

17.1 addition to any notice required under the Worker Adjustment and Retraining Notification
 17.2 Act, United States Code, title 29, section 2101. All exemptions provided by United States
 17.3 Code, title 29, sections 2101 to 2109, under the Worker Adjustment and Retraining
 17.4 Notification Act, shall be recognized and enforced under this provision.

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

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

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

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

17.15 (1) violates the provisions of this section;

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

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

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

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

17.24 ARTICLE 5

17.25 HEALTHY FAMILIES, HEALTHY WORKPLACES

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

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

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

17.31 (b) "Child" means biological child, adopted or foster child, stepchild or legal ward,
 17.32 or a child to whom the employee stands in loco parentis who is under the age of 18 years

18.1 or who is 18 years of age or older but incapable of self care or earning a living due to a
18.2 physical or mental disability or incapacity.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20.5 (1) an employee's mental or physical illness, injury, or health condition; medical
 20.6 diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or
 20.7 preventive medical care;

20.8 (2) care of a spouse, child, parent, grandparent, or extended family member with a
 20.9 mental or physical illness, injury, or health condition who needs medical diagnosis, care,
 20.10 or treatment of a mental or physical illness, injury, or health condition, or who needs
 20.11 preventive medical care; and

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

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

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

20.17 (iii) obtain psychological or other counseling;

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

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

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

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

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

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

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

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

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

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

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

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

21.14 Subd. 7. **Confidentiality and nondisclosure.** If an employer possesses health
21.15 information or information pertaining to domestic abuse about an employee or employee's
21.16 child, parent, spouse, extended family member, or other individual described in subdivision
21.17 4, paragraph (a), clause (2), the information shall be treated as confidential and not
21.18 disclosed except to the affected employee or with the permission of the affected employee.

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

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

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

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

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

22.1 **ARTICLE 6**

22.2 **BUSINESS SUBSIDIES DISCLOSURE**

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

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

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

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

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

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

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

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

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

22.22 (c) Within 30 days of final completion of a contract over \$25,000 covered by this
 22.23 subdivision, the head of the agency entering into the contract must submit a report to the
 22.24 commissioner who must make the report publicly available online and submit a copy to
 22.25 the Legislative Reference Library. The report must:

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

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

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

22.32 (4) specify the extent to which work under the contract was performed in Minnesota,
 22.33 was performed in the United States but outside Minnesota, or was performed outside the
 22.34 United States; and

23.1 (5) include a written performance evaluation of the work done under the contract.
 23.2 The evaluation must include an appraisal of the contractor's timeliness, quality, cost, and
 23.3 overall performance in meeting the terms and objectives of the contract. Contractors may
 23.4 request copies of evaluations prepared under this subdivision and may respond in writing.
 23.5 Contractor responses must be maintained with the contract file.

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

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

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

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

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

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

23.21 (b) A recipient must provide information regarding goals and results for two years
 23.22 after the benefit date or until the goals are met, whichever is later. If the goals are not
 23.23 met, the recipient must continue to provide information on the subsidy until the subsidy
 23.24 is repaid. The information must be filed on forms developed by the commissioner in
 23.25 cooperation with representatives of local government. Copies of the completed forms must
 23.26 be sent to the local government agency that provided the subsidy or to the commissioner if
 23.27 the grantor is a state agency. If the Iron Range Resources and Rehabilitation Board is the
 23.28 grantor, the copies must be sent to the board. The report must include:

23.29 (1) the type, public purpose, and amount of subsidies and type of district, if the
 23.30 subsidy is tax increment financing;

23.31 (2) the hourly wage of each job created with separate bands of wages;

23.32 (3) the sum of the hourly wages and cost of health insurance provided by the
 23.33 employer with separate bands of wages;

- 24.1 (4) the date the job and wage goals will be reached;
- 24.2 (5) a statement of goals identified in the subsidy agreement and an update on
- 24.3 achievement of those goals;
- 24.4 (6) the location of the recipient prior to receiving the business subsidy;
- 24.5 (7) the number of employees who ceased to be employed by the recipient when the
- 24.6 recipient relocated to become eligible for the business subsidy;
- 24.7 (8) why the recipient did not complete the project outlined in the subsidy agreement
- 24.8 at their previous location, if the recipient was previously located at another site in
- 24.9 Minnesota;
- 24.10 (9) the name and address of the parent corporation of the recipient, if any;
- 24.11 (10) a list of all financial assistance by all grantors for the project; ~~and~~
- 24.12 (11) the extent to which jobs created by the recipient under the subsidy were
- 24.13 performed in Minnesota, were performed in the United States but outside Minnesota, or
- 24.14 were performed outside the United States; and
- 24.15 (12) other information the commissioner may request.

24.16 A report must be filed no later than March 1 of each year for the previous year. The local

24.17 agency and the Iron Range Resources and Rehabilitation Board must forward copies of

24.18 the reports received by recipients to the commissioner by April 1.

24.19 (c) Financial assistance that is excluded from the definition of "business subsidy" by

24.20 section 116J.993, subdivision 3, clauses (4), (5), (8), and (16), is subject to the reporting

24.21 requirements of this subdivision, except that the report of the recipient must include

24.22 instead:

- 24.23 (1) the type, public purpose, and amount of the financial assistance, and type of
- 24.24 district if the assistance is tax increment financing;
- 24.25 (2) progress towards meeting goals stated in the assistance agreement and the public
- 24.26 purpose of the assistance;
- 24.27 (3) if the agreement includes job creation, the hourly wage of each job created with
- 24.28 separate bands of wages;
- 24.29 (4) if the agreement includes job creation, the sum of the hourly wages and cost of
- 24.30 health insurance provided by the employer with separate bands of wages;
- 24.31 (5) the location of the recipient prior to receiving the assistance; and
- 24.32 (6) other information the grantor requests.

24.33 (d) If the recipient does not submit its report, the local government agency must mail

24.34 the recipient a warning within one week of the required filing date. If, after 14 days of the

24.35 postmarked date of the warning, the recipient fails to provide a report, the recipient must

25.1 pay to the grantor a penalty of \$100 for each subsequent day until the report is filed. The
25.2 maximum penalty shall not exceed \$1,000.

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

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

25.13 If the commissioner has not received the report by April 1 from an entity required
25.14 to report, the commissioner shall issue a warning to the government agency. If the
25.15 commissioner has still not received the report by June 1 of that same year from an entity
25.16 required to report, then that government agency may not award any business subsidies
25.17 until the report has been filed.

25.18 (b) The report required under paragraph (a) is also required for financial assistance
25.19 of \$25,000 and greater that is excluded from the definition of "business subsidy" by
25.20 section 116J.993, subdivision 3, clause (1), and of \$75,000 and greater that is excluded
25.21 from the definition of "business subsidy" by section 116J.993, subdivision 3, clause (21).
25.22 The report for the financial assistance under this paragraph must be completed within one
25.23 year of the granting of the financial assistance. The report required for financial assistance
25.24 under this paragraph must include:

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

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

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

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

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

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

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

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

26.8 Sec. 6. **EFFECTIVE DATE.**

26.9 This article is effective July 1, 2013.

26.10 ARTICLE 7

26.11 WORKPLACE COMMUNICATIONS

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

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

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

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

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

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

26.25 Subd. 2. **Prohibited practice.** An employer may not refuse to hire a job applicant
26.26 or discipline or discharge an employee because the applicant or employee has received
26.27 or responded to a communication from an employee organization or labor organization.
26.28 Nor shall an employer prohibit an employee from receiving communications from an
26.29 employee organization at the employee's work location, work mailbox, in an employee
26.30 break room or meal area, or on the employee's work computer. Reasonable rules
26.31 concerning the quantity of the communications, political or other inappropriate content of
26.32 the communications, attachments to electronic communications, and appropriate nonwork
26.33 times for review of these types of communications are permitted. An employer may

27.1 discipline or discharge an employee for violations of these rules in accordance with the
 27.2 employer's personnel policies or union contract.

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

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

27.7 **ARTICLE 8**

27.8 **MINIMUM WAGE**

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

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

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

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

27.20 (b) Except as otherwise provided in sections 177.21 to 177.35, beginning January
 27.21 1, 2013, every large employer must pay each employee wages at ~~a rate of at least \$5.15~~
 27.22 ~~an hour beginning September 1, 1997, and at a~~ an hourly rate of at least \$6.15 an hour
 27.23 ~~beginning August 1, 2005~~ equal to the quotient of the amount equal to 35 percent of the
 27.24 median household income for Minnesota as calculated annually by the United States
 27.25 Census Bureau divided by 2,080, and at an hourly rate at least equal to the quotient of the
 27.26 amount equal to 50 percent of the median household income for Minnesota as calculated
 27.27 annually by the United States Census Bureau divided by 2,080 beginning January 1,
 27.28 2014. Beginning January 1, 2013, every small employer must pay each employee ~~at a~~
 27.29 ~~an hourly rate of at least \$4.90 an hour beginning January 1, 1998, and at a rate of at~~
 27.30 ~~least \$5.25 an hour beginning August 1, 2005~~ equal to 80 percent of the rate calculated
 27.31 for large employers.

27.32 (c) Notwithstanding paragraph (b), during the first 90 consecutive days of
 27.33 employment, an employer may pay an employee under the age of 20 years a wage of \$4.90
 27.34 an hour. No employer may take any action to displace any employee, including a partial

28.1 displacement through a reduction in hours, wages, or employment benefits, in order to
28.2 hire an employee at the wage authorized in this paragraph.

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

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

APPENDIX
Article locations in 12-5067

ARTICLE 1	TITLE	Page.Ln 1.14
	MINNESOTA EMPLOYMENT DEVELOPMENT INITIATIVE	
ARTICLE 2	(MEDI)	Page.Ln 1.19
ARTICLE 3	GROW MINNESOTA DEVELOPMENT AUTHORITY	Page.Ln 8.13
	EARLY WARNING PLANT CLOSINGS, JOB RELOCATION,	
ARTICLE 4	MASS LAYOFFS	Page.Ln 14.13
ARTICLE 5	HEALTHY FAMILIES, HEALTHY WORKPLACES	Page.Ln 17.24
ARTICLE 6	BUSINESS SUBSIDIES DISCLOSURE	Page.Ln 22.1
ARTICLE 7	WORKPLACE COMMUNICATIONS	Page.Ln 26.10
ARTICLE 8	MINIMUM WAGE	Page.Ln 27.7