

Economic Security

CHAPTER 268

DEPARTMENT OF ECONOMIC SECURITY

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268.001 CITATION; ECONOMIC SECURITY LAW.

This chapter shall be known and may be cited as the "Minnesota Economic Security Law."

History: 1987 c 385 s 47; 1994 c 483 s 1

268.01 [Repealed, 1965 c 45 s 73]

268.011 [Repealed, 1Sp1985 c 14 art 9 s 78 subd 1]

268.0111 DEFINITIONS.

Subdivision 1. **Applicability.** The definitions in this section apply to this chapter.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of economic security.

Subd. 3. [Repealed, 1987 c 403 art 2 s 164]

Subd. 3a. **Department.** "Department" means the department of economic security.

Subd. 4. **Employment and training services.** "Employment and training services" means programs, activities, and services related to job training, job placement, and job creation including job service programs, Job Training Partnership Act programs, wage subsidies, work readiness programs, job search, counseling, case management, community work experience programs, displaced homemaker programs, disadvantaged job training programs, grant diversion, employment experience programs, youth employment programs, conservation corps, apprenticeship programs, community investment programs, community development corporations, economic development programs, and opportunities industrialization centers.

Subd. 4a. **Homeless individual.** "Homeless individual," or "homeless person" means:

- (1) an individual who lacks a fixed, regular, and adequate nighttime residence; and
- (2) an individual who has a primary nighttime residence that is:
 - (i) a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations,
 - (ii) an institution that provides a temporary residence for individuals intended to be institutionalized, or
 - (iii) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for humans.

The term "homeless individual" does not include any individual imprisoned or otherwise detained pursuant to federal or state law.

Subd. 5. **Income maintenance and support services.** "Income maintenance and support services" means programs through which the state or its subdivisions provide direct financial or in-kind support to unemployed or underemployed persons, including unemployment benefits, the Minnesota family investment program, general assistance, food stamps, energy assistance, disability determinations, and child care. Income maintenance and support services do not include medical assistance, aging services, social services, community social services, mental health services, or services for the emotionally disturbed, the mentally retarded, or residents of nursing homes.

Subd. 5a. **Indian tribe.** For purposes of employment and training services, "Indian tribe" means a tribe, band, nation, or other organized group or community of Indians that is recognized as eligible for the special programs and services provided by the

United States to Indians because of their status as Indians, and for which a reservation exists as is consistent with Public Law Number 100-485, as amended.

Subd. 6. **Local service unit.** "Local service unit" means a county, counties operating under a joint powers agreement, one or more counties and one or more cities of the first class operating under a joint powers agreement, or a city of the first class.

Subd. 7. **Public assistance.** "Public assistance" means the Minnesota family investment program and general assistance.

Subd. 8. **Service provider.** "Service provider" means a public, private, or nonprofit agency that is capable of providing or administering one or more of the employment and training services or income maintenance and support services.

Subd. 9. **Wage subsidies.** "Wage subsidies" means issuing of payments to employers to offset the costs of wages, fringe benefits, and training for eligible employees under the limitations established in sections 268.672 to 268.682, and may be referred to as Minnesota employment and economic development (MEED) wage subsidies.

History: 1Sp1985 c 14 art 9 s 38; 1987 c 403 art 2 s 128; 1988 c 689 art 2 s 219; 1989 c 282 art 5 s 121,122; 1990 c 568 art 4 s 61; 1994 c 483 s 1; 1994 c 488 s 8; 1997 c 66 s 1; 1997 c 85 art 4 s 24,25; 1999 c 107 s 66; 1999 c 159 s 117,118; 2000 c 343 s 4

268.012 [Repealed, 1Sp1985 c 14 art 9 s 78 subd 1]

268.0121 CREATION.

Subdivision 1. **Purpose.** The department of economic security has broad responsibility to increase the economic independence of Minnesotans with special effort toward those who are currently unemployed or who face special disadvantages in the labor market. The department shall develop employment policies and link training and employment-related services with temporary income replacement and income maintenance programs, veterans' programs, workers' compensation, vocational and post-secondary education, federal income insurance programs, and economic development programs.

Subd. 2. **Commissioner.** The governor shall appoint the commissioner of economic security with the advice and consent of the senate.

Subd. 3. **Unclassified positions.** The commissioner may establish positions in the unclassified service in accordance with section 43A.08. The commissioner may appoint and define the duties of other subordinate officers and employees as the commissioner deems necessary to discharge the functions of the department.

The commissioner may establish the position of director of the state job training office in the unclassified service.

Subd. 4. **Delegation of powers.** The commissioner may delegate, in written orders filed with the secretary of state, any powers or duties subject to the commissioner's control to officers and employees in the department. Notwithstanding any other law, the commissioner may delegate the execution of specific contracts or specific types of contracts to the commissioner's deputies, an assistant commissioner, or a program director if the delegation has been approved by the commissioner of administration and filed with the secretary of state.

Subd. 5. **Receipt of gifts, money.** The commissioner may accept gifts, bequests, grants, payments for services, and other public and private money to help finance the activities of the department.

History: 1Sp1985 c 14 art 9 s 39; 1990 c 571 s 42; 1990 c 589 art 1 s 2; 1994 c 483 s 1

268.0122 POWERS AND DUTIES.

Subdivision 1. **State agency.** The commissioner of economic security is designated the "state agency" as defined by United States Code, title 29, section 49c, the Wagner-Peyser Act, as amended through December 31, 1984.

Subd. 2. **Specific powers.** The commissioner of economic security shall:

- (1) administer and supervise all forms of unemployment benefits provided for under federal and state laws that are vested in the commissioner, including make investigations and audits, secure and transmit information, and make available services and facilities as the commissioner considers necessary or appropriate to facilitate the administration of any other states, or the federal Economic Security Law, and accept and use information, services, and facilities made available by other states or the federal government;
- (2) administer and supervise all employment and training services assigned to the department under federal or state law;
- (3) review and comment on local service unit plans and community investment program plans and approve or disapprove the plans;
- (4) establish and maintain administrative units necessary to perform administrative functions common to all divisions of the department;
- (5) supervise the county boards of commissioners, local service units, and any other units of government designated in federal or state law as responsible for employment and training programs;
- (6) establish administrative standards and payment conditions for providers of employment and training services;
- (7) act as the agent of, and cooperate with, the federal government in matters of mutual concern, including the administration of any federal funds granted to the state to aid in the performance of functions of the commissioner;
- (8) obtain reports from local service units and service providers for the purpose of evaluating the performance of employment and training services; and
- (9) review and comment on plans for Indian tribe employment and training services and approve or disapprove the plans.

Subd. 3. **Duties as state agency.** The commissioner shall:

- (1) administer the unemployment insurance program and related programs;
- (2) administer the aspects of the Minnesota family investment program, general assistance, and food stamps that relate to employment and training services, subject to the contract under section 268.86, subdivision 2;
- (3) administer wage subsidies and the discretionary employment and training fund;
- (4) administer a national system of public employment offices as prescribed by United States Code, title 29, chapter 4B, the Wagner-Peyser Act, and other federal employment and training programs;
- (5) cooperate with the federal government and its employment and training agencies in any reasonable manner as necessary to qualify for federal aid for employment and training services and money;
- (6) enter into agreements with other departments of the state and local units of government as necessary;
- (7) certify employment and training service providers and decertify service providers that fail to comply with performance criteria according to standards established by the commissioner;
- (8) provide consistent, integrated employment and training services across the state;
- (9) establish the standards for all employment and training services administered under this chapter;
- (10) develop standards for the contents and structure of the local service unit plans and plans for Indian tribe employment and training services;
- (11) provide current state and substate labor market information and forecasts, in cooperation with other agencies;

(12) identify underserved populations, unmet service needs, and funding requirements;

(13) consult with the council for the blind on matters pertaining to programs and services for the blind and visually impaired; and

(14) enter into agreements with Indian tribes as necessary to provide employment and training services as funds become available.

Subd. 4. Demonstration projects. The commissioner may conduct and administer demonstration projects to test methods and procedures for providing employment and training services. The demonstration must provide new methods and procedures of administration and must not conflict with the basic purposes, coverage, or benefits provided by law. No demonstration project authorized by this section is effective until any required approval by a federal agency is obtained and the comprehensive plan, including the estimated project costs, is filed with the commissioner of administration.

Subd. 5. Rulemaking. (a) The commissioner may make rules to carry out this chapter.

(b) Effective July 1, 1997, the commissioner may make rules to carry out section 256J.51.

Subd. 6. Mission; efficiency. It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

(1) prevent the waste or unnecessary spending of public money;

(2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;

(3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;

(4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;

(5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;

(6) report to the legislature on the performance of agency operations and the accomplishment of agency goals in the agency's biennial budget according to section 16A.10, subdivision 1; and

(7) recommend to the legislature appropriate changes in law necessary to carry out the mission and improve the performance of the department.

Subd. 7. Classification of data on individuals. Data collected on individuals pursuant to a program operated by the commissioner are private data on individuals as defined in section 13.02, subdivision 12, unless more restrictively classified by law.

History: *1Sp1985 c 14 art 9 s 40; 1987 c 403 art 2 s 129,130; art 3 s 50; 1989 c 282 art 5 s 123,124; 1994 c 483 s 1; 1995 c 248 art 11 s 19; 1995 c 259 art 1 s 40; 1996 c 339 s 2,3; 1997 c 7 art 5 s 34; 1997 c 66 s 80; 1997 c 85 art 4 s 26; 1997 c 245 art 4 s 6; 1998 c 265 s 2; 1998 c 366 s 65; 1999 c 107 s 66; 1999 c 159 s 119; 2000 c 343 s 4*

268.0124 PLAIN LANGUAGE IN WRITTEN MATERIALS.

(a) To the extent reasonable and consistent with the goals of providing easily understandable and readable materials and complying with federal and state laws governing the programs, all written materials relating to services and determinations of eligibility for or amounts of benefits that will be given to applicants for or recipients of assistance under a program administered or supervised by the commissioner of economic security must be understandable to a person of average intelligence and education.

(b) All written materials relating to determinations of eligibility for or amounts of benefits that will be given to applicants for or recipients of assistance under programs administered or supervised by the commissioner of economic security must be devel-

oped to satisfy the plain language requirements of the Plain Language Contract Act under sections 325G.29 to 325G.36. Materials may be submitted to the attorney general for review and certification. Notwithstanding section 325G.35, subdivision 1, the attorney general shall review submitted materials to determine whether they comply with the requirements of section 325G.31. The remedies available pursuant to sections 8.31 and 325G.33 to 325G.36 do not apply to these materials. Failure to comply with this section does not provide a basis for suspending the implementation or operation of other laws governing programs administered by the commissioner.

(c) The requirements of this section apply to all materials modified or developed by the commissioner on or after July 1, 1988. The requirements of this section do not apply to materials that must be submitted to a federal agency for approval, to the extent that application of the requirements prevents federal approval.

(d) Nothing in this section may be construed to prohibit a lawsuit brought to require the commissioner to comply with this section.

History: 1988 c 689 art 2 s 220; 1994 c 483 s 1; 1995 c 259 art 1 s 41; 1996 c 339 s 4; 1997 c 7 art 1 s 104

268.0125 ANNUAL REPORT TO LEGISLATURE.

The commissioner shall provide to the legislature no later than January 15 of each year a report of department programs and services. The report must include:

- (1) a description of the department's programs and services;
- (2) the number of clients served by each program or service;
- (3) an evaluation of each program or service; and
- (4) recommendations for changes or improvements to the programs or services.

History: 1996 c 339 s 5

268.013 [Repealed, 1Sp1985 c 14 art 9 s 78 subd 1]

268.014 COOPERATION WITH OTHER STATE AGENCIES.

To effectively coordinate job training and placement services with future job needs of the state the commissioner shall maintain close liaison, coordination and cooperation with the commissioner of trade and economic development and any other state agency involved in employment issues affecting the state.

History: 1977 c 430 s 13; 1981 c 356 s 186; 1983 c 289 s 115 subd 1; 1987 c 312 art 1 s 26 subd 2

268.02 [Repealed, 1965 c 45 s 73]

268.021 [Repealed, 1999 c 107 s 67]

268.022 WORKFORCE DEVELOPMENT FUND.

Subdivision 1. **Determination and collection of special assessment.** (a) In addition to all other taxes, assessments, and payment obligations under chapter 268, each employer, except an employer making payments in lieu of taxes is liable for a special assessment levied at the rate of one-tenth of one percent per year until June 30, 2000, and seven-hundredths of one percent per year on and after July 1, 2000, on all taxable wages, as defined in section 268.04, subdivision 25b. The assessment shall become due and be paid by each employer to the department on the same schedule and in the same manner as other taxes.

(b) The special assessment levied under this section shall not affect the computation of any other taxes, assessments, or payment obligations due under this chapter.

Subd. 2. **Disbursement of special assessment funds.** (a) The money collected under this section shall be deposited in the state treasury and credited to the workforce development fund to provide for employment and training programs. The workforce development fund is created as a special account in the state treasury.

(b) All money in the fund not otherwise appropriated or transferred is appropriated to the commissioner who must act as the fiscal agent for the money and must disburse that money for the purposes of this section, not allowing the money to be used for any other obligation of the state. All money in the workforce development fund shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as are provided by law for the other special accounts in the state treasury, except that all interest or net income resulting from the investment or deposit of money in the fund shall accrue to the fund for the purposes of the fund.

(c) No more than five percent of the funds collected in each fiscal year may be used by the department of economic security for its administrative costs.

(d) Reimbursement for costs related to collection of the special assessment shall be in an amount negotiated between the commissioner and the United States Department of Labor.

(e) The funds appropriated to the commissioner, less amounts under paragraphs (c) and (d) shall be allocated as follows:

(1) 40 percent to be allocated annually to substate grantees for provision of expeditious response activities under section 268.9771 and worker adjustment services under section 268.9781; and

(2) 60 percent to be allocated to activities and programs authorized under sections 268.975 to 268.98.

(f) Any funds not allocated, obligated, or expended in a fiscal year shall be available for allocation, obligation, and expenditure in the following fiscal year.

History: 1990 c 568 art 6 s 1,4; 1990 c 612 s 17; 1991 c 292 art 3 s 33,41; 1993 c 369 s 78,79; 1994 c 483 s 1; 1997 c 66 s 2,80; 1999 c 223 art 3 s 3

268.025 [Repealed, 1965 c 45 s 73]

268.026 [Repealed, 1997 c 66 s 81]

268.027 DEPARTMENT OF ECONOMIC SECURITY; MINNEAPOLIS LOCATION; RIGHT OF EMINENT DOMAIN.

Notwithstanding section 16B.24 or chapter 94, the commissioner of administration, in consultation with the commissioner of economic security, is authorized to buy and sell real property in Minneapolis and the greater Minneapolis area for the purpose of relocating department offices to locations more accessible to the residents of Minneapolis and colocating with other social service agencies.

Property acquired under authority of this section may be acquired by gift, purchase, or condemnation proceedings. Condemnation proceedings must be done under chapter 117. Condemnation proceedings authorized by this section may be used to acquire property at only one proposed office site.

History: 1988 c 641 s 5; 1989 c 300 art 1 s 32; 1994 c 483 s 1; 1998 c 254 art 1 s 72

268.028 ALIEN LABOR CERTIFICATION; PERFORMANCE STANDARDS.

The department of economic security shall have as a goal to process completed applications for certification for permanent alien laborers within 60 days of receipt of the completed application.

History: 2000 c 488 art 2 s 16

268.03 DECLARATION OF PUBLIC POLICY.

Subdivision 1. **Statement.** The public policy underlying sections 268.03 to 268.23 is as follows: Economic insecurity due to involuntary unemployment is a serious threat to the well-being of the people of Minnesota. Involuntary unemployment is a subject of general interest and concern that requires appropriate action by the legislature to prevent its spread and to lighten its burdens. The public good and the well-being of the

citizens of Minnesota will be promoted by providing, under the taxing powers of the state for the compulsory setting aside of reserves to be used for the payment of unemployment benefits to individuals unemployed through no fault of their own. Unemployment benefits are a temporary partial wage replacement to assist the unemployed worker to become reemployed. This program will be known as the "Minnesota unemployment insurance program."

Subd. 2. Standard of proof. All issues of fact under sections 268.03 to 268.23 shall be determined by a preponderance of the evidence. Preponderance of the evidence means evidence in substantiation of a fact that, when weighed against the evidence opposing the fact, is more convincing and has a greater probability of truth.

History: (4337-21) *Ex1936 c 2 s 1; 1989 c 209 art 2 s 1; 1994 c 488 s 1; 1997 c 7 art 1 s 105; 1998 c 265 s 3; 1999 c 107 s 66; 2000 c 343 s 1*

268.035 DEFINITIONS.

Subdivision 1. Scope. Unless the language or context clearly indicates that a different meaning is intended, the words, terms, and phrases in this section shall, for the purposes of sections 268.03 to 268.23, have the meaning stated.

Subd. 2. Agricultural employment. "Agricultural employment" means services:

(1) on a farm, in the employ of any person or family farm corporation in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, fur-bearing animals, and wildlife;

(2) in the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of the farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a tornado-like storm, if the major part of the employment is performed on a farm;

(3) in connection with the production or harvesting of any commodity defined as an agricultural product in United States Code, title 7, section 1626 of the Agricultural Marketing Act, or in connection with cotton ginning, or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit, used exclusively for supplying and storing water for farming purposes;

(4) in the employ of the operator of a farm in handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, in its unmanufactured state, any agricultural or horticultural commodity; but only if the operator produced more than one-half of the commodity with respect to which the employment is performed, or in the employ of a group of operators of farms or a cooperative organization of which the operators are members, but only if the operators produced more than one-half of the commodity with respect to which the employment is performed; however, this clause shall not be applicable to employment performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption; or

(5) on a farm operated for profit if the employment is not in the course of the employer's trade or business.

For purposes of this subdivision, the term "farm" includes stock, dairy, poultry, fruit, fur-bearing animals, and truck farms, plantations, ranches, nurseries, orchards, ranges, greenhouses, or other similar structures used primarily for the raising of agricultural or horticultural commodities.

Subd. 3. Back pay. "Back pay" means a retroactive payment of money by an employer to an employee or former employee for lost wages as determined by an arbitration award, administrative or judicial decision, or negotiated settlement.

Subd. 4. **Base period.** "Base period" means:

(1) the first four of the last five completed calendar quarters immediately prior to the effective date of an applicant's benefit account;

(2) if during the base period under clause (1) an applicant received workers' compensation for temporary disability under chapter 176 or a similar law of the United States, or if an applicant whose own serious illness caused a loss of work for which the applicant received compensation for loss of wages from some other source, the applicant may request a base period as follows:

(i) if an applicant was compensated for a loss of work of seven to 13 weeks, the base period shall be the first four of the last six completed calendar quarters prior to the effective date of the benefit account;

(ii) if an applicant was compensated for a loss of work of 14 to 26 weeks, the base period shall be the first four of the last seven completed calendar quarters prior to the effective date of the benefit account;

(iii) if an applicant was compensated for a loss of work of 27 to 39 weeks, the base period shall be the first four of the last eight completed calendar quarters prior to the effective date of the benefit account; and

(iv) if an applicant was compensated for a loss of work of 40 to 52 weeks, the base period shall be the first four of the last nine completed calendar quarters prior to the effective date of the benefit account;

(3) if the applicant qualifies for a base period under clause (2), but has insufficient wage credits to establish a benefit account, the applicant may request a base period of the last four completed calendar quarters prior to the date the applicant's benefit account is effective. This base period may be used only once during any five-calendar-year period; and

(4) no base period under clause (1), (2), or (3) shall include wage credits upon which a prior benefit account was established.

Subd. 5. **Unemployment benefits.** "Unemployment benefits" means the money payments available to an applicant.

Subd. 6. **Benefit year.** "Benefit year" means the period of 52 calendar weeks beginning the date a benefit account is effective. For a benefit account established effective any January 1, April 1, July 1, October 1, or January 2, 2000, or October 2, 2011, the benefit year will be a period of 53 calendar weeks.

Subd. 7. **Calendar quarter.** "Calendar quarter" means the period of three consecutive calendar months ending on March 31, June 30, September 30, or December 31.

Subd. 8. **Applicant.** "Applicant" means an individual who has filed an application for unemployment benefits and has established or is pursuing the establishment of a benefit account.

Subd. 9. **Construction/independent contractor.** A worker doing commercial or residential building construction or improvement, in the public or private sector, performing services in the course of the trade, business, profession, or occupation of the employer, shall be considered an employee and not an "independent contractor" unless the worker meets all the following conditions:

(1) maintains a separate business with the independent contractor's own office, equipment, materials, and other facilities;

(2) holds or has applied for a federal employer identification number;

(3) operates under contracts to perform specific services or work for specific amounts of money under which the independent contractor controls the means of performing the services or work;

(4) incurs the main expenses related to the service or work that the independent contractor performs under contract;

(5) is responsible for the satisfactory completion of work or services that the independent contractor contracts to perform and is liable for a failure to complete the work or service;

(6) receives compensation for work or service performed under a contract on a commission or per job or competitive bid basis and not on any other basis;

(7) may realize a profit or suffer a loss under contracts to perform work or service;

(8) has continuing or recurring business liabilities or obligations; and

(9) the success or failure of the independent contractor's business depends on the relationship of business receipts to expenditures.

Subd. 10. Corporation. "Corporation" includes associations, joint-stock companies, and insurance companies. This definition shall not be exclusive.

Subd. 11. Covered agricultural employment. "Covered agricultural employment" means agricultural employment where:

(1) The employment is performed for a person who:

(i) during any calendar quarter in either the current or the prior calendar year paid wages of \$20,000 or more to employees in agricultural employment; or

(ii) for some portion of a day in each of 20 different calendar weeks, whether or not the weeks were consecutive, in either the current or prior calendar year employed in agricultural employment four or more employees, regardless of whether they were employed at the same time.

(2) Any employee who is a member of a crew furnished by a crew leader to be employed in agricultural employment for any other person shall be treated as an employee of the crew leader:

(i) if the crew leader holds a valid certificate of registration under United States Code, title 29, section 1802, the Migrant and Seasonal Agricultural Worker Protection Act; or substantially all of the members of the crew operate or maintain tractors, mechanized harvesting or crop dusting equipment, or any other mechanized equipment, that is provided by the crew leader; and

(ii) if the employee is not an employee of another person.

(3) Any employee who is furnished by a crew leader to be employed in agricultural employment for any other person and who is not treated as an employee of the crew leader under clause (2):

(i) the other person and not the crew leader shall be treated as the employer of the employee; and

(ii) the other person shall be treated as having paid wages to the employee in an amount equal to the amount of wages paid to the employee by the crew leader (either on the crew leader's behalf or on behalf of the other person) for the agricultural employment performed for the other person.

(4) The term "crew leader" means an individual who:

(i) furnishes employees to be employed in agricultural employment for any other person;

(ii) pays (either on the crew leader's own behalf or on behalf of the other person) the employees furnished by the crew leader for the agricultural employment performed by them; and

(iii) has not entered into a written agreement with the other person under which the furnished employee is designated as an employee of the other person.

(5) Employment of an officer or shareholder of a family farm corporation shall be excluded from covered agricultural employment unless the corporation is an employer under United States Code, title 26, section 3306(a)(2) of the Federal Unemployment Tax Act.

(6) Employment of an individual 16 years of age or under shall be excluded from covered agricultural employment unless the employer is an employer under United States Code, title 26, section 3306(a)(2) of the Federal Unemployment Tax Act.

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

(1) an employee's entire employment if:

(i) the employment is performed entirely in Minnesota;

(ii) the employment is performed primarily in Minnesota, and the employment performed outside Minnesota is incidental to the employment in Minnesota; or

(iii) the employment is not performed primarily in any one state but some of the employment is performed in Minnesota and the base of operations or the place from which the employment is directed or controlled is in Minnesota; or the base of operations or place from which the employment is directed or controlled is not in any state in which part of the employment is performed, but the employee's residence is in Minnesota;

(2) an employee's employment wherever performed within the United States or Canada, if:

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

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

(3) the employment of an employee who is a citizen of the United States, performed outside the United States, except in Canada, in the employ of an American employer if:

(i) the employer's principal place of business in the United States is located in Minnesota;

(ii) the employer has no place of business in the United States, but the employer is an individual who is a resident of Minnesota, or the employer is a corporation that is organized under the laws of Minnesota, or the employer is a partnership or a trust and the number of partners or trustees who are residents of Minnesota is greater than the number who are residents of any one other state;

(iii) none of the criteria of subclauses (i) and (ii) is met but the employer has elected coverage in Minnesota, or the employer having failed to elect coverage in any state, an applicant has made an application for unemployment benefits under section 268.07, based on the employment;

(iv) an "American employer," for the purposes of this subdivision, means an individual who is a resident of the United States, or a partnership if two-thirds or more of the partners are residents of the United States, or a trust, if all of the trustees are residents of the United States, or a corporation organized under the laws of the United States, or of any state; or

(v) as used in this subdivision, the term "United States" includes the states, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands;

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

(5) for the purposes of satisfying disqualifications under section 268.095, subdivision 10, "covered employment" shall include covered employment under an unemployment insurance program of any other state or employment covered under an unemployment insurance program established by an act of Congress.

Subd. 13. **Employee.** "Employee" means every individual, who is performing, or has performed services for an employer in employment.

* Subd. 14. **Employer.** "Employer" means any of the following which has had one or more employees during the current or the prior calendar year:

(1) any individual or type of organization, resident or nonresident, for profit or nonprofit, religious, charitable, or educational, including any partnership, limited liability company, trust, estate, or corporation, domestic or foreign, or the receiver, trustee in bankruptcy, trustee or successor of any of the foregoing, or the legal representative of a deceased person;

(2) any government entity, state or federal, foreign or domestic, Indian tribe, including any subdivision thereof and any instrumentality thereof owned wholly or in part;

(3) any organization or person that has elected, under section 268.042, to be subject to sections 268.03 to 268.23;

(4) a joint venture composed of one or more employers;

(5) any nonprofit organization or government agency providing or authorizing the hiring of homeworkers, personal care attendants, or other individuals performing similar services in a private home is the employer of the homemaker, attendant, or similar worker whether the organization or agency pays the employee directly or provides funds to the recipient of the services to pay for the services. This clause does not apply to the state of Minnesota or any county that provides federal, state, or local funds to a child care provider either directly or indirectly through a parent who is a child care assistance recipient; or

(6) each individual employed to perform or assist in performing the work of any agent or employee shall be considered to be employed by that employer whether the individual was hired or paid directly by that employer or by the agent or employee, provided the employer had actual or constructive knowledge of the work.

Subd. 15. **Employment.** "Employment" means service performed by:

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

(2) an officer of a corporation;

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

(4) an individual who performs services for a person for compensation, as:

(i) an agent-driver or commission-driver engaged in distributing meat products, vegetable products, fruit products, beverages, or laundry or dry cleaning services; or

(ii) a traveling or city salesperson, other than as an agent-driver or commission-driver, engaged full-time in the solicitation on behalf of the person, of orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments for merchandise for resale or supplies for use in their business operations.

This clause shall apply only if the contract of service provides that substantially all of the services are to be performed personally by the individual, and the services are part of a continuing relationship with the person for whom the services are performed, and the individual does not have a substantial investment in facilities used in connection with the performance of the services, other than facilities for transportation.

Subd. 16. **Family farm corporation.** "Family farm corporation" has the meaning given to it in section 500.24, subdivision 2.

Subd. 17. **Filing; filed.** "Filing" or "filed" means the delivery of any document to the commissioner or any of the commissioner's agents, or the depositing of the document in the United States mail properly addressed to the department with postage prepaid, in which case the document shall be considered filed on the day indicated by the cancellation mark of the United States Postal Service.

If, where allowed, an application, protest, appeal, or other required action is made by telephone or electronic transmission, it shall be considered filed on the day received by the department.

Subd. 18. **Fund.** "Fund" means the Minnesota unemployment insurance program trust fund established by section 268.194.

Subd. 19. **High quarter.** "High quarter" means the calendar quarter in an applicant's base period with the highest amount of wage credits.

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

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

(2) employment for an Indian, an Indian-controlled employer, and Indian tribe, or any wholly controlled subsidiaries or subdivisions, if the employment is performed on an Indian reservation or Indian Trust Land;

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

(4) employment for a foreign government;

(5) employment for an instrumentality wholly owned by a foreign government, if the employment is of a character similar to that performed in foreign countries by employees of the United States government or an instrumentality thereof and the United States Secretary of State has certified that the foreign government grants an equivalent exemption to similar employment performed in the foreign country by employees of the United States government and instrumentalities thereof;

(6) employment covered under United States Code, title 45, section 351, the Railroad Unemployment Insurance Act;

(7) employment covered by a reciprocal arrangement between the commissioner and another state or the federal government which provides that all employment performed by an individual for an employer during the period covered by the reciprocal arrangement is considered performed entirely within another state;

(8) employment for a church or convention or association of churches, or an organization operated primarily for religious purposes that is operated, supervised, controlled, or principally supported by a church or convention or association of churches described in United States Code, title 26, section 501(c)(3) of the federal Internal Revenue Code and exempt from income tax under section 501(a);

(9) employment of a duly ordained or licensed minister of a church in the exercise of a ministry or by a member of a religious order in the exercise of duties required by the order, for Minnesota or a political subdivision or an organization described in United States Code, title 26, section 501(c)(3) of the federal Internal Revenue Code and exempt from income tax under section 501(a);

(10) employment of an individual receiving rehabilitation of "sheltered" work in a facility conducted for the purpose of carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury or a program providing "sheltered" work for individuals who because of an impaired physical or mental capacity cannot be readily absorbed in the competitive labor market. This clause applies only to services performed for Minnesota or a political subdivision or an organization described in United States Code, title 26, section 501(c)(3) of the federal Internal Revenue Code and exempt from income tax under section 501(a) in a facility certified by the rehabilitation services branch of the department or in a day training or habilitation program licensed by the department of human services;

(11) employment of an individual receiving work relief or work training as part of an unemployment work relief or work training program assisted or financed in whole or in part by any federal agency or an agency of a state or political subdivision thereof. This clause applies only to employment for Minnesota or a political subdivision or an organization described in United States Code, title 26, section 501(c)(3) of the federal

Internal Revenue Code and exempt from income tax under section 501(a). This clause shall not apply to programs that require unemployment benefit coverage for the participants;

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

(13) employment as a member of the Minnesota national guard or air national guard;

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

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

(16) employment for Minnesota that is a major policy making or advisory position in the unclassified service, including those positions established pursuant to section 43A.08, subdivision 1a;

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

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

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

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

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

(21) employment for a school, college, or university by a student who is enrolled and is regularly attending classes at the school, college, or university;

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

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

(24) employment for a hospital by a patient of the hospital. “Hospital” means an institution that has been licensed by the department of health as a hospital;

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

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

(27) employment as an insurance salesperson, by other than a corporate officer, if all the compensation for the employment is solely by way of commission. The word “insurance” shall include an annuity and an optional annuity;

(28) employment as an officer of a township mutual insurance company or farmer's mutual insurance company operating pursuant to chapter 67A;

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

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

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

(32) casual employment performed for an individual, other than domestic employment under clause (18), that does not promote or advance that employer's trade or business;

(33) employment in "agricultural employment" unless considered "covered agricultural employment" under subdivision 11; or

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

Subd. 21. **Person.** "Person" means an individual, trust or estate, a partnership or a corporation.

Subd. 21a. **Reemployment assistance training.** (a) An applicant is in "reemployment assistance training" when:

(1) reasonable and suitable employment for the applicant does not exist in the labor market area and it is necessary that the applicant receive training in order to obtain suitable employment;

(2) the curriculum, facilities, staff, and other essentials are adequate to achieve the training objective;

(3) the training is vocational in nature or short term academic training vocationally directed to an occupation or skill for which there are reasonable employment opportunities available to the applicant;

(4) the training course is considered full time by the training provider; and

(5) the applicant is making satisfactory progress in the training.

(b) Full-time training provided through the dislocated worker program, the Trade Act of 1974, as amended, or the North American Free Trade Agreement shall be considered "reemployment assistance training," if that training course is in accordance with the requirements of that program.

(c) An applicant will be considered in reemployment assistance training only if the training course has actually started or is scheduled to start within 30 calendar days.

Subd. 22. **State.** "State" includes, in addition to the states of the United States, the Commonwealth of Puerto Rico, the District of Columbia, and the Virgin Islands.

Subd. 23. **State's average annual and average weekly wage.** (a) On or before June 30 of each year, the commissioner shall calculate the state's average annual wage and the state's average weekly wage in the following manner:

(1) The sum of the total monthly covered employment reported by all employers for the prior calendar year shall be divided by 12 to calculate the average monthly covered employment.

(2) The sum of the total wages paid for all covered employment reported by all employers for the prior calendar year shall be divided by the average monthly covered employment to calculate the state's average annual wage.

(3) The state's average annual wage shall be divided by 52 to calculate the state's average weekly wage.

(b) For purposes of calculating the amount of taxable wages, the state's average annual wage shall apply to the calendar year following the calculation.

(c) For purposes of calculating the state's maximum weekly unemployment benefit amount payable on any benefit account, the state's average weekly wage shall apply to the 12-month period beginning August 1 of the calendar year of the calculation.

Subd. 23a. Suitable employment. (a) Suitable employment means employment in the applicant's labor market area that is reasonably related to the applicant's qualifications. In determining whether any employment is suitable for an applicant, the degree of risk involved to the health and safety, physical fitness, prior training, experience, length of unemployment, prospects for securing employment in the applicant's customary occupation, and the distance of the employment from the applicant's residence shall be considered.

(b) In determining what is suitable employment, primary consideration shall be given to the temporary or permanent nature of the applicant's separation from employment and whether the applicant has favorable prospects of finding employment in the applicant's usual or customary occupation at the applicant's past wage level within a reasonable period of time.

If prospects are unfavorable, employment at lower skill or wage levels is suitable if the applicant is reasonably suited for the employment because of education, training, work experience, or ability.

The total compensation must be considered, including the wage rate, hours of employment, method of payment, overtime practices, bonuses, incentive payments, and fringe benefits.

(c) When potential employment is at a rate of pay lower than the applicant's former rate, consideration must be given to the length of the applicant's unemployment and the proportion of difference in the rates. Employment that may not be suitable because of lower wages during the early weeks of the applicant's unemployment may become suitable as the duration of unemployment lengthens.

(d) For an applicant seasonally unemployed, suitable employment includes temporary work in a lower skilled occupation that pays average gross weekly wages equal to or more than 150 percent of the applicant's weekly unemployment benefit amount.

(e) If a majority of the applicant's wage credits were earned from part-time employment, part-time employment in a position with comparable skills and comparable hours that pays average gross weekly wages equal to or more than 150 percent of the applicant's weekly unemployment benefit amount shall be considered suitable employment.

(f) To determine suitability of employment in terms of shifts, the arrangement of hours in addition to the total number of hours is to be considered. Employment on a second, third, rotating, or split shift is suitable employment if it is customary in the occupation in the labor market area.

(g) Employment shall not be considered suitable if:

- (1) the position offered is vacant because of a labor dispute;
- (2) the wages, hours, or other conditions of employment are substantially less favorable than those prevailing for similar employment in the labor market area; or
- (3) as a condition of becoming employed, the applicant would be required to join a company union or to resign from or refrain from joining any bona fide labor organization.

Subd. 24. Taxable wages. (a) "Taxable wages" means those wages paid to an employee in covered employment each calendar year up to an amount equal to 60 percent of the state's average annual wage, rounded to the nearest \$1,000.

(b) Taxable wages includes the amount of wages paid for covered employment by the employer's predecessor when there has been an experience rating record transfer under section 268.051, subdivision 4.

Subd. 25. **Taxes.** "Taxes" means the money payments required by sections 268.03 to 268.23 to be paid into the fund by an employer on account of paying wages to employees in covered employment.

Subd. 26. **Unemployed.** An applicant shall be considered "unemployed": (1) in any week that the applicant performs no service in employment, covered employment, noncovered employment, self-employment, or volunteer work, and with respect to which the applicant has no earnings; or (2) in any week of less than 32 hours of service in employment, covered employment, noncovered employment, self-employment, or volunteer work if the earnings with respect to that week are less than the applicant's weekly unemployment benefit amount.

Subd. 27. **Wage credits.** "Wage credits" mean the amount of wages paid within an applicant's base period for covered employment.

Subd. 28. **Wage detail report.** "Wage detail report" means the report of wages paid and hours worked by each employee in covered employment on a calendar quarter basis. An auxiliary report broken down by business locations, when required by the commissioner, shall contain the number of employees in covered employment for each month, and the quarterly total wages for each location. The auxiliary report may be made part of the wage detail report, the tax report, or filed separately, as required by the commissioner.

Subd. 29. **Wages.** "Wages" means all compensation for services, including commissions; bonuses; severance payments; vacation and holiday pay; back pay as of the date of payment; tips and gratuities paid to an employee by a customer of an employer and accounted for by the employee to the employer; sickness and accident disability payments, except as otherwise provided in this subdivision; and the cash value of all compensation in any medium other than cash, except:

(1) the amount of any payment made to, or on behalf of, an employee under a plan established by an employer that makes provision for employees generally or for a class or classes of employees, including any amount paid by an employer for insurance or annuities, or into a plan, to provide for a payment, on account of (i) retirement or (ii) medical and hospitalization expenses in connection with sickness or accident disability, or (iii) death;

(2) the payment by an employer of the tax imposed upon an employee under United States Code, title 26, section 3101 of the Federal Insurance Contribution Act, with respect to compensation paid to an employee for domestic service in a private household of the employer or for agricultural employment;

(3) any payment made to, or on behalf of, an employee or beneficiary (i) from or to a trust described in United States Code, title 26, section 401(a) of the federal Internal Revenue Code, that is exempt from tax under section 501(a) at the time of the payment unless the payment is made to an employee of the trust as compensation for services as an employee and not as a beneficiary of the trust, or (ii) under or to an annuity plan that, at the time of the payment, is a plan described in section 403(a);

(4) sickness or accident disability payments made by the employer after the expiration of six calendar months following the last calendar month that the individual worked for the employer;

(5) disability payments made under the provisions of any workers' compensation law;

(6) sickness or accident disability payments made by a third party payer such as an insurance company;

(7) payments made into a fund, or for the purchase of insurance or an annuity, to provide for sickness or accident disability payments to employees pursuant to a plan or

system established by the employer that provides for the employer's employees generally or for a class or classes of employees; or

(8) nothing in this subdivision shall exclude from the term "wages" any payment made under any type of salary reduction agreement, including payments made under a cash or deferred arrangement and cafeteria plan, as defined in United States Code, title 26, sections 401(k) and 125 of the federal Internal Revenue Code, to the extent that the employee has the option to receive the payment in cash.

Subd. 30. **Wages paid.** (a) "Wages paid" means the amount of wages that have been actually paid or that have been credited to or set apart so that payment and disposition is under the control of the employee. Wage payments delayed beyond the regularly scheduled pay date are considered "wages paid" on the missed pay date. Back pay shall be considered "wages paid" on the date of actual payment. Any wages earned but not paid with no scheduled date of payment shall be considered "wages paid" on the last day of employment.

(b) Wages paid shall not include wages earned but not paid except as provided for in this subdivision.

Subd. 31. **Week.** "Week" means calendar week, ending at midnight Saturday.

Subd. 32. **Weekly unemployment benefit amount.** "Weekly unemployment benefit amount" means the amount of unemployment benefits computed under section 268.07, subdivision 2, paragraph (b).

History: 1998 c 265 s 4; 1999 c 107 s 2-15,66; 2000 c 343 s 4

268.04 [Repealed, 1998 c 265 s 46]

268.041 [Renumbered 268.043]

268.042 EMPLOYERS COVERAGE.

Subdivision 1. **Employer for part of year.** Except as provided in subdivision 3, any organization or person that is or becomes an employer subject to sections 268.03 to 268.23 within any calendar year shall be considered to be an employer during the entire calendar year.

Subd. 2. [Repealed, 1998 c 265 s 46]

Subd. 3. **Election agreements; termination.** (a) Any employer that has employment performed for it that does not constitute covered employment, may file with the commissioner a written election that all such employment, in one or more distinct establishments or places of business, shall be considered covered employment for not less than two calendar years. Upon the written approval of the commissioner, the employment shall constitute covered employment from and after the date stated in the approval. The employment shall cease to be considered covered employment as of the first day of January of any calendar year only if at least 30 calendar days prior to the first day of January the employer has filed with the commissioner a written notice to that effect.

(b) The commissioner must terminate any election agreement under this subdivision upon 30 calendar days' notice, if the employer fails to pay all taxes due or payments in lieu of taxes due the fund.

Subd. 4. **Authorization.** The commissioner is authorized to enter into reciprocal arrangements with other states and the federal government, or both, whereby employment by an employee or employees for a single employer that is customarily performed in more than one state shall be considered performed entirely within any one of the states:

- (1) where any part of the employee's employment is performed, or
- (2) where the employee has a residence, or
- (3) where the employer maintains a place of business; provided, there is in effect, as to the employment, an election, approved by the state, pursuant to which all the

employment by the employee or employees for the employer is considered to be performed entirely within that state.

History: *Ex1936 c 2 s 9,11; 1937 c 306 s 6,8; 1939 c 443 s 9; 1941 c 554 s 8,10; 1943 c 650 s 8; 1945 c 376 s 8,10; 1947 c 432 s 8-10; 1947 c 600 s 2; 1949 c 605 s 10; 1953 c 97 s 13,14; 1965 c 45 s 41,45; 1969 c 9 s 64; 1969 c 854 s 9,10; 1971 c 942 s 13; 1979 c 181 s 16; 1983 c 372 s 35,36; 1986 c 444; 1989 c 209 art 2 s 1; 1996 c 417 s 31; 1997 c 66 s 61,79; 1998 c 265 s 5,6,33-35,45; 1999 c 107 s 16*

268.043 DETERMINATIONS OF COVERAGE.

(a) The commissioner, upon the commissioner's own motion or upon application of an organization or person, shall determine if that organization or person is an employer or whether services performed for it constitute employment and covered employment, or whether the compensation for services constitutes wages, and shall notify the organization or person of the determination. The determination shall be final unless the organization or person, within 30 calendar days after sending of the determination by mail or electronic transmission, files an appeal. Proceedings on the appeal shall be conducted in accordance with section 268.105.

(b) The commissioner may at any time upon the commissioner's own motion correct any error of the department resulting in an erroneous determination under this section. A corrected determination shall be final unless, within 30 calendar days after sending of the corrected determination to the organization or person by mail or electronic transmission, an appeal is filed. Proceedings on the appeal shall be conducted in accordance with section 268.105.

(c) No organization or person shall be initially determined an employer, or that services performed for it were in employment or covered employment, for periods more than four years prior to the year in which the determination is made, unless the commissioner finds that there was fraudulent action to avoid liability under this chapter.

History: *1995 c 54 s 2; 1996 c 417 s 4; 1997 c 66 s 79; 1998 c 265 s 7*

268.044 WAGE REPORTING.

Subdivision 1. **Wage detail report.** (a) Each employer that has employees in covered employment shall provide the commissioner with a quarterly wage detail report. The report shall include for each employee in covered employment, the employee's name, social security number, the total wages paid to the employee, and total number of paid hours worked. For employees exempt from the definition of employee in section 177.23, subdivision 7, clause (6), the employer shall report 40 hours worked for each week any duties were performed by a full-time employee and shall report a reasonable estimate of the hours worked for each week duties were performed by a part-time employee. The report is due and must be filed on or before the last day of the month following the end of the calendar quarter.

(b) The employer may report the wages paid to the nearest whole dollar amount.

(c) An employer need not include the name of the employee or other required information on the wage detail report if disclosure is specifically exempted by federal law.

Subd. 2. **Failure to file report.** Any employer who fails to file the wage detail report shall pay to the department, for each month the report is delinquent, a penalty of one-half of one percent of total wages paid that quarter. The penalty shall not be assessed if the wage detail report is properly made and filed within 30 calendar days after a demand for the report is mailed to the employer's address of record. In no case shall the amount of the penalty, if assessed, be less than \$25. Penalties due under this subdivision may be waived where good cause for late filing is found by the commissioner.

Subd. 3. **Missing or erroneous information.** Any employer who files the wage detail report, but knowingly fails to include any of the required information or

knowingly enters erroneous information, shall be subject to a penalty of \$25 for each employee for whom the information is missing or erroneous.

Subd. 4. **Penalties.** The penalties provided for in subdivisions 2 and 3 are in addition to interest and other penalties imposed by this chapter and shall be collected in the same manner as delinquent taxes and shall be credited to the contingent account.

History: *1Sp1982 c 1 s 42; 1986 c 444; 1987 c 362 s 24; 1987 c 370 art 2 s 16; 1987 c 385 s 26; 1997 c 66 s 79,80; 1997 c 74 s 1; 1Sp1997 c 5 s 7; 1998 c 265 s 8*

NOTE: Subdivision 1 was also amended by Laws 1997, chapter 66, section 64, to read as follows:

"Subdivision 1 **Wage detail report.** (a) Each employer subject to this chapter shall provide the commissioner with a quarterly report known as the wage detail report, that shall include, for each employee covered by this chapter, the employee's name, social security number, and the total wages paid to the employee. The report is due and must be filed on or before the last day of the month following the end of the calendar quarter.

(b) An employer need not include the name of the employee or other required information on the wage detail report if disclosure is specifically exempted by federal law."

268.045 EMPLOYER TAX OR REIMBURSABLE ACCOUNTS.

(a) The commissioner shall maintain a tax account for each taxpaying employer and a reimbursable account for each employer that is liable for payments in lieu of taxes if that employer has employees in covered employment in the current or the prior calendar year, except as provided in this section, and shall charge the account for any unemployment benefits determined chargeable to the employer under section 268.047 and shall credit the tax account with all the taxes paid, or if the employer is liable for payments in lieu of taxes, shall credit the reimbursable account with the payments made.

(b) Two or more related corporations concurrently employing the same employees and compensating those employees through a common paymaster that is one of the corporations may apply to the commissioner to establish a common paymaster tax account that shall be the tax account of the common paymaster corporation. If approved, the separate tax accounts shall be maintained, but the employees compensated through the common paymaster shall be reported as employees of the common paymaster corporation. The corporations using the common paymaster tax account shall be jointly and severally liable for any unpaid taxes, penalties, and interest owing from the common paymaster tax account.

(c) Two or more employers having 50 percent or more common ownership and compensating employees through a single payer that is one of the employers may apply to the commissioner for a merging of the experience rating records of the employers into a single joint tax account.

If approved, the joint tax account shall be effective on that date assigned by the commissioner and shall remain in effect for not less than two calendar years, and continuing unless written notice terminating the joint tax account is filed with the commissioner. The termination shall be effective on January 1 next following the filing of the written notice of termination.

The employers in the joint tax account shall be jointly and severally liable for any unpaid taxes, penalties, and interest owing from the joint tax account.

(d) Two or more employers that are liable for payments in lieu of taxes may apply to the commissioner for the establishment of a group reimbursable account for the purpose of sharing the cost of unemployment benefits charged based upon wage credits from all employers in the group. The application shall identify and authorize a group representative to act as the group's agent for the purposes of the reimbursable account. If approved, the commissioner shall establish a group reimbursable account for the employers effective as of the beginning of the calendar year that the application is received. The reimbursable account shall remain in effect for not less than two calendar years and thereafter until terminated at the discretion of the commissioner or upon application by the group at least 30 calendar days prior to the end of the two year period or 30 calendar days prior to January 1 of any following calendar year. Each employer in the group shall be jointly and severally liable for payments in lieu of taxes

for all unemployment benefits paid based upon wage credits from all employers in the group during the period the group reimbursable account was in effect.

History: *Ex1936 c 2 s 4; 1937 c 306 s 2; 1939 c 443 s 3; 1941 c 554 s 3; 1943 c 650 s 2; 1945 c 376 s 3; 1947 c 32 s 1-8; 1947 c 432 s 3-5,11; 1947 c 600 s 7; 1949 c 526 s 1; 1949 c 605 s 3-6,17,18; 1951 c 442 s 2; 1953 c 97 s 5,6,8; 1953 c 288 s 1; 1955 c 380 s 2-4,6; 1957 c 25 s 1; 1957 c 873 s 2; 1959 c 702 s 2-4; 1965 c 45 s 40; 1965 c 741 s 6-11; 1967 c 573 s 3; 1967 c 617 s 1; 1967 c 856 s 1; 1969 c 3 s 1; 1969 c 567 s 3; 1969 c 854 s 6; 1971 c 860 s 1; 1971 c 942 s 3-6; 1973 c 254 s 3; 1973 c 599 s 2-4; 1975 c 336 s 6-10; 1977 c 4 s 4,5; 1977 c 297 s 6-11; 1977 c 430 s 25 subd 1; 1977 c 455 s 82; 1978 c 674 s 60; 1979 c 181 s 4-8; 1980 c 508 s 2-7; 1Sp1982 c 1 s 5-12; 1983 c 216 art 1 s 87; 1983 c 247 s 112; 1983 c 372 s 9-15; 1985 c 248 s 70; 1Sp1985 c 14 art 9 s 75; 1986 c 444; 1986 c 451 s 1; 1987 c 242 s 1; 1987 c 362 s 9-12; 1987 c 385 s 10-18; 1989 c 65 s 3-5; 1989 c 209 art 2 s 1; 1992 c 484 s 4-7; 1994 c 483 s 1; 1994 c 488 s 8; 1995 c 54 s 3-7; 1996 c 417 s 5-7,31; 1997 c 66 s 19,26,79; 1998 c 265 s 9; 1999 c 107 s 17; 2000 c 343 s 4*

268.047 UNEMPLOYMENT BENEFITS CHARGED TO EMPLOYER.

Subdivision 1. **General rule.** Unemployment benefits paid to an applicant, including extended, additional, and shared work benefits, shall be charged to the tax or reimbursable account of the applicant's base period employer as and when paid except as provided in subdivisions 2 and 3. The amount of unemployment benefits charged to each base period employer's tax or reimbursable account shall be the same percentage of the total amount of unemployment benefits paid as the percentage of wage credits from the employer is of the total amount of wage credits from all the applicant's base period employers.

In making computations under this subdivision, the amount of wage credits, if not a whole dollar, shall be computed to the nearest whole dollar.

Subd. 2. **Exceptions to charges for all employers.** Unemployment benefits paid shall not be charged to the tax account of a taxpaying base period employer or to the reimbursable account of a base period employer that is liable for payments in lieu of taxes when:

(1) the applicant was discharged from the employment because of aggravated employment misconduct as determined under section 268.095. This exception shall apply only to unemployment benefits paid for periods after the applicant's discharge from employment;

(2) an applicant's discharge from that employment occurred because a law required removal of the applicant from the position the applicant held;

(3) the employer provided regularly scheduled part-time employment to the applicant during the applicant's base period and continues to provide the applicant with regularly scheduled part-time employment during the benefit year of at least 90 percent of the part-time employment provided in the base period, and is an involved employer because of the applicant's loss of other employment. This exception shall terminate effective the first week that the employer fails to meet the benefit year employment requirements. This exception shall apply to educational institutions without consideration of the period between academic years or terms;

(4) the employer is a fire department or firefighting corporation or operator of a life-support transportation service, and continues to provide employment for the applicant as a volunteer firefighter or a volunteer ambulance service personnel during the benefit year on the same basis that employment was provided in the base period. This exception shall terminate effective the first week that the employer fails to meet the benefit year employment requirements;

(5) the applicant's unemployment from this employer was a direct result of the condemnation of property by a governmental agency, a fire, flood, or act of nature, where 25 percent or more of the employees employed at the affected location, including the applicant, became unemployed as a result. This exception shall not apply

where the unemployment was a direct result of the intentional act of the employer or a person acting on behalf of the employer;

(6) the unemployment benefits were paid by another state as a result of the transferring of wage credits under a combined wage arrangement provided for in section 268.131;

(7) the applicant stopped working because of a labor dispute at the applicant's primary place of employment if the employer was not a party to the labor dispute; or

(8) the unemployment benefits were determined overpaid unemployment benefits under section 268.18.

Subd. 3. Exceptions to charges for taxpaying employers. Unemployment benefits paid shall not be charged to the tax account of a taxpaying base period employer when:

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

(2) the applicant quit the employment, unless it was determined under section 268.095, to have been because of a good reason caused by the employer or because the employer notified the applicant of discharge within 30 calendar days. This exception shall apply only to unemployment benefits paid for periods after the applicant's quitting the employment; or

(3) the employer discharged the applicant from employment because of employment misconduct as determined under section 268.095. This exception shall apply only to unemployment benefits paid for periods after the applicant's discharge from employment.

Subd. 4. Federal reimbursed benefits not charged. Regardless of subdivision 1, no employer's account shall be charged for unemployment benefits for which the fund is reimbursed by the federal government.

Subd. 5. Notice of unemployment benefits charged. (a) The commissioner shall notify each employer quarterly by mail or electronic transmission of the unemployment benefits that have been charged to the employer's account. Unless a protest is filed in a manner prescribed by the commissioner within 30 calendar days from the date of sending of the notice, the charges set forth in the notice shall be final and shall not be subject to collateral attack by way of review of a tax rate notice, application for a credit adjustment or refund, or otherwise.

(b) Upon receipt of a protest, the commissioner shall review the charges on the notice and determine whether there has been an error in the charging of the employer's account. The commissioner shall either affirm or make a redetermination of the charges, and a notice of affirmation or redetermination shall be sent to the employer by mail or electronic transmission.

(c) The affirmation or redetermination shall be final unless the employer files an appeal within 30 calendar days after the date the affirmation or redetermination was sent. Proceedings on the appeal shall be conducted in accordance with section 268.105.

(d) An employer may not collaterally attack, by way of a protest to a notice of unemployment benefits charged, any prior determination or decision holding that unemployment benefits shall be charged to the employer's account, that has become final.

(e) The commissioner may at any time upon the commissioner's own motion correct a clerical error that resulted in charges to an employer's account.

History: 1997 c 66 s 10,16,79; 1998 c 265 s 10-12; 1999 c 107 s 18-21,66; 2000 c 343 s 4

268.048 [Expired, 1997 c 80 s 3]

NOTE: This section was also amended by Laws 1999, chapter 107, section 22, to read as follows:

"268.048 **Benefits not charged in welfare-to-work.**

(a) The commissioner shall, prior to computing a tax rate, remove benefit charges from the tax account of a taxpaying employer if the claimant to whom those benefits were paid was:

(1) a primary wage earner who was a recipient of cash benefits under a Minnesota welfare program in the calendar quarter or immediately preceding calendar quarter that wages were first paid by that employer;

(2) paid wages by that employer in no more than two calendar quarters; and

(3) paid wages by that employer of less than \$3,000.

(b) Paragraph (a), clauses (2) and (3), shall apply to any calendar quarter and is not limited to quarters in the claimant's base period

If the commissioner finds that an employer discharged the claimant, or engaged in the employment practice of discharging workers, in order to meet the requirements of paragraph (a), clauses (2) and (3), this section shall not apply. In addition, the employer's action shall constitute employer misconduct and the penalties under section 268.184 shall be assessed."

268.05 [Renumbered 268.194]

268.051 EMPLOYERS TAXES.

Subdivision 1. **Payments.** (a) Taxes shall accrue and become payable by each employer for each calendar year that the employer paid wages to employees in covered employment, except for:

(1) nonprofit organizations that elect to make payments in lieu of taxes as provided in section 268.053; and .

(2) the state of Minnesota and political subdivisions, unless they elect to pay taxes as provided in section 268.052.

Each employer shall pay taxes quarterly, at the employer's assigned tax rate, on the taxable wages paid to each employee. The taxes shall be paid to the fund on or before the last day of the month following the end of the calendar quarter.

(b) The tax may be paid in an amount to the nearest whole dollar.

(c) When the tax for any calendar quarter is less than \$1, the tax shall be disregarded.

Subd. 1a. **Tax reports.** (a) Every employer, except those making payments in lieu of taxes, shall submit a tax report on a form, or in a manner, prescribed by the commissioner on or before the last day of the month following the end of the calendar quarter, unless the employer meets the requirements for submitting tax reports annually under section 268.0511. An employer that fails to submit a tax report when due, or submits an incorrect tax report, shall be subject to section 268.057, subdivision 1.

(b) Each tax report shall include the total wages paid and the taxable wages paid that quarter, the amount of tax due, and any other information required by the commissioner.

(c) A tax report must be submitted for each calendar quarter even though no wages were paid or no tax is due.

Subd. 2. **Computation of tax rates.** (a) For each calendar year the commissioner shall compute the tax rate of each taxpaying employer that qualifies for an experience rating by adding the base tax rate to the employer's experience rating.

(b) The base tax rate shall be six-tenths of one percent if the amount in the fund is less than \$200,000,000 on June 30 of the prior calendar year; or five-tenths of one percent if the fund is more than \$200,000,000 but less than \$225,000,000; or four-tenths of one percent if the fund is more than \$225,000,000 but less than \$250,000,000; or three-tenths of one percent if the fund is more than \$250,000,000 but less than \$275,000,000; or two-tenths of one percent if the fund is \$275,000,000 but less than \$300,000,000; or one-tenth of one percent if the fund is \$300,000,000 or more.

(c) For the purposes of this subdivision the fund shall not include any money borrowed from the federal unemployment trust fund pursuant to section 268.194, subdivision 6.

Subd. 3. **Computation of a taxpaying employer's experience rating.** (a) For each calendar year, the commissioner shall compute an experience rating for each taxpaying employer who has been subject to this chapter for at least the 12 calendar months prior to July 1 of the prior calendar year. The experience rating shall be the ratio obtained by dividing 125 percent of the total unemployment benefits charged to the employer's tax

account during the period the employer has been subject to this chapter, but not more than the 60 calendar months ending on June 30 of the prior calendar year, by the employer's total taxable payroll for the same period.

(b) For purposes of paragraph (a), only that taxable payroll upon which taxes have been paid on or before September 30 of the prior calendar year may be used in computing an employer's experience rating.

(c) The experience rating shall be computed to the nearest one-tenth of a percent, to a maximum of 8.9 percent.

Subd. 4. Experience rating record transfer. (a) When an employer acquires the organization, trade or business or substantially all the assets of another employer, and there is 25 percent or more common ownership, directly or indirectly, between the predecessor and successor, the experience rating record of the predecessor employer shall be transferred as of the date of acquisition to the successor employer for the purpose of computing a tax rate.

(b) When an employer acquires a distinct severable portion of the organization, trade, business, or assets that is less than substantially all of the employing enterprises of another employer, and there is 25 percent or more common ownership, directly or indirectly, between the predecessor and successor, the successor employer shall acquire the experience rating record attributable to the portion it acquired, and the predecessor employer shall retain the experience rating record attributable to the portion that it has retained, if (1) the successor makes a written request to apply for the transfer of the experience rating record attributable to the severable portion acquired from the predecessor within 180 calendar days from the date of acquisition, and (2) files an application within the time and in the manner prescribed by the commissioner that furnishes sufficient information to substantiate the severable portion and to assign the appropriate total and taxable wages and unemployment benefit charges to the successor for experience rating purposes.

(c) The term "common ownership" for purposes of this subdivision includes ownership by a spouse, parent, child, brother, sister, aunt, uncle, niece, nephew, or first cousin, by birth or by marriage.

(d) If the successor employer under paragraphs (a) and (b) had an experience rating record at the time of the acquisition, the transferred record of the predecessor shall be combined with the successor's record for purposes of computing a tax rate.

(e) If there has been a transfer of an experience rating record under paragraph (a) or (b), employment with a predecessor employer shall not be considered to have been terminated if similar employment is offered by the successor employer and accepted by the employee.

(f) The commissioner, upon the commissioner's own motion or upon application of an employer shall determine if an employer is a successor within the meaning of this subdivision and shall send the determination to the employer by mail or electronic transmission. The determination shall be final unless an appeal is filed by the employer within 30 calendar days after the sending of the determination. Proceedings on the appeal shall be conducted in accordance with section 268.105.

(g) The commissioner may, as the result of any determination or decision regarding succession or nonsuccession, recompute the tax rate of all employers affected by the determination or decision for any year, including the year of the acquisition and subsequent years, that is affected by the transfer or nontransfer of part or all of the experience rating record. This paragraph does not apply to rates that have become final before the filing of a written request to apply for the transfer of a severable portion of the experience rating record under paragraph (b).

(h) The experience rating record for purposes of this subdivision shall consist of those factors that make up an experience rating, without the 12-month minimum required under subdivision 3.

(i) If the commissioner finds that a transaction was done, in whole or in part, to avoid an experience rating record or the transfer of an experience rating record, the commissioner may transfer all or part of the experience rating record regardless of the requirements or limitations of paragraph (a). This shall include the transferring of employees from the payroll of an employer with a higher experience rating record to the payroll of an employer with a lower experience rating record.

(j) Regardless of paragraph (a), if there is an acquisition or merger of a publicly held corporation by or with another publicly held corporation the experience rating records of the corporations shall be combined as of the date of acquisition or merger for the purpose of computing a tax rate.

Subd. 5. Tax rate for new employers. (a) Each taxpaying employer that does not qualify for an experience rating under subdivision 3, paragraph (a), except employers in a high experience rating industry, shall be assigned a tax rate the higher of (1) one percent, or (2) the state's average cost rate. For purposes of this paragraph, the state's average cost rate shall be computed annually by dividing the total amount of unemployment benefits paid all applicants during the 60 calendar months prior to July 1 of each year by the total taxable wages of all taxpaying employers during the same period. This rate for new employers shall be applicable for the calendar year following the computation date.

(b) Each taxpaying employer in a high experience rating industry that does not qualify for an experience rating under subdivision 3, paragraph (a), shall be assigned a tax rate of 8.0 percent, plus the applicable base tax rate.

An employer is considered to be in a high experience rating industry if:

(1) the employer is engaged in residential, commercial, or industrial construction, including general contractors;

(2) the employer is engaged in sand, gravel, or limestone mining;

(3) the employer is engaged in the manufacturing of concrete, concrete products, or asphalt; or

(4) the employer is engaged in road building, repair, or resurfacing, including bridge and tunnels and residential and commercial driveways and parking lots.

Subd. 6. Notice of tax rate. (a) The commissioner shall notify each employer by mail or electronic transmission of the employer's tax rate as determined for any calendar year. The notice shall contain the tax rate and the factors used in determining the employer's experience rating. Unless a protest of the rate is made, the assigned rate shall be final except for fraud and shall be the rate at which taxes shall be paid. The tax rate shall not be subject to collateral attack by way of claim for a credit adjustment or refund, or otherwise.

(b) If the legislature, subsequent to the sending of the tax rate, changes any of the factors used to determine the rate, the earlier notice shall be void. A new tax rate based on the new factors shall be computed and sent to the employer.

(c) A review of an employer's tax rate may be obtained by the employer filing, in a manner prescribed by the commissioner, a protest within 30 calendar days from the date the tax rate notice was sent to the employer. Upon receipt of the protest, the commissioner shall review the tax rate to determine whether or not there has been any clerical error or error in computation. The commissioner shall either affirm or make a redetermination of the rate and a notice of the affirmation or redetermination shall be sent to the employer by mail or electronic transmission. The affirmation or redetermination shall be final unless the employer files an appeal within 30 calendar days after the date the affirmation or redetermination was sent. Proceedings on the appeal shall be conducted in accordance with section 268.105.

(d) The commissioner may at any time upon the commissioner's own motion correct any error in the computation or the assignment of an employer's tax rate.

Subd. 7. Tax rate buydown. (a) Any employer who has been assigned a tax rate based upon an experience rating may, upon the voluntary payment of an amount

equivalent to any portion or all of the unemployment benefits charged to the employer's account, plus a surcharge of 25 percent, obtain a cancellation of unemployment benefits charged to the account equal to the payment made, less the surcharge. Upon the payment, the commissioner shall compute a new experience rating for the employer, and determine a new tax rate.

(b) Voluntary payments may be made only during the 30 calendar day period immediately following the date of sending of the notice of tax rate. This period may be extended, upon a showing of good cause, but in no event shall a voluntary payment be allowed after 120 calendar days from the beginning of the calendar year for which the tax rate is effective.

(c) Voluntary payments made within the time required will not be refunded unless a request is made in writing within 30 calendar days after sending of the notice of the new tax rate.

Subd. 8. Solvency assessment. (a) If the fund balance is less than \$150,000,000 on June 30 of any year, a solvency assessment on taxpaying employers will be in effect for the following calendar year. The taxpaying employer shall pay quarterly a solvency assessment of ten percent of the taxes due.

(b) The solvency assessment shall be placed into a special account from which the commissioner shall pay any interest accruing on any loan from the federal unemployment trust fund provided for under section 268.194, subdivision 6. If the commissioner determines that the balance in this special account is more than is necessary to pay the interest, the commissioner shall pay to the fund the amount in excess of that necessary to pay the interest.

History: *Ex1936 c 2 s 4; 1937 c 306 s 2; 1939 c 443 s 3; 1941 c 554 s 3; 1943 c 650 s 2; 1945 c 376 s 3; 1947 c 32 s 1-8; 1947 c 432 s 3-5,11; 1947 c 600 s 7; 1949 c 526 s 1; 1949 c 605 s 3-6,17,18; 1951 c 442 s 2; 1953 c 97 s 5,6,8; 1953 c 288 s 1; 1955 c 380 s 2-4,6; 1957 c 25 s 1; 1957 c 873 s 2; 1959 c 702 s 2-4; 1965 c 45 s 40; 1965 c 741 s 6-11; 1967 c 573 s 3; 1967 c 617 s 1; 1967 c 856 s 1; 1969 c 3 s 1; 1969 c 567 s 3; 1969 c 854 s 6; 1971 c 860 s 1; 1971 c 942 s 3-6; 1973 c 254 s 3; 1973 c 599 s 2-4; 1975 c 336 s 6-10; 1977 c 4 s 4,5; 1977 c 297 s 6-11; 1977 c 430 s 25 subd 1; 1977 c 455 s 82; 1978 c 674 s 60; 1979 c 181 s 4-8; 1980 c 508 s 2-7; 1Sp1982 c 1 s 5-12; 1983 c 216 art 1 s 87; 1983 c 247 s 112; 1983 c 372 s 9-15; 1985 c 248 s 70; 1Sp1985 c 14 art 9 s 75; 1986 c 444; 1986 c 451 s 1; 1987 c 242 s 1; 1987 c 362 s 9-12; 1987 c 385 s 10-18; 1989 c 65 s 3-5; 1989 c 209 art 2 s 1; 1992 c 484 s 4-7; 1994 c 483 s 1; 1994 c 488 s 8; 1995 c 54 s 3-7; 1996 c 417 s 5-7,31; 1997 c 66 s 11-15,17,18,20,21,79; 1998 c 265 s 13; 1999 c 107 s 23-28,66; 2000 c 343 s 4*

268.0511 ANNUAL PAYMENT OF SMALL LIABILITIES.

(a) An employer may file tax reports and pay taxes and assessments for any calendar year on an annual basis if the employer:

- (1) has an experience rating of zero for that calendar year;
- (2) had total taxable wages paid in the 12-month period ending the prior June 30 of less than five times the state's taxable wage base; and
- (3) has no outstanding tax or assessment liability, including penalties and interest.

(b) Tax reports and taxes and assessments due under this section for any calendar year shall be paid on or before the following January 31.

History: *1997 c 66 s 80; 1997 c 80 s 2*

268.052 PAYMENT TO FUND BY STATE AND POLITICAL SUBDIVISIONS.

Subdivision 1. Payments. In lieu of taxes payable on a quarterly basis, the state of Minnesota or its political subdivisions shall pay into the fund the amount of unemployment benefits charged to its reimbursable account under section 268.047. Payments in the amount of unemployment benefits charged to the reimbursable account during a calendar quarter shall be made on or before the last day of the month following the

month that the notice of unemployment benefits charged is sent pursuant to section 268.047, subdivision 5. Past due payments in lieu of taxes shall be subject to the same interest charges and collection procedures that apply to past due taxes.

Subd. 2. Election by state or political subdivision to be a taxpaying employer. (a) The state or political subdivision may elect to be a taxpaying employer for any calendar year if a notice of election is filed within 30 calendar days following January 1 of that calendar year. Upon election, the state or political subdivision shall be assigned the new employer tax rate under section 268.051, subdivision 5, for the calendar year of the election and until it qualifies for an experience rating under section 268.051, subdivision 3.

(b) An election shall be for a minimum period of three calendar years following the effective date of the election and continue unless a notice terminating the election is filed not later than 30 calendar days before the beginning of the calendar year. The termination shall be effective at the beginning of the next calendar year. A termination of election shall be allowed only if the state or political subdivision has a zero experience rating and has no unemployment benefit charges to its tax account that have not yet been used in computing an experience rating under section 268.051, subdivision 3.

(c) The method of payments to the fund under subdivisions 3 and 4 shall apply to all taxes paid by or due from the state or political subdivision that elects to be taxpaying employers under this subdivision.

(d) The commissioner may allow a notice of election or a notice terminating election to be filed by mail or electronic transmission.

Subd. 3. Method of payment by state. To discharge its liability, the state and its wholly owned instrumentalities shall pay the fund as follows:

(1) Every self-sustaining department, institution and wholly owned instrumentality shall pay the fund in accordance with subdivision 1. For the purposes of this clause a "self-sustaining department, institution or wholly owned instrumentality" is one where the dedicated income and revenue substantially offsets its cost of operation.

(2) Every partially self-sustaining department, institution and wholly owned instrumentality shall pay the fund that same proportion of the amount that has been charged to its employer account as the proportion of the total of its income and revenue is to its annual cost of operation.

(3) Every department, institution or wholly owned instrumentality that is not self-sustaining shall pay the fund to the extent funds are available from appropriated funds.

(4) The departments, institutions and wholly owned instrumentalities, including the University of Minnesota, that have money available shall pay the fund in accordance with subdivision 1. If an applicant was paid during the base period from a special account provided by law, the payment to the fund shall be made from the special account with the approval of the department of administration and the amounts are hereby appropriated.

(5) For those departments, institutions and wholly owned instrumentalities that cannot pay the fund, the commissioner shall certify on November 1 of each calendar year to the commissioner of finance the unpaid balances. Upon receipt of the certification, the commissioner of finance shall include the unpaid balances in the biennial budget submitted to the legislature.

Subd. 4. Method of payment by political subdivision. A political subdivision or instrumentality thereof is authorized and directed to pay its liabilities by money collected from taxes or other revenues. Every political subdivision authorized to levy taxes may include in its tax levy the amount necessary to pay its liabilities. If the taxes authorized to be levied cause the total amount of taxes levied to exceed any limitation upon the power of a political subdivision to levy taxes, the political subdivision may levy taxes in excess of the limitations in the amounts necessary to meet its liability. The expenditures authorized shall not be included in computing the cost of government as

defined in any home rule charter. The governing body of a municipality, for the purpose of meeting its liabilities, in the event of a deficit, may issue its obligations payable in not more than two years, in an amount that may cause its indebtedness to exceed any statutory or charter limitations, without an election, and may levy taxes in the manner provided in section 475.61.

History: *Ex1936 c 2 s 4; 1937 c 306 s 2; 1939 c 443 s 3; 1941 c 554 s 3; 1943 c 650 s 2; 1945 c 376 s 3; 1947 c 32 s 1-8; 1947 c 432 s 3-5,11; 1947 c 600 s 7; 1949 c 526 s 1; 1949 c 605 s 3-6,17,18; 1951 c 442 s 2; 1953 c 97 s 5,6,8; 1953 c 288 s 1; 1955 c 380 s 2-4,6; 1957 c 25 s 1; 1957 c 873 s 2; 1959 c 702 s 2-4; 1965 c 45 s 40; 1965 c 741 s 6-11; 1967 c 573 s 3; 1967 c 617 s 1; 1967 c 856 s 1; 1969 c 3 s 1; 1969 c 567 s 3; 1969 c 854 s 6; 1971 c 860 s 1; 1971 c 942 s 3-6; 1973 c 254 s 3; 1973 c 599 s 2-4; 1975 c 336 s 6-10; 1977 c 4 s 4,5; 1977 c 297 s 6-11; 1977 c 430 s 25 subd 1; 1977 c 455 s 82; 1978 c 674 s 60; 1979 c 181 s 4-8; 1980 c 508 s 2-7; 1Sp1982 c 1 s 5-12; 1983 c 216 art 1 s 87; 1983 c 247 s 112; 1983 c 372 s 9-15; 1985 c 248 s 70; 1Sp1985 c 14 art 9 s 75; 1986 c 444; 1986 c 451 s 1; 1987 c 242 s 1; 1987 c 362 s 9-12; 1987 c 385 s 10-18; 1989 c 65 s 3-5; 1989 c 209 art 2 s 1; 1992 c 484 s 4-7; 1994 c 483 s 1; 1994 c 488 s 8; 1995 c 54 s 3-7; 1996 c 417 s 5-7,31; 1997 c 66 s 22-24,27,79,80; 1999 c 107 s 29,66; 2000 c 343 s 4*

268.053 PAYMENT TO FUND BY NONPROFIT ORGANIZATIONS.

Subdivision 1. **Election.** (a) Any nonprofit organization that has employees in covered employment shall pay taxes on a quarterly basis pursuant to section 268.051 unless it elects to make payments in lieu of taxes to the fund the amount of unemployment benefits charged to its employer account under section 268.047.

The organization may elect to make payments in lieu of taxes for a period of not less than two calendar years beginning with the date that the organization was determined to be an employer with covered employment by filing a notice of election not later than 30 calendar days after the date of the determination.

(b) Any nonprofit organization that makes an election will continue to be liable for payments in lieu of taxes until it files a notice terminating its election not later than 30 calendar days before the beginning of the calendar year the termination is to be effective.

(c) A nonprofit organization that has been making payments in lieu of taxes that files a notice of termination of election shall be assigned the new employer tax rate under section 268.051, subdivision 5, for the calendar year of the termination of election and until it qualifies for an experience rating under section 268.051, subdivision 3.

(d) Any nonprofit organization that has been paying taxes may elect to make payments in lieu of taxes by filing no less than 30 calendar days before January 1 of any calendar year a notice of election. Upon election, the commissioner shall establish a reimbursable account for the nonprofit organization. An election shall be allowed only if the nonprofit organization has, during the experience rating period under section 268.051, subdivision 3, paid taxes or made voluntary payments under section 268.051, subdivision 7, equal to or more than 125 percent of the unemployment benefit charges during the experience rating period. In addition, any unemployment benefit charges to its tax account that come after the experience rating period shall be transferred to the new reimbursable account of the nonprofit organization. If the amount of taxes and voluntary payments paid during the experience rating period exceeds 125 percent of the amount of unemployment benefit charges during the experience rating period, that amount in excess shall be applied against any unemployment benefit charges that come after the experience rating period. The election shall not be terminable by the organization for that and the next calendar year.

(e) The commissioner may for good cause extend the period that a notice of election, or a notice of termination, must be filed and may permit an election to be retroactive.

(f) The commissioner may allow a notice of election or notice terminating election to be filed by mail or electronic transmission.

Subd. 2. **Determination and appeal.** The commissioner shall notify each nonprofit organization by mail or electronic transmission of any determination of its status as an employer with covered employment and of the effective date of any election or termination of election. The determinations shall be final unless an appeal is filed within 30 calendar days after sending of the determination. Proceedings on the appeal shall be conducted in accordance with section 268.105.

Subd. 3. **Payments.** (a) Payments in lieu of taxes, in the amount of unemployment benefits charged to the reimbursable account, during a calendar quarter, shall be made on or before the last day of the month following the month that the notice of unemployment benefits charged is sent pursuant to section 268.047, subdivision 5.

(b) Past due payments in lieu of taxes shall be subject to the same interest charges and collection procedures that apply to past due taxes.

(c) If any nonprofit organization is delinquent in making payments in lieu of taxes, the commissioner may terminate the organization's election to make payments in lieu of taxes as of the beginning of the next calendar year, and the termination shall be effective for that and the following calendar year. A nonprofit organization that has its election terminated under this paragraph shall be assigned the new employer tax rate under section 268.051, subdivision 5, until the organization qualifies for an experience rating under section 268.051, subdivision 3.

Subd. 4. **Application.** For purposes of this section, a nonprofit organization is an organization, or group of organizations, described in United States Code, title 26, section 501(c)(3) of the Internal Revenue Code that is exempt from income tax under section 501(a).

Subd. 5. **Compromise.** The compromise authority set out in section 268.067 applies to this section.

History: *Ex1936 c 2 s 4; 1937 c 306 s 2; 1939 c 443 s 3; 1941 c 554 s 3; 1943 c 650 s 2; 1945 c 376 s 3; 1947 c 32 s 1-8; 1947 c 432 s 3-5,11; 1947 c 600 s 7; 1949 c 526 s 1; 1949 c 605 s 3-6,17,18; 1951 c 442 s 2; 1953 c 97 s 5,6,8; 1953 c 288 s 1; 1955 c 380 s 2-4,6; 1957 c 25 s 1; 1957 c 873 s 2; 1959 c 702 s 2-4; 1965 c 45 s 40; 1965 c 741 s 6-11; 1967 c 573 s 3; 1967 c 617 s 1; 1967 c 856 s 1; 1969 c 3 s 1; 1969 c 567 s 3; 1969 c 854 s 6; 1971 c 860 s 1; 1971 c 942 s 3-6; 1973 c 254 s 3; 1973 c 599 s 2-4; 1975 c 336 s 6-10; 1977 c 4 s 4,5; 1977 c 297 s 6-11; 1977 c 430 s 25 subd 1; 1977 c 455 s 82; 1978 c 674 s 60; 1979 c 181 s 4-8; 1980 c 508 s 2-7; 1Sp1982 c 1 s 5-12; 1983 c 216 art 1 s 87; 1983 c 247 s 112; 1983 c 372 s 9-15; 1985 c 248 s 70; 1Sp1985 c 14 art 9 s 75; 1986 c 444; 1986 c 451 s 1; 1987 c 242 s 1; 1987 c 362 s 9-12; 1987 c 385 s 10-18; 1989 c 65 s 3-5; 1989 c 209 art 2 s 1; 1992 c 484 s 4-7; 1994 c 483 s 1; 1994 c 488 s 8; 1995 c 54 s 3-7; 1996 c 417 s 5-7,31; 1997 c 66 s 25,79,80; 1999 c 107 s 30; 2000 c 343 s 2-4*

268.054 [Repealed, 1998 c 265 s 46]

268.057 COLLECTION OF TAXES.

Subdivision 1. **Reports; delinquencies; penalties.** (a) Any employer who knowingly fails to submit to the commissioner any tax report at the time the report is required under section 268.051, subdivision 1a, or 268.0511 shall pay to the department a penalty of up to \$25 or an amount of 1-1/2 percent of taxes accrued for each month from and after the due date until the tax report is properly submitted, whichever is greater.

(b) If any employer required to submit tax reports fails to do so, or submits, willfully or otherwise, an incorrect or false tax report, the employer shall, on the demand of the commissioner sent by mail or electronic transmission, submit the tax report, or corrected report, within ten days and at the same time pay the tax due. If the employer fails within that time to submit the tax report or corrected report and pay any tax due, the commissioner shall make an estimated tax report from the commissioner's own knowledge and from information the commissioner may obtain and assess a tax on

that basis. That assessed tax, plus any penalties and interest, shall be paid within ten days after notice of the amount due has been sent by mail or electronic transmission. Any assessed tax because of the failure of the employer to submit a tax report or corrected tax report shall be prima facie correct and valid, and the employer shall have the burden of establishing its incorrectness or invalidity in any subsequent action or proceeding. Whenever the delinquent employer files a tax report or corrected tax report, the commissioner may, on finding it substantially correct, accept that report.

(c) If the commissioner finds that any part of any employer's tax deficiency is due to fraud with intent to avoid payment of taxes to the fund, 50 percent of the total amount of the deficiency or \$500, whichever is greater, shall be assessed as a penalty against the employer and collected in addition to the deficiency.

(d) The penalties provided for in paragraphs (a) and (c) are in addition to interest and any other penalties and shall be paid to the department and credited to the contingent account.

(e) An employer or officer or agent of an employer is guilty of a gross misdemeanor, unless the tax or other payment involved exceeds \$500, in which case the person is guilty of a felony, if the individual:

(1) in order to avoid becoming or remaining a subject employer or to avoid or reduce any tax or other payment required under this chapter:

(i) makes a false statement or representation knowing it to be false; or

(ii) knowingly fails to disclose a material fact; or

(2) willfully fails or refuses to pay any taxes or other payment at the time required.

Subd. 2. Tax or payment in lieu of tax presumed valid. The tax and payment in lieu of tax, as assessed by the commissioner, including any penalties, shall be presumed to be valid and correctly determined and assessed, and the burden shall be upon the employer to show its incorrectness or invalidity. A statement by the commissioner of the amount of the tax, payment in lieu of tax, interest and penalties as determined or assessed by the commissioner, shall be admissible in evidence in any court or administrative proceeding and shall be prima facie evidence of the facts in the statement.

Subd. 3. Confession of judgment. (a) Any tax report or other form that is required to be filed with the commissioner concerning taxes or payments in lieu of taxes due, shall contain a written declaration that it is made under the penalties for willfully making a false report and shall contain a confession of judgment for the amount of the tax or payments in lieu of taxes shown due thereon to the extent not timely paid together with any interest and penalty due under this chapter.

(b) The commissioner may, within six years after the report or other form is filed, regardless of section 541.09, enter judgment on any confession of judgment after 20 calendar days' notice served upon the employer by mail. The judgment shall be entered by the court administrator of any county upon the filing of a photocopy of the confession of judgment along with a statement of the commissioner that the tax or payment in lieu of tax has not been paid.

Subd. 4. Costs. Any person that fails to pay any taxes, payment in lieu of taxes, or unemployment benefit overpayment, including interest and penalties, when due is liable for any filing fees, recording fees, sheriff fees, costs incurred by referral to any public or private collection agency, or litigation costs incurred in the collection of the amounts due.

If any check or money order, in payment of any amount due, is not honored when presented for payment, a fee of \$25 shall be assessed.

Costs collected shall be credited to the administration account.

Subd. 5. Interest on past due taxes. If taxes or payments in lieu of taxes to the fund are not paid on the date due the unpaid balance shall bear interest at the rate of one and one-half percent per month or any part thereof. Taxes or payments in lieu of taxes received by mail postmarked on a day following the date due shall be considered

to have been paid on the due date if there is substantial evidence that the payment was actually deposited in the United States mail properly addressed to the department with postage prepaid thereon on or before the due date. Interest collected shall be credited to the contingent account. Interest may be waived by rules adopted by the commissioner.

Subd. 6. **Interest on judgments.** Regardless of section 549.09, if judgment is entered upon any past due tax or payment in lieu of taxes, the unpaid judgment shall bear interest at the rate specified in subdivision 5 until the date of payment.

Subd. 7. **Credit adjustments, refunds.** (a) If an employer makes an application for a credit adjustment of any amount paid as taxes or interest thereon within four years of the year that the payment was made, and the commissioner determines that the payment or any portion was erroneous, the commissioner shall make an adjustment and issue a credit without interest. If a credit cannot be used, the commissioner shall refund, without interest, the amount erroneously paid. The commissioner, on the commissioner's own motion, may make a credit adjustment or refund under this subdivision.

(b) If a credit adjustment or refund is denied in whole or in part, a notice of denial shall be sent to the employer by mail or electronic transmission. Within 30 calendar days after sending of the notice of denial, the employer may appeal. Proceedings on the appeal shall be conducted in accordance with section 268.105.

Subd. 8. [Repealed, 1999 c 107 s 67]

Subd. 9. [Repealed, 1999 c 107 s 67]

Subd. 10. **Priorities under legal dissolutions or distributions.** In the event of any distribution of an employer's assets pursuant to an order of any court, including any receivership, assignment for benefit of creditors, adjudicated insolvency, or similar proceeding, taxes then or thereafter due shall be paid in full prior to all other claims except claims for wages of not more than \$1,000 per former employee, earned within six months of the commencement of the proceedings. In the event of an employer's adjudication in bankruptcy under federal law, taxes then or thereafter due shall be entitled to the priority provided in that law for taxes due any state.

History: *Ex1936 c 2 s 14; 1941 c 554 s 13; 1943 c 650 s 9; 1945 c 376 s 13; 1949 c 605 s 12,13; 1951 c 55 s 1; 1953 c 97 s 17; 1969 c 9 s 65; 1969 c 567 s 3; 1969 c 854 s 13; 1973 c 254 s 3; 1973 c 720 s 73 subds 2,3; 1975 c 108 s 1; 1975 c 302 s 3,4; 1975 c 336 s 22,23; 1977 c 430 s 25 subd 1; 1978 c 618 s 2; 1978 c 674 s 60; 1980 c 508 s 11-13; 3Sp1981 c 2 art 1 s 33; 1Sp1982 c 1 s 34,35; 1983 c 372 s 39; 1985 c 248 s 70; 1Sp1985 c 14 art 9 s 75; 1986 c 444; 1987 c 362 s 26; 1987 c 385 s 28-30; 1989 c 65 s 12; 1989 c 209 art 2 s 1; 1993 c 67 s 11; 1994 c 483 s 1; 1995 c 54 s 13-15; 1996 c 417 s 24,31; 1997 c 66 s 66-69,79,80; 1998 c 265 s 14-17,44; 1999 c 107 s 31,32,66; 2000 c 343 s 4*

268.058 LIEN, LEVY, SETOFF, AND CIVIL ACTION.

Subdivision 1. **Lien.** (a) Any taxes, unemployment benefit overpayments, or payments in lieu of taxes due including interest, penalties, and costs shall become a lien upon all the property, within this state, both real and personal, of the person liable, from the date of assessment. The term "date of assessment" means the date the obligation was due.

(b) The lien is not enforceable against any purchaser, mortgagee, pledgee, holder of a Uniform Commercial Code security interest, mechanic's lien, or judgment lien creditor, until a notice of lien has been filed with the county recorder of the county where the property is situated, or in the case of personal property belonging to a nonresident person in the office of the secretary of state. When the notice of lien is filed with the county recorder, the fee for filing and indexing shall be as provided in sections 272.483 and 272.484.

(c) Notices of liens, lien renewals, and lien releases, in a form prescribed by the commissioner, may be filed with the county recorder or the secretary of state by mail, personal delivery, or by electronic transmission into the computerized filing system of

the secretary of state under section 336.9-411. The secretary of state shall, on any notice filed with that office, transmit the notice electronically to the appropriate county recorder. The filing officer, whether the county recorder or the secretary of state, shall endorse and index a printout of the notice as if the notice had been mailed or delivered.

(d) County recorders and the secretary of state shall enter information on lien notices, renewals, and releases into the central database of the secretary of state. For notices filed electronically with the county recorders, the date and time of receipt of the notice and county recorder's file number, and for notices filed electronically with the secretary of state, the secretary of state's recording information, must be entered into the central database before the close of the working day following the day of the original data entry by the commissioner.

(e) The lien imposed on personal property, even though properly filed, is not enforceable against a purchaser of tangible personal property purchased at retail or personal property listed as exempt in sections 550.37, 550.38, and 550.39.

(f) A notice of lien filed has priority over any security interest arising under chapter 336, article 9, that is perfected prior in time to the lien imposed by this subdivision, but only if:

(1) the perfected security interest secures property not in existence at the time the notice of lien is filed; and

(2) the property comes into existence after the 45th calendar day following the day the notice of lien is filed, or after the secured party has actual notice or knowledge of the lien filing, whichever is earlier.

(g) The lien shall be enforceable from the time the lien arises and for ten years from the date of filing the notice of lien. A notice of lien may be renewed before expiration for an additional ten years.

(h) The lien shall be enforceable by levy under subdivision 2 or by judgment lien foreclosure under chapter 550.

(i) The lien may be imposed upon property defined as homestead property in chapter 510 but may be enforced only upon the sale, transfer, or conveyance of the homestead property.

(j) The commissioner may sell and assign to a third party the commissioner's right of redemption in specific real property for liens filed under this subdivision. The assignee shall be limited to the same rights of redemption as the commissioner, except that in a bankruptcy proceeding, the assignee does not obtain the commissioner's priority. Any proceeds from the sale of the right of redemption shall be credited to the contingent account. Any sale shall be by written agreement signed by an attorney who is a classified employee of the department designated by the commissioner for that purpose.

Subd. 2. **Levy.** (a) If any tax, payment in lieu of taxes, or unemployment benefit overpayment, including interest, penalties, and costs, is not paid when due, the amount may be collected by the commissioner by direct levy upon all property and rights of property of the person liable for the amount due except that exempt from execution under section 550.37. The term "levy" includes the power of distraint and seizure by any means.

(b) In addition to a direct levy, the commissioner may issue a warrant to the sheriff of any county who shall proceed within 60 calendar days to levy upon the property or rights to property of the delinquent person within the county, except that exempt under section 550.37. The sheriff shall sell that property necessary to satisfy the total amount due, together with the commissioner's and sheriff's costs. The sales shall be governed by the law applicable to sales of like property on execution of a judgment.

(c) Notice and demand for payment of the total amount due shall be mailed to the delinquent person at least ten calendar days prior to action being taken under paragraphs (a) and (b).

(d) If the commissioner has reason to believe that collection of the amount due is in jeopardy, notice and demand for immediate payment may be made. If the total amount due is not paid, the commissioner may proceed to collect by direct levy or issue a warrant without regard to the ten calendar day period.

(e) In executing the levy, the commissioner shall have all of the powers provided in chapter 550 or any other law that provides for execution against property in this state. The sale of property levied upon and the time and manner of redemption shall be as provided in chapter 550. The seal of the court shall not be required. The levy may be made whether or not the commissioner has commenced a legal action for collection.

(f) Where any assessment has been made by the commissioner, the property seized for collection of the total amount due shall not be sold until any determination of liability has become final. No sale shall be made unless a portion of the amount due remains unpaid for a period of more than 30 calendar days after the determination of liability becomes final. Seized property may be sold at any time if:

(1) the delinquent person consents in writing to the sale; or

(2) the commissioner determines that the property is perishable or may become greatly reduced in price or value by keeping, or that the property cannot be kept without great expense.

(g) Where a levy has been made to collect the amount due and the property seized is properly included in a formal proceeding commenced under sections 524.3-401 to 524.3-505 and maintained under full supervision of the court, the property shall not be sold until the probate proceedings are completed or until the court orders.

(h) The property seized shall be returned if the owner:

(1) gives a surety bond equal to the appraised value of the owner's interest in the property, as determined by the commissioner, or

(2) deposits with the commissioner security in a form and amount the commissioner considers necessary to insure payment of the liability.

(i) If a levy or sale would irreparably injure rights in property that the court determines superior to rights of the state, the court may grant an injunction to prohibit the enforcement of the levy or to prohibit the sale.

(j) Any person who fails or refuses to surrender without reasonable cause any property or rights to property subject to levy shall be personally liable in an amount equal to the value of the property or rights not so surrendered, but not exceeding the amount due.

(k) If the commissioner has seized the property of any individual, that individual may, upon giving 48 hours notice to the commissioner and to the court, bring a claim for equitable relief before the district court for the release of the property upon terms and conditions the court considers equitable.

(l) Any person in control or possession of property or rights to property upon which a levy has been made who surrenders the property or rights to property, or who pays the amount due shall be discharged from any obligation or liability to the person liable for the amount due with respect to the property or rights to property.

(m) The notice of any levy may be served personally or by mail.

(n) The commissioner may release the levy upon all or part of the property or rights to property levied upon if the commissioner determines that the release will facilitate the collection of the liability, but the release shall not prevent any subsequent levy. If the commissioner determines that property has been wrongfully levied upon, the commissioner shall return:

(1) the specific property levied upon, at any time; or

(2) an amount of money equal to the amount of money levied upon, at any time before the expiration of nine months from the date of levy.

(o) Regardless of section 52.12, a levy upon a person's funds on deposit in a financial institution located in this state, shall have priority over any unexercised right

of setoff of the financial institution to apply the levied funds toward the balance of an outstanding loan or loans owed by the person to the financial institution. A claim by the financial institution that it exercised its right to setoff prior to the levy must be substantiated by evidence of the date of the setoff, and verified by an affidavit from a corporate officer of the financial institution. For purposes of determining the priority of any levy under this subdivision, the levy shall be treated as if it were an execution under chapter 550.

Subd. 3. **Right of setoff.** (a) Upon certification by the commissioner to the commissioner of finance, or to any state agency that disburses its own funds, that a person has a liability under this chapter, including interest, penalties, and costs, and that the state has purchased personal services, supplies, contract services, or property from that person, the commissioner of finance or the state agency shall set off and pay to the commissioner an amount sufficient to satisfy the unpaid liability from funds appropriated for payment of the obligation of the state otherwise due the person. No amount shall be set off from any funds exempt under section 550.37 or funds due an individual who receives assistance under chapter 256.

(b) All funds, whether general or dedicated, shall be subject to setoff.

Regardless of any law to the contrary, the commissioner shall have first priority to setoff from any funds otherwise due from the department to a delinquent person.

Subd. 4. **Collection by civil action.** (a) Any delinquent taxes, payment in lieu of taxes, or unemployment benefit overpayment, including interest, penalties, or costs, may be collected by civil action in the name of the state of Minnesota. Civil actions brought under this subdivision shall be heard as provided under section 16D.14. In any action, judgment shall be entered in default for the relief demanded in the complaint without proof, together with costs and disbursements, upon the filing of an affidavit of default.

(b) Any person that is not a resident of this state and any resident person removed from this state, shall be considered to appoint the secretary of state as its agent for the acceptance of process in any civil action. The commissioner shall file process with the secretary of state, together with a payment of a fee of \$15 and that service shall be considered sufficient service and shall have the same force and validity as if served personally within this state. Notice of the service of process, together with a copy of the process, shall be sent by certified mail to the person's last known address. An affidavit of compliance with this subdivision, and a copy of the notice of service shall be appended to the original of the process and filed in the court.

(c) No court filing fees, docketing fees, or release of judgment fees may be assessed against the state for actions pursuant to this subdivision.

Subd. 5. **Injunction forbidden.** No injunction or other legal action to prevent the assessment or collection of any tax, payment in lieu of taxes, or unemployment benefit overpayment, including interest, penalties, and costs shall be allowed.

History: 1Sp1982 c 1 s 36; 1983 c 372 s 40-44; 1985 c 281 s 1; 1Sp1985 c 14 art 9 s 75; 1986 c 444; 1Sp1986 c 3 art 1 s 82; 1987 c 385 s 31-34; 1989 c 209 art 2 s 1; 1991 c 291 art 18 s 1; 1992 c 484 s 14; 1993 c 67 s 12; 1993 c 137 s 8; 1994 c 483 s 1; 1994 c 488 s 7; 1995 c 54 s 16,17; 1996 c 417 s 25,31; 1997 c 66 s 67,79,80; 1998 c 265 s 44; 1999 c 107 s 33,66; 2000 c 343 s 4

268.059 GARNISHMENT FOR DELINQUENT TAXES AND UNEMPLOYMENT BENEFIT OVERPAYMENTS.

(a) The commissioner may give notice to any employer that an employee owes delinquent taxes, payments in lieu of taxes, or overpaid unemployment benefits, including penalties, interest, and costs, and that the obligation to the department should be withheld from the employee's wages. The commissioner may proceed only if the tax, payment in lieu of taxes, or unemployment benefit overpayment is uncontested or if the time for any appeal has expired. The commissioner shall not proceed until 30

calendar days after mailing to the debtor employee, at the debtor's last known address, a written notice of intent to garnish wages and exemption notice. That notice shall list:

- (1) the amount of taxes, payments in lieu of taxes, overpaid unemployment benefits, interest, penalties, or costs due from the debtor;
- (2) demand for immediate payment; and
- (3) the intention to serve a garnishment notice on the debtor's employer.

The notice shall expire 180 calendar days after it has been mailed to the debtor provided that the notice may be renewed by mailing a new notice that is in accordance with this section. The renewed notice shall have the effect of reinstating the priority of the original notice. The exemption notice shall be in substantially the same form as in section 571.72. The notice shall inform the debtor of the right to claim exemptions contained in section 550.37, subdivision 14. If no written claim of exemption is received by the commissioner within 30 calendar days after mailing of the notice, the commissioner may proceed with the garnishment. The notice to the debtor's employer may be served by mail and shall be in substantially the same form as in section 571.75. Upon receipt of the garnishment notice, the employer shall withhold from the earnings due or to become due to the employee, the amount shown on the notice plus accrued interest, subject to section 571.922. The employer shall continue to withhold each pay period the amount shown on the notice plus accrued interest until the garnishment notice is released by the commissioner. Upon receipt of notice by the employer, the claim of the commissioner shall have priority over any subsequent garnishments or wage assignments. The commissioner may arrange between the employer and employee for withholding a portion of the total amount due the employee each pay period, until the total amount shown on the notice plus accrued interest has been withheld.

The "earnings due" any employee is as defined in section 571.921. The maximum garnishment allowed for any one pay period shall be decreased by any amounts payable pursuant to any other garnishment action served prior to the garnishment notice, and any amounts covered by any irrevocable and previously effective assignment of wages; the employer shall give notice to the commissioner of the amounts and the facts relating to the assignment within ten days after the service of the garnishment notice on the form provided by the commissioner.

(b) If the employee ceases to be employed by the employer before the full amount set forth on the garnishment notice plus accrued interest has been withheld, the employer shall immediately notify the commissioner in writing of the termination date of the employee and the total amount withheld. No employer may discharge or discipline any employee because the commissioner has proceeded under this section. If an employer discharges an employee in violation of this section, the employee shall have the same remedy as provided in section 571.927, subdivision 2.

(c) Within ten calendar days after the expiration of the pay period, the employer shall remit to the commissioner, on a form and in the manner prescribed by the commissioner, the amount withheld during each pay period.

(d) Paragraphs (a) to (c) shall apply if the employer is the state of Minnesota or any political subdivision.

(e) The commissioner shall refund to the employee any excess amounts withheld from the employee.

(f) An employer that fails or refuses to comply with this section shall be liable as provided in section 268.058, subdivision 2, paragraph (j).

History: 1996 c 417 s 28; 1997 c 66 s 70,79; 1998 c 265 s 18; 2000 c 343 s 4; 2000 c 499 s 1

268.06 Subdivision 1. [Renumbered 268.051, subd 1]

Subd. 2. [Repealed, 1997 c 66 s 81]

Subd. 3. [Repealed, 1969 c 854 s 14]

Subd. 3a. [Renumbered 268.051, subd 5]

Subd. 4. [Repealed, 1997 c 66 s 81]

Subd. 5. [Repealed, 1997 c 66 s 81]

Subd. 6. [Renumbered 268.051, subd 3]

Subd. 7. [Repealed, 1949 c 605 s 15]

Subd. 8. [Renumbered 268.051, subd 2]

Subd. 8a. [Renumbered 268.051, subd 8]

Subd. 9. [Repealed, 1949 c 605 s 15]

Subd. 10. [Repealed, 1949 c 605 s 15]

Subd. 11. [Repealed, 1953 c 97 s 7]

Subd. 12. [Repealed, 1953 c 97 s 7]

Subd. 13. [Repealed, 1953 c 97 s 7]

Subd. 14. [Repealed, 1953 c 97 s 7]

Subd. 15. [Repealed, 1953 c 97 s 7]

Subd. 16. [Repealed, 1953 c 97 s 7]

Subd. 17. [Repealed, 1949 c 605 s 15]

Subd. 18. [Renumbered 268.047, subd 5]

Subd. 19. [Renumbered 268.051, subd 6]

Subd. 20. [Renumbered 268.051, subd 6, paragraphs (c) and (d)]

Subd. 21. [Renumbered 268.045]

Subd. 22. [Renumbered 268.051, subd 4]

Subd. 23. [Repealed, 1955 c 380 s 5]

Subd. 24. [Renumbered 268.051, subd 7]

Subd. 25. [Renumbered 268.052, subd 1]

Subd. 26. [Renumbered 268.052, subd 3]

Subd. 27. [Renumbered 268.052, subd 4]

Subd. 28. [Renumbered 268.053]

Subd. 29. [Renumbered 268.045, paragraph (d)]

Subd. 30. [Repealed, 1997 c 66 s 81]

Subd. 31. [Renumbered 268.052, subd 2]

Subd. 32. [Repealed, 1983 c 372 s 48]

Subd. 33. [Repealed, 1997 c 66 s 81]

Subd. 34. [Renumbered 268.054]

268.061 [Repealed, 1988 c 689 art 2 s 269]**268.062** [Renumbered 268.068]

268.0625 REVOCATIONS OF BUSINESS LICENSES.

Subdivision 1. **Notice of debt to licensing authority.** The state of Minnesota or a political subdivision may not issue, transfer, or renew, and must revoke a license for the conduct of any profession, trade, or business, if the commissioner notifies the licensing authority that the licensee owes delinquent taxes, payments in lieu of taxes, or unemployment benefit overpayments, including interest, penalties, and costs, of \$500 or more. A licensing authority that has received such a notice may issue, transfer, renew, or not revoke the license only if the licensing authority has received a copy of the debt clearance certificate issued by the commissioner.

Subd. 2. **Debt clearance certificate.** The commissioner may issue a debt clearance certificate only if:

- (1) the licensee has fully paid any delinquent taxes, payments in lieu of taxes, or unemployment benefit overpayments, including interest, penalties, and costs; or
- (2) the licensee has entered into an agreement to pay the total amount due and is current with all the terms of that agreement.

Subd. 3. **Definition.** For the purposes of this section, "licensee" means:

- (1) an individual if the license is issued to or in the name of an individual, or the corporation, limited liability company, or partnership if the license is issued to or in the name of a corporation, limited liability company, or partnership; or
- (2) an officer of a corporation, manager of a limited liability company, or a member of a partnership, or an individual who is liable for the delinquent taxes, payments in lieu of taxes, or unemployment benefit overpayments, either for the entity that the license is at issue or for another entity that the liability was incurred, or personally as a licensee. "Licensee" includes both the transferor and the transferee of the license and any holder of a license.

Subd. 4. **Notice and right to hearing.** At least 30 calendar days before the commissioner notifies a licensing authority, a notice of action under this section shall be mailed to the licensee. If the licensee disputes the action, the licensee must appeal within 30 calendar days after the mailing of the notice to the licensee's last known address. The only issue on any appeal is whether the commissioner has complied with the requirements of this section. Proceedings on the appeal shall be conducted in accordance with section 268.105.

Subd. 5. **Licensing authority; duties.** Upon request, the licensing authority shall provide the commissioner with a list of all licensees, including the name, address, business name and address, social security number, and business identification number. The commissioner may request a list of the licensees no more than once each calendar year. Regardless of section 268.19, the commissioner may release information necessary to accomplish this section.

History: 1987 c 385 s 37; 1994 c 488 s 8; 1995 c 54 s 20; 1996 c 417 s 26,27; 1997 c 66 s 79,80; 1999 c 107 s 34; 2000 c 343 s 4

268.063 PERSONAL LIABILITY.

(a) Any officer, director, or employee of a corporation or any manager, governor, member, or employee of a limited liability company who

(1) either individually or jointly with others, have or should have had control of, supervision over, or responsibility for the filing of the tax reports or paying the amounts due under this chapter, and

(2) willfully fails to file the tax reports or pay the amounts due, shall be personally liable for taxes or payments in lieu of taxes, including interest, penalties, and costs in the event the employer does not pay.

For purposes of this section, "willfulness" means that the facts demonstrate that the responsible party used or allowed the use of corporate or company assets to pay other creditors knowing that the amounts due under this chapter were unpaid. An evil motive or intent to defraud is not necessary.

(b) Any partner of a limited liability partnership, or professional limited liability partnership, shall be jointly and severally liable for taxes or payments in lieu of taxes, including interest, penalties, and costs in the event the employer does not pay.

(c) Any personal representative of the estate of a decedent or fiduciary who voluntarily distributes the assets without reserving a sufficient amount to pay the taxes, payments in lieu of taxes, interest, and penalties due shall be personally liable for the deficiency.

(d) The personal liability of any individual shall survive dissolution, reorganization, receivership, or assignment for the benefit of creditors. For the purposes of this section, all wages paid by the employer shall be considered earned from the individual determined to be personally liable.

(e) The commissioner shall make an initial determination as to personal liability. The determination shall be final unless the individual found to be personally liable within 30 calendar days after mailing of notice of determination to the individual's last known address files a protest. Upon receipt of the protest, the commissioner shall reexamine the personal liability determination and either affirm or redetermine the assessment of personal liability and a notice of the affirmation or redetermination shall be mailed to the individual's last known address. The affirmation or redetermination shall become final unless an appeal is filed within 30 calendar days after the date of mailing. Proceedings on the appeal shall be conducted in accordance with section 268.105.

History: 1Sp1982 c 1 s 36; 1983 c 372 s 40-44; 1985 c 281 s 1; 1Sp1985 c 14 art 9 s 75; 1986 c 444; 1Sp1986 c 3 art 1 s 82; 1987 c 385 s 31-34; 1989 c 209 art 2 s 1; 1991 c 291 art 18 s 1; 1992 c 484 s 14; 1993 c 67 s 12; 1993 c 137 s 8; 1994 c 483 s 1; 1994 c 488 s 7; 1995 c 54 s 16,17; 1996 c 417 s 25,31; 1997 c 66 s 79; 1998 c 265 s 19

268.064 LIABILITY FOR DEBTS UPON ACQUISITION.

Subdivision 1. Acquisition of organization, trade, business, or assets. Any person who acquires all or part of the organization, trade, business or assets from an employer, is jointly and severally liable, in an amount not to exceed the reasonable value of that part of the organization, trade, business or assets acquired, for the taxes due and unpaid by the employer. The amount of liability shall, in addition, be a lien against the property or assets acquired and shall be prior to all other unrecorded liens. This section does not apply to sales in the normal course of the employer's business.

Subd. 2. Reasonable value. The commissioner, upon the commissioner's own motion or upon application of the acquiring person, shall determine the reasonable value of the organization, trade, business or assets acquired based on available information. The determination shall be final unless the acquiring person, within 30 calendar days after being sent the determination by mail or electronic transmission, files an appeal. Proceedings on the appeal shall be conducted in accordance with section 268.105.

Subd. 3. Statement of amount due. Prior to the date of acquisition, the commissioner shall furnish the acquiring person with a statement of the taxes due and unpaid upon the written request of the potential acquiring person and the written release of the obligor. No release is required after the date of acquisition.

Subd. 4. [Repealed by amendment, 1999 c 107 s 35]

History: 1987 c 385 s 35; 1989 c 65 s 13; 1995 c 54 s 18; 1997 c 66 s 79,80; 1998 c 265 s 20,44; 1999 c 107 s 35

268.065 LIABILITY OF AMOUNTS DUE FROM SUBCONTRACTORS AND EMPLOYEE LEASING FIRMS.

Subdivision 1. **Subcontractors.** A contractor who contracts with any subcontractor shall guarantee the payment of all the taxes, interest, penalties, and collection costs that are due or become due from the subcontractor with respect to taxable wages paid on the contract by:

- (1) withholding sufficient money on the contract; or
- (2) requiring the subcontractor to provide a sufficient bond guaranteeing the payment of all taxes, interest, penalties, and collection costs that may become due.

The contractor may make a written request for verification that the subcontractor has paid the taxes due 60 calendar days after the due date for filing the tax report that includes the final wages paid for employment performed under the contract. If the subcontractor has paid the taxes for the period covered by the contract, the commissioner may release the contractor from its liability.

The words "contractor" and "subcontractor" include individuals, partnerships, firms, or corporations, or other association of persons engaged in the construction industry.

Subd. 2. **Employee leasing firms.** A person whose work force consists of 50 percent or more of workers provided by employee leasing firms, is jointly and severally liable for the unpaid taxes, penalties, interest, and collection costs that are due on the wages paid on the contract with the employee leasing firm. "Employee leasing firm" means an employer that provides its employees to other persons without severing its employer-employee relationship with the worker for the services performed for the lessee.

Subd. 3. **Determination of liability.** The commissioner shall make a determination as to the liability under this section. The determination shall be final unless the contractor or person found to be liable files an appeal within 30 calendar days after being sent the determination by mail or electronic transmission. Proceedings on the appeal shall be conducted in accordance with section 268.105.

History: 1987 c 385 s 36; 1989 c 65 s 14; 1995 c 54 s 19; 1997 C 66 S 79,80; 1998 c 265 s 44; 1999 c 107 s 36

268.066 CANCELLATION OF DELINQUENT TAXES.

(a) The commissioner shall cancel as uncollectible any taxes, payments in lieu of taxes, penalties, or the interest or costs thereon, which remain unpaid six years after the amounts have been first determined due and payable, except where the delinquent amounts are secured by a notice of lien, a judgment, are in the process of garnishment, or are under a payment plan.

(b) The commissioner may cancel at any time as uncollectible any taxes, payments in lieu of taxes, penalties, or the interest or costs thereon, that the commissioner determines are uncollectible due to death or bankruptcy.

History: 1987 c 385 s 39; 1996 c 305 art 1 s 58; 1997 c 66 s 79; 1998 c 265 s 21

268.067 COMPROMISE.

(a) The commissioner may compromise in whole or in part any action, determination, or decision that affects only an employer and not an applicant, and that has occurred during the prior 24 months.

(b) The commissioner may at any time compromise delinquent employer taxes, payments in lieu of taxes, interest, penalties, and costs.

(c) Any compromise shall be by written order signed by an attorney who is a classified employee of the department designated by the commissioner for that purpose.

(d) Any compromise order must set out all the terms and the reason for the order and must be in the best interest of the state of Minnesota.

History: *Ex1936 c 2 s 14; 1941 c 554 s 13; 1943 c 650 s 9; 1945 c 376 s 13; 1949 c 605 s 12,13; 1951 c 55 s 1; 1953 c 97 s 17; 1969 c 9 s 65; 1969 c 567 s 3; 1969 c 854 s 13; 1973 c 254 s 3; 1973 c 720 s 73 subds 2,3; 1975 c 108 s 1; 1975 c 302 s 3,4; 1975 c 336 s 22,23; 1977 c 430 s 25 subd 1; 1978 c 618 s 2; 1978 c 674 s 60; 1980 c 508 s 11-13; 3Sp1981 c 2 art 1 s 33; 1Sp1982 c 1 s 34,35; 1983 c 372 s 39; 1985 c 248 s 70; 1Sp1985 c 14 art 9 s 75; 1986 c 444; 1987 c 362 s 26; 1987 c 385 s 28-30; 1989 c 65 s 12; 1989 c 209 art 2 s 1; 1993 c 67 s 11; 1994 c 483 s 1; 1995 c 54 s 13-15; 1996 c 417 s 24,31; 1997 c 66 s 79; 1998 c 265 s 22; 1999 c 107 s 37,66*

268.0675 NO ELECTION OF REMEDY.

Use of any remedy under this chapter for the collection of any delinquent taxes, payments in lieu of taxes, or unemployment benefit overpayment, including penalties, interest, and costs, shall not constitute an election of remedy to the exclusion of any other available remedy.

History: *1999 c 107 s 38; 2000 c 343 s 4*

268.068 NOTICE TO WORKERS.

Each employer shall post and maintain printed statements of an individual's right to apply for unemployment benefits in places readily accessible to workers in the employer's service. The printed statements shall be supplied by the commissioner at no cost to an employer.

History: *1996 c 417 s 8; 1997 c 66 s 79; 1999 c 107 s 39; 2000 c 343 s 4*

268.069 PAYMENT OF UNEMPLOYMENT BENEFITS.

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

- (1) the applicant has filed an application for unemployment benefits and established a benefit account in accordance with section 268.07;
- (2) the applicant is not subject to a disqualification from unemployment benefits under section 268.095;
- (3) the applicant has met all of the ongoing weekly eligibility requirements under sections 268.085 and 268.086;
- (4) the applicant does not have an outstanding overpayment of unemployment benefits, including any penalties or interest, under section 268.18; and
- (5) the applicant is not subject to a denial of unemployment benefits under section 268.182.

Subd. 2. **Unemployment benefits paid from state funds.** Unemployment benefits are paid from state funds and shall not be considered paid from any special insurance plan, nor as paid by an employer. An application for unemployment benefits shall not be considered a claim against an employer but shall be considered a request for unemployment benefits from the fund. The commissioner has the responsibility for the proper payment of unemployment benefits regardless of the level of interest or participation by an applicant or an employer in any determination or appeal. An applicant's entitlement to unemployment benefits shall be determined based upon that information available without regard to any common law burden of proof, and any agreement between an applicant and an employer shall not be binding on the commissioner in determining an applicant's entitlement. There shall be no presumption of entitlement or nonentitlement to unemployment benefits.

Subd. 3. **Common law.** There shall be no equitable or common law denial or allowance of unemployment benefits.

History: *1997 c 66 s 28; 1998 c 265 s 45; 1999 c 107 s 40,66; 2000 c 343 s 4*

268.07 BENEFIT ACCOUNT.

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

(b) The commissioner shall examine each application for unemployment benefits to determine the base period, the benefit year, the weekly unemployment benefit amount available, if any, and the maximum amount of unemployment benefits available, if any. The determination shall be known as the determination of benefit account. A determination of benefit account shall be sent to the applicant and all base period employers, by mail or electronic transmission.

(c) If a base period employer did not provide wage information for the applicant as provided for in section 268.044, the commissioner shall accept an applicant certification as to wage credits, based upon the applicant's records, and issue a determination of benefit account.

(d) The commissioner may, at any time within 24 months from the establishment of a benefit account, reconsider any determination of benefit account and make a redetermination if the commissioner finds that the determination was incorrect for any reason. A redetermination shall be promptly sent to the applicant and all base period employers, by mail or electronic transmission.

If a redetermination of benefit account reduces the weekly unemployment benefit amount or maximum amount of unemployment benefits available, any unemployment benefits that have been paid greater than the applicant was redetermined entitled is considered an overpayment of unemployment benefits under section 268.18, subdivision 1.

Subd. 2. Benefit account requirements and weekly unemployment benefit amount and maximum amount of unemployment benefits. (a) To establish a benefit account, an applicant must have:

- (1) high quarter wage credits of at least \$1,000; and
- (2) wage credits, in other than the high quarter, of at least \$250.

(b) If an applicant has established a benefit account, the weekly unemployment benefit amount available during the benefit year shall be the higher of:

- (1) 50 percent of the applicant's average weekly wage during the base period, to a maximum of 66-2/3 percent of the state's average weekly wage; or
- (2) 50 percent of the applicant's average weekly wage during the high quarter, to a maximum of the higher of \$331 or 50 percent of the state's average weekly wage.

The applicant's average weekly wage under clause (1) shall be computed by dividing the total wage credits by 52. The applicant's average weekly wage under clause (2) shall be computed by dividing the high quarter wage credits by 13.

(c) The state's maximum weekly unemployment benefit amount and the applicant's weekly unemployment benefit amount and maximum amount of unemployment benefits shall be rounded down to the next lowest whole dollar.

(d) The maximum amount of unemployment benefits available on any benefit account shall be 33-1/3 percent of the applicant's total wage credits to a maximum of 26 times the applicant's weekly unemployment benefit amount.

Subd. 2a. [Repealed by amendment, 1996 c 417 s 9]

Subd. 3. Second benefit account requirements. To establish a second benefit account following the expiration of a benefit year on a prior benefit account, an applicant must have sufficient wage credits to establish a benefit account under subdivision 2 and must have performed services in covered employment after the effective date of the prior benefit account. The wages paid for that employment must

equal not less than eight times the weekly unemployment benefit amount of the prior benefit account. A benefit account established sufficiently in advance of anticipated loss of employment to make the limitations of this subdivision ineffective shall not be allowed. The purpose of this subdivision is to prevent an applicant from establishing more than one benefit account as a result of one loss of employment.

Subd. 3a. **Right of appeal.** (a) A determination or redetermination of a benefit account shall be final unless an applicant or base period employer within 30 calendar days after the sending of the determination or redetermination files an appeal. Every determination or redetermination of a benefit account shall contain a prominent statement indicating in clear language the consequences of not appealing. Proceedings on the appeal shall be conducted in accordance with section 268.105.

(b) Any applicant or base period employer may appeal from a determination or redetermination of a benefit account on the issue of whether services performed constitute employment and covered employment. Proceedings on the appeal shall be conducted in accordance with section 268.105.

Subd. 3b. **Limitations.** (a) A benefit account shall be established effective the Sunday of the calendar week that the application for unemployment benefits was filed. If an individual attempted to file an application for unemployment benefits, but was prevented from filing an application by the department, the benefit account shall be effective the Sunday of the calendar week the individual first attempted to file an application.

(b) A benefit account, once established, may later be withdrawn only if:

(1) a new application for unemployment benefits is filed and a new benefit account is established at the time of the withdrawal; and

(2) the applicant has not served a waiting week under section 268.085, subdivision 1, clause (3).

A determination or amended determination pursuant to section 268.101, that was issued before the withdrawal of the benefit account, shall remain in effect and shall not be voided by the withdrawal of the benefit account. A determination of disqualification requiring subsequent earnings to satisfy the disqualification under section 268.095, subdivision 10, shall apply to the weekly unemployment benefit amount on the new benefit account.

(c) An application for unemployment benefits shall not be allowed prior to the Sunday following the expiration of the benefit year on a prior benefit account. Except as allowed under paragraph (b), a applicant may establish only one benefit account each 52 calendar weeks.

(d) All unemployment benefits shall be available from the fund only for weeks occurring during the applicant's benefit year.

Subd. 4. MS 1949 [Repealed, 1951 c 442 s 3]

Subd. 4. MS 1980 [Repealed, 1Sp1982 c 1 s 43]

Subd. 5. [Repealed, 1975 c 336 s 25]

Subd. 6. [Repealed, 1947 c 32 s 9]

History: (4337-25) Ex1936 c 2 s 5; 1937 c 306 s 3; 1939 c 443 s 4; 1941 c 554 s 4; 1943 c 650 s 3; 1945 c 376 s 4; 1947 c 432 s 6; 1949 c 605 s 7,8; 1951 c 442 s 3; 1953 c 587 s 1; 1955 c 816 s 1; 1957 c 780 s 1; 1965 c 741 s 12,13; 1967 c 573 s 4; 1969 c 854 s 7; 1971 c 408 s 1; 1971 c 942 s 7,8; Ex1971 c 10 s 1; 1973 c 599 s 5; 1975 c 104 s 1; 1975 c 336 s 11; 1977 c 4 s 6; 1977 c 297 s 12; 1979 c 284 s 1; 1Sp1982 c 1 s 13-15; 1983 c 372 s 17,18; 1985 c 248 s 70; 1986 c 444; 1987 c 242 s 2; 1987 c 362 s 13-15; 1987 c 385 s 19; 1989 c 65 s 6,7; 1989 c 209 art 2 s 1; 1990 c 516 s 3; 1992 c 484 s 8; 1996 c 417 s 9,31; 1997 c 66 s 29-32,79; 1998 c 265 s 23; 1998 c 408 s 3; 1999 c 107 s 41,66; 2000 c 343 s 4

268.071 [Renumbered 268.115]

268.072 [Renumbered 268.155]

268.073 Subdivision 1. [Renumbered 268.125, subd 1]

Subd. 2. [Renumbered 268.125, subd 2]

Subd. 3. [Renumbered 268.125, subd 3]

Subd. 4. [Renumbered 268.125, subd 4]

Subd. 5. [Renumbered 268.125, subd 5]

Subd. 6. [Repealed, 1994 c 503 s 7]

Subd. 7. [Repealed, 1997 c 66 s 81]

268.074 [Renumbered 268.135]

268.075 [Renumbered 268.145]

268.08 Subdivision 1. [Renumbered 268.085 subd 1]

Subd. 1a. [Renumbered 268.087]

Subd. 2. [Renumbered 268.085 subd 2]

Subd. 2a. [Renumbered 268.085 subd 13]

Subd. 3. [Renumbered 268.085 subd 3]

Subd. 3a. [Renumbered 268.085 subd 5]

Subd. 3b. [Renumbered 268.085 subd 6]

Subd. 4. [Renumbered 268.085 subd 4]

Subd. 5. [Repealed, 1977 c 297 s 22]

Subd. 5a. [Repealed, 1998 c 265 s 46]

Subd. 6. [Renumbered 268.085 subd 7]

Subd. 7. [Renumbered 268.085 subd 11]

Subd. 8. [Renumbered 268.085 subd 12]

Subd. 9. [Renumbered 268.085 subd 8]

Subd. 10. [Renumbered 268.085 subd 10]

Subd. 11. [Renumbered 268.085 subd 9]

268.081 [Repealed, 1993 c 4 s 34]

268.085 ELIGIBILITY REQUIREMENTS.

Subdivision 1. **Eligibility conditions.** An applicant shall be eligible to receive unemployment benefits for any week if:

(1) the applicant has an active benefit account and has filed a continued request for unemployment benefits for that week pursuant to section 268.086;

(2) the applicant was able to work and was available for employment, and was actively seeking suitable employment. The applicant's weekly unemployment benefit amount shall be reduced one-fifth for each day the applicant is unable to work or is unavailable for employment.

This clause shall not apply to an applicant who is in reemployment assistance training.

The requirement that the applicant be available for employment and actively seeking suitable employment shall not apply each day the applicant is on jury duty;

(3) the applicant has served a waiting period of one week that the applicant is otherwise entitled to some amount of unemployment benefits. This clause shall not apply if the applicant would have been entitled to federal disaster unemployment assistance because of a disaster in Minnesota, but for the applicant's establishment of a benefit account under section 268.07; and

(4) the applicant has been participating in reemployment assistance services, such as job search and resume writing classes, if the applicant has been determined in need of reemployment assistance services by the commissioner, unless there is good cause for the applicant's failure to participate.

Subd. 2. **Not eligible.** An applicant shall not be eligible to receive unemployment benefits for any week:

- (1) that occurs before the effective date of a benefit account;
- (2) that occurs in a period when the applicant is a student in attendance at, or on vacation from a secondary school including the period between academic years or terms;
- (3) that the applicant is incarcerated or performing court ordered community service. The applicant's weekly unemployment benefit amount shall be reduced by one-fifth for each day the applicant is incarcerated or performing court ordered community service;
- (4) that the applicant is on a voluntary leave of absence, including a requested period of paid or unpaid vacation. A leave of absence is voluntary when work, that the applicant can perform, is available with the applicant's employer, but the applicant chooses not to work. An applicant who is not working as a result of a vacation period assigned by an employer under: (i) a uniform vacation shutdown, (ii) a collective bargaining agreement, or (iii) an established employer policy, shall not be ineligible under this clause;
- (5) that the applicant is performing services 32 hours or more, in employment, covered employment, noncovered employment, or self-employment regardless of the amount of any earnings; or
- (6) with respect to which the applicant is receiving, has received, or has filed an application for unemployment benefits under any federal law or the law of any other state. If the appropriate agency finally determines that the applicant is not entitled to the unemployment benefits, this clause shall not apply.

Subd. 3. **Deductible payments.** (a) An applicant shall not be eligible to receive unemployment benefits for any week with respect to which the applicant is receiving, has received, or has filed for payment in an amount equal to or in excess of the applicant's weekly unemployment benefit amount in the form of:

(1) a severance payment. This clause shall apply to the first four weeks of payment and to one-half of the total number of any additional weeks of payment. This clause shall be applied to the period immediately following the last day of employment. The number of weeks of payment shall be determined as follows:

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

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

(2) vacation pay, paid directly by an employer for vacation periods assigned by the employer under: (i) a collective bargaining agreement, (ii) established employer policy, or (iii) uniform vacation shutdown;

(3) compensation for loss of wages under the workers' compensation law of this state or any other state or under a similar law of the United States, or compensation for loss of wages under any other insurance or fund paid in whole or in part by an employer;

(4) pension, retirement, or annuity payments from any plan contributed to by a base period employer including the United States government, except social security benefits which are provided for in subdivision 4. The base period employer contributed to the plan if the contribution is excluded from the definition of wages under section 268.035, subdivision 29, clause (1), or United States Code, title 26, section 3121, clause (2), of the Federal Insurance Contribution Act.

If the applicant receives a lump sum pension payment, that sum shall be divided by the applicant's last level of regular weekly pay to determine the number of weeks of payment. The number of weeks of payment shall be applied to the period immediately following the last day of employment. An applicant shall not be considered to have received the lump sum payment if the applicant immediately deposits that payment in a qualified pension plan or account; or

(5) holiday pay or sick pay, paid directly by an employer.

(b) If the deductible payment is less than the applicant's weekly unemployment benefit amount, unemployment benefits shall be reduced by the amount of the payment. If the computation of reduced unemployment benefits is not a whole dollar, it shall be rounded down to the next lowest dollar.

(c) If the appropriate agency finally determines that the applicant is not entitled to payments, this subdivision shall not apply.

Subd. 4. **Social security benefits.** (a) Any applicant aged 62 or over shall be required to state when filing an application for unemployment benefits and when filing continued requests for unemployment benefits whether the applicant is receiving, has filed for, or intends to file for, primary social security old age or disability benefits for any week during the benefit year.

(b) There shall be deducted from an applicant's weekly unemployment benefit amount 50 percent of the weekly equivalent of the primary social security old age or disability benefit the applicant has received, has filed for, or intends to file for, with respect to that week.

(c) Notwithstanding paragraph (b), an applicant shall be ineligible for unemployment benefits for any week with respect to which the applicant is receiving, has received, or has filed for primary social security disability benefits.

This paragraph shall not apply if the Social Security Administration approved the collecting of primary social security disability benefits each month the applicant was employed during the base period.

(d) Information from the Social Security Administration shall be considered conclusive, absent specific evidence showing that the information was erroneous.

(e) Any applicant who receives primary social security old age or disability benefits for periods that the applicant has been paid unemployment benefits shall be considered overpaid those unemployment benefits under section 268.18, subdivision 1.

Subd. 5. **Deductible earnings.** (a) If the applicant has earnings with respect to any week, from employment, covered employment, noncovered employment, self-employment, or volunteer work, equal to or in excess of the applicant's weekly unemployment benefit amount, the applicant shall be ineligible for unemployment benefits for that week.

(b) If the applicant has earnings, with respect to any week, that is less than the applicant's weekly unemployment benefit amount, from employment, covered employment, noncovered employment, self-employment, or volunteer work, that amount over the following shall be deducted from the weekly unemployment benefit amount:

(1) 25 percent of earnings or \$50, whichever is higher; and

(2) \$200 for earnings from service in the National Guard or a United States military reserve unit.

The resulting unemployment benefit, if not a whole dollar, shall be rounded to the next lower dollar.

(c) No deduction shall be made from an applicant's weekly unemployment benefit amount for earnings from service as a volunteer firefighter or volunteer ambulance service personnel. No deduction shall be made for jury duty pay.

(d) The applicant may report deductible earnings on continued requests for unemployment benefits at the nearest whole dollar amount.

(e) Earnings shall not include any money considered a deductible payment under subdivision 3, but shall include all other money considered wages and any other money considered earned income under state and federal law for income tax purposes.

Subd. 6. **Receipt of back pay.** (a) Back pay received by an applicant with respect to any week occurring in the 104 weeks prior to the payment of the back pay shall be deducted from unemployment benefits paid for that week.

If an arbitration award, administrative or judicial decision, or negotiated settlement that provides for back pay does not specify the period with respect to which it is paid, the back pay shall be applied to the period immediately following the last day of employment.

(b) If the back pay is reduced by the amount of unemployment benefits that have been paid, the amount of back pay withheld shall be:

(1) paid by the employer to the fund within 30 calendar days and subject to the same collection procedures that apply to past due taxes;

(2) applied to unemployment benefit overpayments resulting from the payment of the back pay; and

(3) credited to the maximum amount of unemployment benefits available to the applicant in a benefit year that includes the weeks for which back pay was deducted.

(c) Charges to the employer's tax or reimbursable account under section 268.047 for unemployment benefits paid the applicant shall be removed from the employer's account in the calendar quarter the fund receives payment.

(d) Payments to the fund under this subdivision shall be considered as made by the applicant.

Subd. 7. **School employees.** (a) No wage credits in any amount from any employment with any educational institution or institutions earned in any capacity may be used for unemployment benefit purposes for any week during the period between two successive academic years or terms if:

(1) the applicant had employment for any educational institution or institutions in the prior academic year or term; and

(2) there is a reasonable assurance that the applicant will have employment for any educational institution or institutions in the following academic year or term, that is not substantially less favorable than the employment of the prior academic year or term.

(b) Paragraph (a) shall not apply to an applicant who, at the end of the prior academic year or term, had an agreement for a definite period of employment between academic years or terms in other than an instructional, research, or principal administrative capacity and the educational institution or institutions failed to provide that employment.

(c) If unemployment benefits are denied to any applicant under paragraph (a) who was employed in the prior academic year or term in other than an instructional, research, or principal administrative capacity and who was not offered an opportunity to perform the employment in the following academic year or term, the applicant shall be entitled to retroactive unemployment benefits for each week during the period between academic years or terms that the applicant filed a timely continued request for unemployment benefits, but unemployment benefits were denied solely because of paragraph (a).

(d) An educational assistant shall not be considered to be in an instructional, research, or principal administrative capacity.

(e) Paragraph (a) shall apply to any vacation period or holiday recess if the applicant was employed immediately before the vacation period or holiday recess, and there is a reasonable assurance that the applicant will be employed immediately following the vacation period or holiday recess.

(f) This subdivision shall apply to employment with an educational service agency if the applicant performed the services at an educational institution or institutions.

“Educational service agency” means a governmental agency or entity established and operated exclusively for the purpose of providing services to one or more educational institutions. This subdivision shall also apply to employment with Minnesota or a political subdivision, or a nonprofit organization, if the services are provided to or on behalf of an educational institution or institutions.

(g) Paragraphs (a) and (e) shall apply beginning the Sunday of the week that there is a reasonable assurance of employment.

(h) Employment with multiple education institutions shall be aggregated for purposes of application of this subdivision.

(i) If all of the applicant’s employment with any educational institution or institutions during the prior academic year or term consisted of on-call employment, and the applicant has a reasonable assurance of any on-call employment with any educational institution or institutions for the following academic year or term, it shall not be considered substantially less favorable employment.

(j) Paragraph (a) shall also apply to the period between two regular but not successive terms.

(k) A “reasonable assurance” may be written, oral, implied, or established by custom or practice.

(l) An “educational institution” is an educational entity operated by Minnesota or a political subdivision or an instrumentality thereof, or an educational organization described in United States Code, title 26, section 501(c)(3) of the federal Internal Revenue Code, and exempt from income tax under section 501(a).

Subd. 8. Services for school contractors. Wage credits from an employer are subject to subdivision 7, if:

(1) the employment was provided pursuant to a contract between the employer and an elementary or secondary school; and

(2) the contract was for services that the elementary or secondary school could have had performed by its employees.

Subd. 9. Business owners. Wage credits from an employer may not be used for unemployment benefit purposes by any applicant who:

(1) individually, jointly, or in combination with the applicant’s spouse, parent, or child owns or controls directly or indirectly 25 percent or more interest in the employer, or is the spouse, parent, or minor child of any individual who owns or controls directly or indirectly 25 percent or more interest in the employer; and

(2) is not permanently separated from employment.

This subdivision is effective when the applicant has been paid four times the applicant’s weekly unemployment benefit amount in the current benefit year.

Subd. 10. Recreational or tourist industry employment. (a) If an applicant has wage credits from recreational or tourist industry employment, unemployment benefits shall be available only if the applicant can establish a benefit account under section 268.07, subdivision 2, excluding the wage credits from recreational or tourist industry employment. This subdivision applies only to employment that is available with the employer for 15 consecutive weeks or less each calendar year.

(b) Wage credits from recreational or tourist industry employment may not be used for unemployment benefit purposes during weeks outside the normal employment season.

Subd. 11. Athletes and coaches. Unemployment benefits shall not be paid to an applicant on the basis of any wage credits from employment that consists of coaching or participating in sports or athletic events or training or preparing to participate for any week during the period between two successive sport seasons, or similar periods, if:

(1) the applicant was so employed in the prior season or similar period, and

(2) there is a reasonable assurance that the applicant will be so employed in the following season or similar period.

Subd. 12. **Aliens.** (a) An alien shall be ineligible for unemployment benefits for any week the alien is not authorized to work in the United States under federal law. Information from the Immigration and Naturalization Service shall be considered conclusive, absent specific evidence that the information was erroneous.

(b) Unemployment benefits shall not be paid on the basis of wage credits earned by an alien unless the alien (1) was lawfully admitted for permanent residence at the time of the employment, (2) was lawfully present for the purposes of the employment, or (3) was permanently residing in the United States under color of law at the time of the employment.

(c) Any information required of applicants applying for unemployment benefits to determine eligibility because of their alien status shall be required from all applicants.

Subd. 13. **Suspension from employment.** (a) An applicant who has been suspended from employment without pay for 30 calendar days or less, as a result of employment misconduct as defined under section 268.095, subdivision 6, shall be ineligible for unemployment benefits beginning the Sunday of the week that the applicant was suspended and continuing for the duration of the suspension.

(b) A suspension from employment without pay for more than 30 calendar days shall be considered a discharge from employment under section 268.095, subdivision 5.

(c) A suspension from employment with pay, regardless of duration, shall not be considered a separation from employment and the applicant shall be ineligible for unemployment benefits for the duration of the suspension with pay.

Subd. 14. **Able to work defined.** "Able to work" means an applicant has the physical and mental ability to perform the usual duties of the applicant's customary occupation or the usual duties of other suitable employment.

Subd. 15. **Available for employment defined.** (a) "Available for employment" means an applicant is ready and willing to accept employment in the labor market area. The attachment to the work force must be genuine. There must be no restrictions, either self-imposed or created by circumstances, temporary or permanent, that prevent accepting employment.

(b) To be considered "available for employment," a student must be willing to quit school to accept employment that would conflict with school attendance.

(c) An applicant who is absent from the labor market area for personal reasons, other than to search for work, is not "available for employment."

(d) An applicant who has restrictions on the hours of the day or days of the week that the applicant can or will work, that are not normal for the applicant's usual occupation or other employment, is not "available for employment." An applicant whose usual occupation is normally performed during the daytime must be available for daytime work even though the applicant customarily worked the night shift.

(e) An applicant must have transportation throughout the labor market area to be considered "available for employment."

Subd. 16. **Actively seeking suitable employment defined.** (a) "Actively seeking suitable employment" means those reasonable, diligent efforts an individual in similar circumstances would make if genuinely interested in obtaining suitable employment under the existing conditions in the labor market area. Limiting the search to positions that are not available or are above the applicant's training, experience, and qualifications is not "actively seeking suitable employment."

(b) To be considered "actively seeking suitable employment" an applicant shall, when reasonable, contact those employers from whom the applicant was laid off due to lack of work and request suitable employment.

(c) If reasonable prospects of suitable employment in the applicant's usual or customary occupation do not exist, the applicant must actively seek other suitable

employment to be considered "actively seeking suitable employment." This applies to an applicant who is seasonally unemployed.

(d) An applicant who is seeking employment only through a union is not actively seeking suitable employment unless the applicant is in an occupation where it is required by union rule that all the hiring in that locality is done through the union. The applicant must be a union member in good standing, registered with the union for employment, and in compliance with other union rules to be considered "actively seeking suitable employment."

History: (4337-26) *Ex*1936 c 2 s 6; 1937 c 43 s 2; 1937 c 306 s 4; 1939 c 443 s 5; 1941 c 554 s 5; 1943 c 650 s 4; 1945 c 376 s 5; 1949 c 605 s 9; 1953 c 97 s 9; 1953 c 699 s 10; 1965 c 741 s 14-16; 1969 c 6 s 34; 1971 c 942 s 9,10; 1973 c 599 s 6-8; 1975 c 104 s 2; 1975 c 336 s 13-15; 1975 c 359 s 23; 1976 c 163 s 59; 1976 c 271 s 78; 1977 c 4 s 7; 1977 c 297 s 15-18; 1978 c 612 s 1; 1979 c 24 s 1; 1979 c 181 s 9,10,19; 1980 c 508 s 8; 1Sp1982 c 1 s 23-25; 1983 c 290 s 168; 1983 c 372 s 20-24; 1985 c 248 s 44; 1986 c 444; 1987 c 362 s 18; 1987 c 384 art 1 s 55; 1987 c 385 s 20-22; 1989 c 209 art 2 s 1; 1989 c 282 art 2 s 169; 1990 c 516 s 4; 1991 c 265 art 11 s 22; 1992 c 484 s 10; 1993 c 67 s 3,4; 1994 c 488 s 2,3,8; 1995 c 54 s 8,9; 1995 c 231 art 1 s 32; 1996 c 417 s 18,31; 1997 c 66 s 36-42; 1998 c 265 s 24,45; 1999 c 107 s 42,66; 2000 c 343 s 4; 2000 c 488 art 2 s 17;

268.086 CONTINUED REQUEST FOR UNEMPLOYMENT BENEFITS ON AN ACTIVE BENEFIT ACCOUNT.

Subdivision 1. **Active benefit account.** (a) A benefit account shall be considered active only when an applicant files continued requests for unemployment benefits in the manner and within the time periods prescribed. A benefit account shall be considered inactive if an applicant stops filing a continued request or fails to file a continued request within the time period required. The benefit account shall be considered inactive as of the Sunday following the last week or biweekly period for which a continued request has been timely filed.

(b) A benefit account that is inactive shall be reactivated the Sunday of the week that the applicant makes a contact with the department to do so, in the manner prescribed by the commissioner for reactivating that applicant's benefit account.

Subd. 2. **Continued request for unemployment benefits defined.** A continued request for unemployment benefits is a certification by an applicant, done on a weekly or biweekly basis as prescribed by the commissioner, on the applicant's eligibility for unemployment benefits under section 268.085 for a specific week or two-week period. A continued request shall include information on possible issues of disqualification in accordance with section 268.101, subdivision 1, paragraph (c).

Subd. 3. **Methods for filing continued requests for unemployment benefits.** (a) The commissioner shall designate to each applicant one of the following methods for filing a continued request:

- (1) by telephone under subdivision 4;
- (2) by electronic transmission under subdivision 5;
- (3) by mail under subdivision 6; or
- (4) by in-person interview under subdivision 7.

(b) The method designated by the commissioner shall be the only method allowed for filing a continued request by that applicant. An applicant may ask that one of the other allowed methods be designated and the commissioner shall consider inconvenience to the applicant as well as administrative capacity in determining whether to allow an applicant to change the designated method for filing a continued request for unemployment benefits.

Subd. 4. **Continued request for unemployment benefits by telephone.** (a) A continued request by telephone shall be made to a telephone number required by the commissioner for that applicant. In order to constitute a continued request, all information asked for, including information authenticating that the caller is the

applicant, must be provided. If all of the information asked for is not provided, the communication shall not constitute a continued request for unemployment benefits.

The telephone communication must be made on the date required for the applicant for filing a continued request for unemployment benefits by telephone.

(b) If the telephone continued request for unemployment benefits is not filed on the date required, a continued request by telephone shall be accepted if the applicant files the continued request by telephone within 14 days following the week in which the date required occurred. If the continued request by telephone is not filed within 14 days following the week in which the date required occurred, the telephone continued request shall not be accepted and the applicant shall be ineligible for unemployment benefits for the period covered by the continued request and the benefit account shall be considered inactive, unless the applicant shows good cause for failing to file the continued request by telephone within the time period requested.

Subd. 5. Continued request for unemployment benefits by electronic transmission.

(a) A continued request for unemployment benefits by electronic transmission shall be filed to that electronic mail address or Internet address prescribed by the commissioner for that applicant. In order to constitute a continued request, all information asked for, including information authenticating that the applicant is sending the transmission, must be provided in the format required. If all of the information asked for is not provided, the communication shall not constitute a continued request for unemployment benefits.

The electronic transmission communication must be filed on the date required for the applicant for filing a continued request by electronic transmission.

(b) If the electronic transmission continued request is not filed on the date required, a continued request by electronic transmission shall be accepted if the applicant files the continued request by electronic transmission within 14 days following the week in which the date required occurred. If the continued request by electronic transmission is not filed within 14 days following the week in which the date required occurred, the electronic continued request shall not be accepted and the applicant shall be ineligible for unemployment benefits for the period covered by the continued request and the benefit account shall be considered inactive, unless the applicant shows good cause for failing to file the continued request by electronic transmission within the time period required.

Subd. 6. Continued request for unemployment benefits by mail. (a) A continued request for unemployment benefits by mail shall be on a form prescribed by the commissioner. The form, in order to constitute a continued request, must be totally completed and signed by the applicant.

The form must be filed on the date required for the applicant for filing a continued request by mail, in an envelope with postage prepaid thereon, and sent to the address required by the commissioner for that applicant.

(b) If the mail continued request for unemployment benefits is not filed on the date required, a continued request shall be accepted if the form is filed by mail within 14 days following the week in which the date required occurred. If the form is not filed within 14 days following the week in which the date required occurred, the form shall not be accepted and the applicant shall be ineligible for unemployment benefits for the period covered by the continued request for unemployment benefits and the benefit account shall be considered inactive, unless the applicant shows good cause for failing to file the form by mail within the time period required.

(c) If the applicant has been designated to file a continued request for unemployment benefits by mail, an applicant may submit the form by facsimile transmission on the day otherwise required for mailing, or within 14 days following the week in which the date required occurred. A form submitted by facsimile transmission shall be sent only to the telephone number assigned for that purpose.

(d) An applicant who has been designated to file a continued request by mail may personally deliver a continued request form only to the location to which the form was otherwise required to be mailed.

Subd. 7. In-person continued request for unemployment benefits. The commissioner may require any applicant who has been designated to make a continued request for unemployment benefits by mail, by telephone, by electronic transmission, or by mail to appear for a personal interview at a place, time, and date designated, during which a written continued request for unemployment benefits form shall be completed and submitted by the applicant.

An applicant shall be ineligible for unemployment benefits for the week or biweekly period covered by a continued request and the benefit account shall be considered inactive if the applicant fails, without good cause, to comply with the requirement that the applicant appear for a personal interview and at that time complete and submit a written continued request form.

Subd. 8. Good cause. A continued request for unemployment benefits that is not filed within the time periods required by this section shall be accepted only for those weeks that the applicant has "good cause" for not filing within the time periods required.

Subd. 9. Good cause defined. "Good cause" for purposes of this section is a compelling substantial reason that would have prevented a reasonable person acting with due diligence from filing a continued request for unemployment benefits within the time periods required.

"Good cause" shall not include forgetfulness, loss of the continued request form, having returned to work, or inability to file a continued request for unemployment benefits by the method designated if the applicant was aware of the inability and did not make diligent effort to have the method of filing a continued request changed by the commissioner. "Good cause" shall not include having previously made an attempt to file a continued request for unemployment benefits but where the communication was not considered a continued request because the applicant failed to submit all required information.

History: 1999 c 107 s 43,66; 2000 c 343 s 4

268.087 UNEMPLOYMENT BENEFITS DUE DECEASED PERSONS.

If unemployment benefits are due and payable at the time of an applicant's death, those benefits may, upon application, be paid to the personal representative of the estate of the deceased. In the event that no personal representative is appointed, the unemployment benefits may, upon application be paid in the following order: (1) the surviving spouse, (2) the surviving child or children, or (3) the surviving parent or parents.

An individual seeking payment shall complete an application prescribed by the commissioner and the payment of unemployment benefits shall discharge the obligations to the applicant and no other individual shall claim or assert any right to those unemployment benefits.

History: (4337-26) Ex1936 c 2 s 6; 1937 c 43 s 2; 1937 c 306 s 4; 1939 c 443 s 5; 1941 c 554 s 5; 1943 c 650 s 4; 1945 c 376 s 5; 1949 c 605 s 9; 1953 c 97 s 9; 1953 c 699 s 10; 1965 c 741 s 14-16; 1969 c 6 s 34; 1971 c 942 s 9,10; 1973 c 599 s 6-8; 1975 c 104 s 2; 1975 c 336 s 13-15; 1975 c 359 s 23; 1976 c 163 s 59; 1976 c 271 s 78; 1977 c 4 s 7; 1977 c 297 s 15-18; 1978 c 612 s 1; 1979 c 24 s 1; 1979 c 181 s 9,10,19; 1980 c 508 s 8; 1Sp1982 c 1 s 23-25; 1983 c 290 s 168; 1983 c 372 s 20-24; 1985 c 248 s 44; 1986 c 444; 1987 c 362 s 18; 1987 c 384 art 1 s 55; 1987 c 385 s 20-22; 1989 c 209 art 2 s 1; 1989 c 282 art 2 s 169; 1990 c 516 s 4; 1991 c 265 art 11 s 22; 1992 c 484 s 10; 1993 c 67 s 3,4; 1994 c 488 s 2,3,8; 1995 c 54 s 8,9; 1995 c 231 art 1 s 32; 1996 c 417 s 18,31; 1997 c 66 s 36-42; 1998 c 265 s 24,45; 1999 c 107 s 66; 2000 c 343 s 4

268.09 Subdivision 1. [Repealed, 1997 c 66 s 81]

Subd. 1a. [Renumbered 268.095 subd 1]

Subd. 2. [Repealed, 1997 c 66 s 81]

Subd. 2a. [Renumbered 268.095 subd 2]

Subd. 3. [Renumbered subd 18]

Subd. 4. [Repealed, 1997 c 66 s 81]

Subd. 5. [Repealed, 1997 c 66 s 81]

Subd. 6. [Repealed, 1997 c 66 s 81]

Subd. 7. [Repealed, 1997 c 66 s 81]

Subd. 8. [Repealed, 1997 c 66 s 81]

Subd. 9. [Renumbered 268.095 subd 3]

Subd. 10. [Renumbered 268.095 subd 4]

Subd. 11. [Renumbered 268.095 subd 5]

Subd. 12. [Renumbered 268.095 subd 6]

Subd. 13. [Renumbered 268.095 subd 7]

Subd. 14. [Renumbered 268.095 subd 8]

Subd. 15. [Renumbered 268.095 subd 9]

Subd. 16. [Renumbered 268.095 subd 10]

Subd. 17. [Renumbered 268.095 subd 11]

Subd. 18. [Renumbered 268.095 subd 12]

268.095 DISQUALIFICATION PROVISIONS.

Subdivision 1. **Quit.** An applicant who quit employment shall be disqualified from all unemployment benefits except when:

(1) the applicant quit the employment because of a good reason caused by the employer;

(2) the applicant quit the employment to accept other covered employment that provided substantially better terms and conditions of employment, but the applicant did not work long enough at the other employment to have sufficient subsequent earnings to satisfy the disqualification that would otherwise be imposed;

(3) the applicant quit the employment within 30 calendar days of beginning the employment because the employment was unsuitable for the applicant;

(4) the employment was unsuitable for the applicant and the applicant quit to enter reemployment assistance training;

(5) the employment was part time and the applicant had full-time employment in the base period, that the applicant separated from because of nondisqualifying reasons, sufficient to meet the minimum requirements to establish a benefit account under section 268.07;

(6) the applicant quit because the employer notified the applicant that the applicant was going to be laid off due to lack of work within 30 calendar days. An applicant who quit employment within 30 calendar days of a notified date of layoff due to lack of work shall be disqualified from unemployment benefits through the end of the week that includes the scheduled date of layoff; or

(7) the applicant quit the employment because the applicant's serious illness or injury made it medically necessary that the applicant quit, provided that the applicant made reasonable efforts to remain in that employment in spite of the serious illness or injury.

Reasonable efforts to remain in that employment are those a reasonable individual would make if interested in remaining with the employer and require that the applicant inform the employer of the serious illness or injury and request accommodation.

If the applicant's serious illness is chemical dependency, the applicant has not made reasonable efforts to remain in that employment if the applicant has previously been diagnosed as chemically dependent, or has previously had treatment for chemical dependency, and has failed to make consistent efforts to control the chemical dependency.

Subd. 2. **Quit defined.** (a) A quit from employment occurs when the decision to end the employment was, at the time the employment ended, the employee's.

(b) An employee who has been notified that the employee will be discharged in the future, who chooses to end the employment while employment in any capacity is still available, shall be considered to have quit the employment.

(c) An employee who seeks to withdraw a previously submitted notice of quitting shall be considered to have quit the employment if the employer does not agree that the notice may be withdrawn.

Subd. 3. **Good reason caused by the employer defined.** (a) A good reason caused by the employer for quitting is a reason:

(1) that is directly related to the employment and for which the employer is responsible; and

(2) that is significant and would compel an average, reasonable worker to quit and become unemployed rather than remaining in the employment.

(b) If an applicant was subjected to adverse working conditions by the employer, the applicant must complain to the employer and give the employer a reasonable opportunity to correct the adverse working conditions before that may be considered a good reason caused by the employer for quitting.

(c) A substantial adverse change in the wages, hours, or other terms of employment by the employer shall be considered a good reason caused by the employer for quitting unless the change occurred because of the applicant's employment misconduct.

(d) Notification of discharge in the future, including a layoff due to lack of work, shall not be considered a good reason caused by the employer for quitting.

(e) An applicant has a good reason caused by the employer for quitting if it results from sexual harassment of which the employer was aware, or should have been aware, and the employer failed to take timely and appropriate action. Sexual harassment means unwelcome sexual advances, requests for sexual favors, sexually motivated physical contact or other conduct or communication of a sexual nature when:

(1) the applicant's submission to the conduct or communication is made a term or condition of the employment;

(2) the applicant's submission to or rejection of the conduct or communication is the basis for decisions affecting employment; or

(3) the conduct or communication has the purpose or effect of substantially interfering with an applicant's work performance or creating an intimidating, hostile, or offensive working environment.

(f) The definition of a good reason caused by the employer for quitting employment provided by this subdivision shall be exclusive.

Subd. 4. **Discharge.** An applicant who was discharged from employment by an employer shall not be disqualified from any unemployment benefits except when:

(1) the applicant was discharged because of employment misconduct; or

(2) the applicant was discharged because of aggravated employment misconduct.

Subd. 4a. **Aggravated employment misconduct defined.** For the purpose of this section, "aggravated employment misconduct" means:

(1) the commission of any act, on the job or off the job, that would amount to a gross misdemeanor or felony if the act interfered with or adversely affected the employment; or

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

If an applicant is convicted of a gross misdemeanor or felony for the same act for which the applicant was discharged, it is aggravated employment misconduct.

Subd. 5. Discharge defined. (a) A discharge from employment occurs when any words or actions by an employer would lead a reasonable employee to believe that the employer will no longer allow the employee to work for the employer in any capacity. A layoff due to lack of work shall be considered a discharge. A suspension from employment without pay of more than 30 calendar days shall be considered a discharge.

(b) An employee who gives notice of intention to quit the employment and is not allowed by the employer to work the entire notice period shall be considered discharged from the employment as of the date the employer will no longer allow the employee to work. If the discharge occurs within 30 calendar days prior to the intended date of quitting, then, as of the intended date of quitting, the separation from employment shall be considered a quit from employment subject to subdivision 1.

Subd. 6. Employment misconduct defined. (a) Employment misconduct means:

(1) any intentional conduct, on the job or off the job, that disregards the standards of behavior that an employer has the right to expect of the employee or disregards the employee's duties and obligations to the employer; or

(2) negligent or indifferent conduct, on the job or off the job, that demonstrates a substantial lack of concern for the employment.

(b) Inefficiency, inadvertence, simple unsatisfactory conduct, poor performance because of inability or incapacity, or absence because of illness or injury with proper notice to the employer, are not employment misconduct.

(c) Any conduct in violation of paragraph (a), clause (1) or (2), that was a result of the applicant's chemical dependency is employment misconduct if the applicant has previously been diagnosed chemically dependent or had treatment for chemical dependency, and has failed to make consistent efforts to control the chemical dependency.

(d) A driving offense in violation of sections 169A.20, 169A.31, or 169A.50 to 169A.53 that interferes with or adversely affects the employment is employment misconduct.

(e) The definition of employment misconduct provided by this subdivision shall be exclusive.

Subd. 7. Act or omissions after separation. Except as provided for under subdivision 8, an applicant shall not be disqualified from unemployment benefits under this section for any acts or omissions occurring after the applicant's separation from employment with the employer. A layoff due to lack of work is considered a separation from employment.

Subd. 8. Offers of employment. (a) An applicant shall be disqualified from all unemployment benefits if the applicant, without good cause:

(1) failed to apply for available, suitable employment of which the applicant was advised by the commissioner or an employer;

(2) failed to accept suitable employment when offered; or

(3) avoided an offer of suitable employment.

(b) "Good cause" is a reason that would cause a reasonable individual who wants suitable employment to fail to apply for, accept, or avoid suitable employment. Good cause includes:

(1) the applicant is employed in other suitable employment;

(2) the applicant is in reemployment assistance training;

(3) the applicant formerly worked for the employer and the loss of employment occurred prior to the commencement of a labor dispute, was permanent or for an indefinite period, and the applicant failed to apply for or accept the employment because a labor dispute was in progress at the establishment; or

(4) the applicant formerly worked for the employer and quit that employment because of a good reason caused by the employer.

Subd. 9. [Renumbered 268.035, subd. 23a]

Subd. 10. **Disqualification duration.** (a) A disqualification from the payment of all unemployment benefits under subdivisions 1, 4, and 8 shall be for the duration of the applicant's unemployment and until the end of the calendar week that the applicant had total earnings in subsequent covered employment of eight times the applicant's weekly unemployment benefit amount.

(b) Any disqualification imposed under subdivisions 1 and 4 shall begin on the Sunday of the week that the applicant became separated from employment. Any disqualification imposed under subdivision 8 shall begin on the Sunday of the week the applicant failed to apply for, accept, or avoided employment.

(c) In addition to paragraph (a), if the applicant was discharged from employment because of aggravated employment misconduct, wage credits from that employment shall be canceled.

Subd. 11. **Application.** This section shall apply to:

(1) all covered employment, full time or part time, temporary or of limited duration, permanent or of indefinite duration, that occurred during the base period, the period between the end of the base period and the effective date of the benefit account, or the benefit year, except as provided for in subdivision 1, clause (5); or

(2) all covered employment occurring in this state, and employment covered under an unemployment insurance program, (i) of any other state or (ii) established by an act of Congress.

Subd. 12. **Labor dispute.** (a) An applicant who has stopped working because of a labor dispute at the establishment where the applicant is employed shall be disqualified from unemployment benefits:

(1) until the end of the calendar week that the labor dispute was in active progress if the applicant is participating in or directly interested in the labor dispute; or

(2) until the end of the calendar week that the labor dispute began if the applicant is not participating in or directly interested in the labor dispute.

Participation includes any failure or refusal by an applicant, voluntarily or involuntarily, to accept and perform available and customary work at the establishment.

(b) An applicant who has stopped working because of a jurisdictional controversy between two or more labor organizations at the establishment where the applicant is employed shall be disqualified for unemployment benefits until the end of the calendar week that the jurisdictional controversy was in progress.

(c) An applicant shall not be disqualified from unemployment benefits under this subdivision if:

(1) the applicant stops working because of an employer's intentional failure to observe the terms of the safety and health section of a union contract or failure to comply with an official citation for a violation of federal or state laws involving occupational safety and health;

(2) the applicant stops working because of a lockout; or

(3) the applicant is discharged prior to the beginning of a labor dispute.

(d) A quit from employment by the applicant during the time that the labor dispute is in active progress at the establishment shall not terminate the applicant's participation in or direct interest in the labor dispute for purposes of this subdivision.

(e) For the purpose of this subdivision, the term "labor dispute" shall have the same definition as provided in section 179.01, subdivision 7.

History: (4337-27) *Ex1936 c 2 s 7; 1937 c 401 s 1; 1939 c 443 s 6; 1941 c 554 s 6; 1943 c 650 s 5; 1945 c 376 s 6; 1947 c 432 s 7; 1965 c 741 s 17; 1967 c 342 s 1; 1967 c 573 s 5; 1969 c 42 s 1; 1971 c 942 s 11; 1973 c 23 s 1; 1973 c 599 s 9; 1974 c 477 s 1; 1975 c 336 s 16; 1977 c 4 s 8; 1977 c 242 s 1; 1977 c 297 s 19; 1978 c 618 s 1; 1979 c 181 s 11-13; 1980 c 508 s 9; 1982 c 619 s 1; 1Sp1982 c 1 s 26-28; 1983 c 372 s 26,27; 1986 c 444; 1987 c 362 s 19,20; 1987 c 385 s 23,24; 1989 c 65 s 8; 1989 c 209 art 2 s 1; 1992 c 484 s 11,12; 1993 c 67 s 5-7; 1994 c 488 s 4,8; 1995 c 229 art 3 s 15; 1996 c 417 s 19,20,31; 1997 c 66 s 43-54,79; 1998 c 265 s 25-29,44,45; 1999 c 107 s 44,66; 2000 c 343 s 4; 2000 c 478 art 2 s 7*

268.10 [Repealed, 1996 c 417 s 32]

268.101 DETERMINATIONS ON DISQUALIFICATION AND ELIGIBILITY.

Subdivision 1. **Notification.** (a) In an application for unemployment benefits, each applicant shall report the names of all employers and the reasons for no longer working for all employers during the applicant's last 30 days of employment. If the reason reported for no longer working for any of those employers is other than a layoff due to lack of work, that shall raise an issue of disqualification that the department shall determine. An applicant's failure to report the name of an employer, or giving an incorrect reason for no longer working for an employer, shall be considered a violation of section 268.182, paragraph (b).

In an application, the applicant shall provide all information necessary to determine the applicant's eligibility for unemployment benefits under section 268.085.

(b) Upon establishment of a benefit account, the commissioner shall notify, by mail or electronic transmission, all employers the applicant was employed by during the applicant's last 30 days of employment prior to making an application and all base period employers and determined successors to those employers under section 268.051, subdivision 4. An employer shall have ten calendar days after the sending of the notice to raise, in a manner prescribed by the commissioner, any issue of disqualification or any issue of eligibility. An employer shall be informed of the effect that failure to raise an issue may have on the employer charges under section 268.047. An issue raised more than ten calendar days after sending of the notice shall be considered untimely.

(c) Each applicant shall report any employment, loss of employment, and offers of employment received, during those weeks the applicant filed continued requests for unemployment benefits pursuant to section 268.086. Each applicant who stops filing continued requests during the benefit year and later begins filing continued requests during that same benefit year shall report the name of any employer the applicant worked for during the period between the filing of continued requests, up to a period of the last 30 days of employment, and the reason the applicant stopped working for the employer. The applicant shall report any offers of employment during the period between the filing of continued requests for unemployment benefits. Those employers from which the applicant has reported a loss of employment or an offer of employment pursuant to this paragraph shall be notified by mail or electronic transmission. An employer shall have ten calendar days after the sending of the notice to raise, in a manner prescribed by the commissioner, any issue of disqualification or any issue of eligibility. An employer shall be informed of the effect that failure to raise an issue may have on the employer charges under section 268.047. An issue raised more than ten calendar days after sending of the notice shall be considered untimely.

(d) The purpose for requiring the applicant to report the name of all employers and the reason for no longer working for all employers during the applicant's "last 30 days of employment" under paragraphs (a) and (c) is for the commissioner to obtain information from an applicant raising all issues that may have the potential of disqualifying the applicant from unemployment benefits under section 268.095. If the reason given by the applicant for no longer working for an employer is other than a

layoff due to lack of work, the applicant shall be required to state all the facts about the cause for no longer working for the employer, if known.

Subd. 2. **Disqualification determination.** (a) The commissioner shall determine any issue of disqualification timely raised by an employer, and mail to the applicant and that employer at the last known address a determination of disqualification or a determination of nondisqualification, as is appropriate. The determination shall state the effect on employer charges under section 268.047.

(b) The commissioner shall determine any issue of disqualification raised by information required from an applicant under subdivision 1, paragraph (a) or (c), and mail to the applicant and employer at the last known address a determination of disqualification or a determination of nondisqualification, as is appropriate. The determination shall state the effect on employer charges under section 268.047. A determination shall be made pursuant to this paragraph only on those issues involving the applicant's last 30 days of employment and shall be made even if a notified employer has not raised the issue of disqualification.

(c) The commissioner shall determine any untimely issue of disqualification raised by an employer and mail to the applicant and that employer at the last known address a determination of disqualification or a determination of nondisqualification as is appropriate. The determination shall state the effect on employer charges under section 268.047. If the employer did not employ the applicant during the applicant's last 30 days of employment prior to the applicant's application for unemployment benefits, but only employed the applicant for periods prior to that, any exception to employer charges under section 268.047, subdivisions 2 and 3, shall begin the Sunday two weeks following the week that the untimely issue was raised.

(d) If any time within 24 months from the establishment of a benefit account the commissioner finds that an applicant failed to report any employment, loss of employment, or offers of employment that were required to be provided by the applicant under this section, the commissioner shall determine any issue of disqualification on that loss of employment or offer of employment and mail to the applicant and involved employer at the last known address a determination of disqualification or a determination of nondisqualification, as is appropriate. The determination shall state the effect on employer charges under section 268.047.

This paragraph shall not prevent the imposition of any penalty under section 268.18, subdivision 2, or 268.182.

(e) An issue of disqualification shall be determined based upon that information required of an applicant, any information that may be obtained from an applicant or employer, and information from any other source, without regard to any common law burden of proof.

(f) A determination of disqualification or a determination of nondisqualification shall be final unless an appeal is filed by the applicant or notified employer within 30 calendar days after mailing. The determination shall contain a prominent statement indicating the consequences of not appealing. Proceedings on the appeal shall be conducted in accordance with section 268.105.

(g) An issue of disqualification for purposes of this section shall include any reason for no longer working for an employer other than a layoff due to lack of work, any question of a disqualification from unemployment benefits under section 268.095, any question of an exception to disqualification under section 268.095, any question of unemployment benefit charge to an employer under section 268.047, and any question of an otherwise imposed disqualification that an applicant has satisfied under section 268.095, subdivision 10.

(h) Regardless of the requirements of this subdivision, the commissioner is not required to mail to an applicant a determination where the applicant has satisfied any otherwise potential disqualification under section 268.095, subdivision 10.

Subd. 3. **Eligibility determination.** (a) The commissioner shall determine any issue of eligibility raised by an employer, whether timely or untimely, and mail to the

applicant and that employer at the last known address a determination of eligibility or a determination of ineligibility, as is appropriate.

(b) The commissioner shall determine any issue of eligibility raised by information obtained from an applicant and mail to the applicant at the last known address a determination of eligibility or a determination of ineligibility, as is appropriate. A determination shall be made pursuant to this paragraph even if a notified employer has not raised the issue of eligibility.

(c) If any time within 24 months from the establishment of a benefit account the commissioner finds the applicant failed to provide, on an application for unemployment benefits or on a continued request for unemployment benefits, requested information on an issue of eligibility, the commissioner shall determine the issue of eligibility and mail to the applicant at the last known address a determination of eligibility or a determination of ineligibility, as is appropriate.

This paragraph shall not prevent the imposition of a penalty under section 268.18, subdivision 2, or 268.182.

(d) A determination of eligibility or determination of ineligibility shall be final unless an appeal is filed by the applicant or notified employer within 30 calendar days after mailing. The determination shall contain a prominent statement indicating the consequences of not appealing. Proceedings on the appeal shall be conducted in accordance with section 268.105.

(e) An issue of eligibility for purposes of this section shall include any question regarding the denial or allowing of unemployment benefits under sections 268.085, 268.086, 268.115, 268.125, 268.135, and 268.155.

(f) Only if an employer raised the issue of eligibility shall the employer be: (1) mailed the determination of eligibility or a determination of ineligibility, or (2) considered an involved employer for purposes of an appeal under section 268.105.

Subd. 3a. Direct hearing. Regardless of any provision of sections 268.03 to 268.23, the commissioner or an unemployment law judge may refer any issue of disqualification, any issue of eligibility, or any other issue under sections 268.035 to 268.23, directly for hearing in accordance with section 268.105, subdivision 1. The status of the issue shall be the same as if a determination had been made and an appeal filed.

Subd. 4. Amended determination. Unless an appeal has been filed, the commissioner, on the commissioner's own motion, may reconsider a determination of disqualification or nondisqualification or a determination of eligibility or ineligibility that has not become final and issue an amended determination. Any amended determination shall be mailed to the applicant and any involved employer at the last known address. Any amended determination shall be final unless an appeal is filed by the applicant or notified employer within 30 calendar days after mailing. Proceedings on the appeal shall be conducted in accordance with section 268.105.

Subd. 5. Unemployment benefit payment. If a determination or amended determination allows unemployment benefits to an applicant, the unemployment benefits shall be paid regardless of any appeal period or any appeal having been filed.

Subd. 6. Overpayment. A determination or amended determination that holds an applicant disqualified or ineligible for unemployment benefits for periods an applicant has been paid benefits is considered an overpayment of those unemployment benefits under section 268.18, subdivision 1.

Subd. 7. Employer information; absolute privilege. (a) Regardless of any provision of law to the contrary, an employer may provide the commissioner with information on an applicant so that the commissioner can determine an applicant's entitlement to unemployment benefits under sections 268.03 to 268.23.

(b) Information obtained pursuant to sections 268.03 to 268.23, in order to determine an applicant's entitlement to unemployment benefits, shall be absolutely

privileged and shall not be made the subject matter or the basis for any civil proceeding, administrative, or judicial.

History: 1996 c 417 s 21; 1997 c 66 s 55-58,79; 1998 c 265 s 30; 1999 c 107 s 45,66; 2000 c 343 s 4

268.103 APPEALS BY TELEPHONE; ELECTRONIC TRANSMISSION.

Subdivision 1. **In commissioner's discretion.** (a) Unless the statutory provision providing for an appeal requires that the appeal be in writing, the commissioner shall have the discretion to allow an appeal to be made by telephone or by electronic transmission. If the commissioner allows an appeal to be made by telephone or by electronic transmission, that shall be clearly set out on the determination or decision subject to appeal.

(b) The commissioner may restrict the conditions under which an appeal by telephone or electronic transmission may be made. Any restrictions as to days, hours, telephone number, electronic transmission address, or other conditions, shall be clearly set out on the determination or decision subject to appeal.

(c) All information requested by the commissioner when an appeal is made by telephone or by electronic transmission must be supplied or the communication will not constitute an appeal.

Subd. 2. **Appeal in writing.** An appeal may be made in writing even if an appeal by telephone or by electronic transmission is allowed.

Subd. 3. **Exclusive means of appeal.** A written appeal, or if allowed an appeal by telephone or electronic transmission, shall be the only manner of appeal.

Subd. 4. **Protests by telephone and electronic transmission.** This section shall apply to the filing of protests to those determinations and notices that require a protest and affirmation procedure prior to an appeal.

History: 1997 c 66 s 59; 1999 c 107 s 46

268.105 HEARINGS; APPEALS.

Subdivision 1. **Hearing.** (a) Upon appeal the department shall set a time and place for a de novo evidentiary hearing and mail notice to any involved applicant and any involved employer not less than ten calendar days prior to the date of the hearing.

(b) The evidentiary hearing shall be conducted by an unemployment law judge without regard to any common law burden of proof as an evidence gathering inquiry and not an adversarial proceeding. The commissioner shall adopt rules on evidentiary hearings. The rules need not conform to common law or statutory rules of evidence and other technical rules of procedure. A report of any employee of the department, except a determination, made in the regular course of the employee's duties, shall be competent evidence of the facts contained in it.

(c) After the conclusion of the hearing, upon the evidence obtained, the unemployment law judge shall make written findings of fact and decision and mail those to all involved parties. The unemployment law judge's decision is the final department decision unless a further appeal is filed pursuant to subdivision 2.

(d) The commissioner shall designate classified employees of the department as unemployment law judges to conduct evidentiary hearings on appeals. The commissioner or authorized representative may personally hear or transfer to another unemployment law judge any proceedings pending before an unemployment law judge. Any proceedings removed to the commissioner or authorized representative shall be heard in accordance with this subdivision.

Subd. 2. **Commissioner review.** (a) Within 30 calendar days after mailing of the unemployment law judge's decision, any involved applicant or involved employer may appeal and obtain a de novo review by the commissioner or an authorized representative. The commissioner within the same period of time may on the commissioner's own motion order a de novo review.

(b) The authorized representative of the commissioner shall be an attorney who is a classified employee of the department. The authority to act on behalf of the commissioner under this section shall be by specific written delegation filed with the secretary of state.

(c) Upon de novo review, the commissioner shall, on the basis of that evidence submitted at the hearing under subdivision 1, make findings of fact and decision, or remand the matter back to an unemployment law judge for the taking of additional evidence and the making of new findings and decision based on all the evidence. The commissioner shall, independent of the findings of fact and decision of the unemployment law judge, examine the evidence and make those findings of fact as the evidence, in the judgment of the commissioner require, and make that decision as the facts found by the commissioner require.

(d) The commissioner may conduct a de novo review without argument by any involved party, or the commissioner may allow written argument. The commissioner shall not, except for purposes of deciding whether to remand a matter to an unemployment law judge for a further evidentiary hearing, consider any evidence that was not submitted at the hearing before the unemployment law judge.

(e) The commissioner shall mail to any involved party the commissioner's findings of fact and decision. The decision of the commissioner is the final department decision. Unless judicial review is sought under subdivision 7, the decision of the commissioner shall become final 30 calendar days after mailing.

Subd. 3. Withdrawal of appeal. (a) Any appeal that is pending a decision before an unemployment law judge or the commissioner may be withdrawn by the appealing person, or an authorized representative of that person, upon filing of a notice of withdrawal.

(b) The appeal shall, by written order, be dismissed if a notice of withdrawal is filed, unless the commissioner, by written order, directs that further adjudication is required for a proper result.

(c) A notice of withdrawal may be filed by mail, by telephone, or if the commissioner allows, by electronic transmission.

Subd. 3a. Decisions. (a) If an unemployment law judge's decision or the commissioner's decision allows unemployment benefits to an applicant, the unemployment benefits shall be paid regardless of any appeal period or any appeal having been filed.

(b) If an unemployment law judge's decision modifies or reverses a determination allowing unemployment benefits to an applicant, any benefits paid pursuant to the determination is considered an overpayment of those unemployment benefits under section 268.18, subdivision 1.

(c) If a commissioner's decision modifies or reverses an unemployment law judge's decision allowing unemployment benefits to an applicant, any unemployment benefits paid pursuant to the unemployment law judge's decision is considered an overpayment of those unemployment benefits under section 268.18, subdivision 1.

(d) If the commissioner affirms an unemployment law judge's decision on an issue of disqualification that allows unemployment benefits to an applicant, the commissioner's decision, if finally reversed by the Minnesota Court of Appeals or the Supreme Court of Minnesota, shall not result in a disqualification of the applicant from unemployment benefits under section 268.095.

(e) If the commissioner, pursuant to subdivision 2, remands a matter to an unemployment law judge for the taking of additional evidence, the prior unemployment law judge's decision shall continue to be enforced until new findings of fact and decision are made by an unemployment law judge.

Subd. 4. Testimonial powers. The unemployment law judge, the commissioner, or authorized representative, may administer oaths and affirmations, take depositions, and issue subpoenas to compel the attendance of witnesses and the production of documents and other personal property considered necessary as evidence in connection with

the subject matter of an evidentiary hearing. The subpoenas shall be enforceable through the district court in the district that the subpoena is issued. Witnesses subpoenaed, other than an involved applicant or involved employer or officers and employees of an involved employer, shall be paid by the commissioner the same witness fees as in a civil action in district court.

Subd. 5. Use of information. (a) All testimony at any evidentiary hearing conducted pursuant to subdivision 1 shall be recorded. A copy of any recorded testimony and exhibits received into evidence at the hearing shall, upon request, or upon directive of the commissioner, be furnished to a party at no cost during the time period for filing an appeal to the commissioner or while such an appeal is pending. If requested, the commissioner shall make available a device for listening to the recording if an appeal is pending before the commissioner under subdivision 2.

(b) Regardless of any provision of law to the contrary, if recorded testimony and exhibits received into evidence at the evidentiary hearing are not requested during the time period for filing an appeal to the commissioner, or while such an appeal is pending, that testimony and other evidence shall later be made available to an involved party only pursuant to a court order. A subpoena shall not be considered a court order.

(c) Testimony obtained under subdivision 1, may not be used or considered for any purpose, including impeachment, in any civil, administrative, or contractual proceeding, except by a local, state, or federal human rights agency with enforcement powers, unless the proceeding is initiated by the department.

(d) No findings of fact or decision issued by an unemployment law judge or the commissioner may be held conclusive or binding or used as evidence in any separate or subsequent action in any other forum, except proceedings provided for under this chapter, regardless of whether the action involves the same or related parties or involves the same facts.

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

(b) Except for services provided by an attorney-at-law, an applicant shall not be charged fees, costs, or disbursements of any kind in a proceeding before an unemployment law judge, the commissioner, the Minnesota court of appeals, or supreme court of Minnesota.

Subd. 7. Judicial review. (a) The Minnesota court of appeals shall, by writ of certiorari to the commissioner, review the decision of the commissioner provided a petition for the writ is filed with the court and a copy is served upon the commissioner and any other involved party within 30 calendar days of the mailing of the commissioner's decision.

(b) Any employer petitioning for a writ of certiorari shall pay to the court the required filing fee and upon the service of the writ shall furnish a cost bond to the commissioner in accordance with the rules of civil appellate procedure. If the employer requests a written transcript of the testimony received at the evidentiary hearing conducted pursuant to subdivision 1, the employer shall pay to the commissioner the cost of preparing the transcript.

(c) Upon issuance by the Minnesota court of appeals of a writ of certiorari as a result of an applicant's petition, the commissioner shall furnish to the applicant at no cost a written transcript of the testimony received at the evidentiary hearing conducted pursuant to subdivision 1, and, if requested, a copy of all exhibits entered into evidence. No filing fee or cost bond shall be required of an applicant petitioning the Minnesota court of appeals for a writ of certiorari.

(d) The commissioner shall be considered the primary responding party to any judicial action involving the commissioner's decision and the case title shall be, "In Re the matter of: (named petitioner) and the commissioner of economic security." The

commissioner may be represented by an attorney who is a classified employee of the department designated by the commissioner for that purpose.

History: 1995 c 54 s 11; 1996 c 417 s 22,31; 1997 c 66 s 60; 1998 c 265 s 31,44; 1999 c 107 s 47,66; 2000 c 343 s 4

268.11 [Renumbered 268.042]

268.115 [Expired]

268.115 EXTENDED UNEMPLOYMENT BENEFITS.

Subdivision 1. **Definitions.** The terms used in this section shall have the following meaning:

(1) "Extended unemployment benefit period" means a period that lasts for a minimum of 13 weeks and that:

- (i) Begins with the third week after there is a state "on" indicator; and
- (ii) Ends with the third week after there is a state "off" indicator.

No extended unemployment benefit period may begin before the 14th week following the end of a prior extended unemployment benefit period.

(2) There is a "state 'on' indicator" for a week if:

(i) for that week and the prior 12 weeks, the rate of insured unemployment:

(a) equaled or exceeded 120 percent of the average of the rates for the corresponding 13-week period ending in each of the prior two calendar years, and was five percent or more; or

(b) equaled or exceeded six percent; or

(ii) The United States Secretary of Labor determines that the average rate of seasonally adjusted total unemployment in Minnesota for the most recent three months for which data is published equals or exceeds 6.5 percent and this rate equals or exceeds 110 percent of the rate of the corresponding three-month period in either of the prior two calendar years.

(3) There is a "state 'off' indicator" for a week if:

(i) under clause (2)(i), for that week and the prior 12 weeks, the requirements for a "state 'on' indicator" are not satisfied; or

(ii) under clause (2)(ii) the requirements for a "state 'on' indicator" are not satisfied.

(4) "Rate of insured unemployment," means the percentage derived by dividing the average weekly number of applicants filing continued requests for regular unemployment benefits in the most recent 13-week period by the average monthly covered employment for the last four of the last six completed calendar quarters before the end of that 13-week period.

(5) "Regular unemployment benefits" means unemployment benefits available to an applicant other than extended unemployment benefits and additional unemployment benefits.

(6) "Eligibility period" for an applicant means the period consisting of the weeks remaining in the applicant's benefit year within the extended unemployment benefit period and, if the benefit year ends within the extended unemployment benefit period, any weeks in the extended unemployment benefit period.

(7) "Exhaustee" means an applicant who, in the eligibility period:

(a) the benefit year having not expired has received the maximum amount of regular unemployment benefits that were available under section 268.07;

(b) the benefit year having expired, has insufficient wage credits to establish a new benefit account; and

(c) has no right to any type of unemployment benefits under the law of any other state or under federal laws and is not receiving unemployment benefits under the law of Canada.

Subd. 2. [Repealed by amendment, 1999 c 107 s 48]

Subd. 3. **Requirements for extended unemployment benefits.** If an extended unemployment benefit period is in effect, an applicant shall be paid extended unemployment benefits from the fund for any week in the applicant's eligibility period if the applicant:

- (1) is an "exhaustee";
- (2) has satisfied the same requirements as those for regular unemployment benefits under section 268.069;
- (3) has wage credits of not less than 40 times the weekly unemployment benefit amount; and
- (4) is not subject to a denial of extended unemployment benefits under subdivision 9.

Subd. 4. **Weekly extended unemployment benefit amount.** The weekly extended unemployment benefit amount shall be the same as the weekly unemployment benefit amount of regular unemployment benefits.

Subd. 5. **Maximum amount of extended unemployment benefits.** The maximum amount of extended unemployment benefits available to an applicant shall be 50 percent of the maximum amount of regular unemployment benefits available in the benefit year. If the total rate of unemployment computed under subdivision 1, clause (2)(ii), equaled or exceeded eight percent, the maximum amount of extended unemployment benefits available shall be 80 percent of the maximum amount of regular unemployment benefits available in the benefit year.

Subd. 6. **Public announcement.** Whenever an extended unemployment benefit period is to begin as a result of a state "on" indicator, or an extended unemployment benefit period is to end as a result of a state "off" indicator the commissioner shall make an appropriate public announcement.

Subd. 7. **Federal law.** This section is enacted to conform to the requirements of United States Code, title 26, section 3304, the Federal-State Extended Unemployment Compensation Act of 1970 as amended and the applicable federal regulations.

Subd. 8. **Interstate applicants.** An applicant residing in a state other than Minnesota shall be eligible for only the first two weeks of extended unemployment benefits if the applicant's benefit account was established pursuant to the interstate benefit payment plan and no extended unemployment benefit period is in effect for the week in that state.

Subd. 9. **Denial provisions.** (a) An applicant shall be denied extended unemployment benefits for any week in the applicant's eligibility period if during that week the applicant failed to accept any offer of suitable employment, failed to apply for any suitable employment that the applicant was referred to by the commissioner, or failed to actively seek suitable employment.

The denial shall continue until the applicant has been employed in covered employment in each of four subsequent weeks, whether or not consecutive, and had earnings from that covered employment of not less than four times the applicant's weekly unemployment benefit amount.

(b) For the purpose of this subdivision "suitable employment" means any employment that is within the applicant's capabilities and that has a gross average weekly wage that exceeds the applicant's weekly unemployment benefit amount. The employment must pay wages not less than the higher of the federal minimum wage without regard to any exemption, or the applicable state minimum wage.

(c) No applicant shall be denied extended unemployment benefits for failure to accept an offer of or apply for any suitable employment if:

- (1) the position was not offered to the applicant in writing;
- (2) the position was not listed with the job service; or
- (3) the applicant furnishes satisfactory evidence that prospects for obtaining employment in the applicant's customary occupation within a reasonably short period are good. If the evidence is satisfactory, the determination of whether any employment is suitable shall be made in accordance with the definition of suitable employment in section 268.035, subdivision 23a.

(d) For the purpose of this subdivision an applicant is "actively seeking suitable employment" only if the applicant has engaged in a systematic and sustained effort to obtain employment, and the applicant furnishes tangible evidence of that effort.

Subd. 10. **Job service referral.** The job service shall refer any applicant who is filing continued requests for extended unemployment benefits to any employment that is suitable under subdivision 9.

History: 1971 c 61 s 1; 1974 c 355 s 58; 1975 c 1 s 1; 1975 c 336 s 12; 1977 c 297 s 13,14; 1Sp1982 c 1 s 16-21; 1983 c 372 s 19; 1985 c 248 s 70; 1986 c 444; 1987 c 362 s 16; 1992 c 484 s 9; 1993 c 13 art 1 s 33; 1997 c 66 s 33,35,79,80; 1998 c 265 s 44,45; 1999 c 107 s 48,66; 2000 c 343 s 4

268.12 Subdivision 1. [Repealed, 1Sp1985 c 14 art 9 s 78 subd 1]

Subd. 1a. [Repealed, 1Sp1985 c 14 art 9 s 78 subd 1]

Subd. 2. [Repealed, 1997 c 66 s 81]

Subd. 3. [Repealed, 1983 c 268 s 2]

Subd. 4. [Repealed, 1997 c 66 s 81]

Subd. 5. [Repealed, 1997 c 66 s 81]

Subd. 6. [Repealed, 1989 c 343 s 7]

Subd. 7. [Repealed, 1997 c 66 s 81]

Subd. 8. [Renumbered 268.186]

Subd. 9. [Repealed, 1995 c 54 s 29]

Subd. 9a. [Renumbered 268.188]

Subd. 10. [Repealed, 1995 c 54 s 29]

Subd. 11. [Repealed, 1997 c 66 s 81]

Subd. 12. [Renumbered 268.19]

Subd. 13. [Repealed, 1995 c 54 s 29]

Subd. 14. [Repealed, 1949 c 605 s 15]

268.121 [Renumbered 268.044]

268.125 ADDITIONAL UNEMPLOYMENT BENEFITS.

Subdivision 1. **Additional unemployment benefits; when available.** Additional unemployment benefits are available if:

(1) at a facility that had 100 or more employees, the employer reduced operations, resulting within a one-month period in the layoff of 50 percent or more of the facility's work force, including reductions caused as a result of a major natural disaster declared by the president;

(2) the employer has no expressed plan to resume operations that would lead to the reemployment of those employees in the immediate future; and

(3) the seasonally adjusted unemployment rate in the county that the facility is located was ten percent or more during the month of the reduction or any of the three months before or after the month of the reduction.

Subd. 2. **Payment of unemployment benefits.** Additional unemployment benefits are payable from the fund.

Subd. 3. **Eligibility conditions.** An applicant is eligible to receive additional unemployment benefits for any week during the applicant's benefit year if:

(1) the applicant was laid off from employment as a result of a reduction under subdivision 1 or was laid off due to lack of work from that employer during the three-month period before, or the three-month period after, the month of the reduction under subdivision 1;

(2) the applicant meets the eligibility requirements under section 268.085;

(3) the applicant is not subject to a disqualification under section 268.095; for the purpose of this subdivision, the disqualifying conditions in section 268.095, and the qualifying requirements, apply to the receipt of additional unemployment benefits;

(4) the applicant has exhausted regular unemployment benefits under section 268.07, is not entitled to receive extended unemployment benefits under section 268.115, and is not entitled to receive unemployment benefits under any other state or federal law for that week;

(5) a majority of the applicant's wage credits were from the employer that had a reduction in operations under subdivision 1.

Subd. 4. **Weekly unemployment benefit amount.** An applicant's weekly additional unemployment benefit amount shall be the same as the applicant's weekly unemployment benefit amount during the current benefit year under section 268.07.

Subd. 5. **Maximum amount of unemployment benefits.** The maximum amount of additional unemployment benefits available in the applicant's benefit year shall be one-half of the applicant's maximum amount of regular unemployment benefits available under section 268.07, subdivision 2. Extended unemployment benefits paid and unemployment benefits paid under any federal law other than regular unemployment benefits shall be deducted from the maximum amount of additional unemployment benefits available.

History: 1987 c 362 s 17; 1994 c 488 s 8; 1994 c 503 s 1-3; 1996 c 417 s 13-15; 1997 c 66 s 79; 2Sp1997 c 2 s 18,19; 1998 c 265 s 32; 1999 c 107 s 49-51,66; 2000 c 343 s 4

268.13 Subdivision 1. (a) [Renumbered 268.042 subd 4]

(b) [Renumbered 268.131 subd 1 paragraph (a)]

(c) [Renumbered 268.131 subd 1 paragraph (b)]

Subd. 2. [Renumbered 268.194 subd 3a]

Subd. 3. [Repealed, 1998 c 265 s 46]

Subd. 4. [Renumbered 268.131 subd 2]

Subd. 5. [Repealed, 1998 c 265 s 46]

268.131 RECIPROCAL UNEMPLOYMENT BENEFIT ARRANGEMENTS.

Subdivision 1. (a) The commissioner shall participate in reciprocal arrangements with other states and the federal government, or both, for the payment of unemployment benefits on the basis of combining an applicant's wages and employment covered under this law with wages and employment covered under the unemployment insurance programs of other states or the federal government that include provisions for applying the base period of a single state law to an account involving the combining of an applicant's wages and employment and avoiding the duplicate use of wages by reason of such combining. No reciprocal arrangement shall be entered into unless it contains provisions for reimbursements to the fund, by the other state or the federal government, for unemployment benefits paid from the fund to applicants based upon wages and employment covered under the laws of the other state or the federal government.

(b) On any reciprocal arrangement, the wages paid an applicant from employment covered under an unemployment insurance program of another state or of the federal government, shall be considered wages from covered employment for the purpose of

determining the applicant's rights to unemployment benefits under sections 268.03 to 268.23.

Subd. 2. Cooperation with foreign governments. The commissioner is authorized to enter into or cooperate in arrangements whereby facilities and services provided under sections 268.03 to 268.23 and facilities and services provided under the unemployment insurance program of any foreign government, may be used for the taking of applications for unemployment benefits and continued claims and the payment of unemployment benefits under this law or under a similar law of a foreign government.

History: (4337-31) *Ex*1936 c 2 s 11; 1937 c 306 s 8; 1939 c 443 s 9; 1941 c 554 s 10; 1943 c 650 s 8; 1945 c 376 s 10; 1947 c 432 s 8-10; 1965 c 45 s 45; 1969 c 9 s 64; 1971 c 942 s 13; 1979 c 181 s 16; 1986 c 444; 1989 c 209 art 2 s 1; 1996 c 417 s 31; 1997 c 66 s 79; 1998 c 265 s 33-35, 45; 1999 c 107 s 66; 2000 c 343 s 4

268.135 SHARED WORK PLAN.

Subdivision 1. Definitions. For purposes of this section:

(1) "Affected employee" means an employee who was continuously employed as a member of the affected group, for at least six months, on a full-time basis, prior to submission of the shared work plan.

(2) "Affected group" means five or more employees designated by the employer to participate in a shared work plan.

(3) "Shared work plan" or "plan" means an employer's written plan under which a group of employees whose normal weekly hours of work are reduced, in order to prevent employees from being laid off due to lack of work.

(4) "Normal weekly hours of work" means the number of hours in a week that the employee normally would work for the shared work employer or 40 hours, whichever is less.

Subd. 2. Participation. (a) An employer wishing to participate in the shared work benefit program shall submit a written shared work plan to the commissioner for approval. The commissioner may approve a shared work plan only if it:

(1) specifies the employees in the affected group;

(2) applies to only one affected group;

(3) includes a certified statement by the employer that each employee specified in the affected group is an affected employee;

(4) includes a certified statement by the employer that for the duration of the plan the reduction in normal weekly hours of work of the employees in the affected group is instead of layoffs that otherwise would result in at least as large a reduction in the total normal weekly hours of work;

(5) specifies an expiration date that is no more than one year from the date the employer submits the plan for approval;

(6) specifies that fringe benefits, such as health and retirement, available to the employees in the affected group are not reduced beyond the percentage of reduction in hours of work; and

(7) is approved in writing by the collective bargaining agent for each collective bargaining agreement that covers any employee in the affected group.

(b) The commissioner shall set the beginning and ending dates of an approved shared work plan.

(c) The commissioner shall mail to the employer a written determination approving or disapproving the plan within 15 calendar days of its receipt. Determinations are final.

(d) Disapproval of a plan may be reconsidered at the discretion of the commissioner. Approval of a shared work plan may be revoked if the approval was based, in whole or in part, upon information that was false or misleading.

Subd. 3. **Eligibility.** (a) Regardless of any other provision, an applicant is eligible to receive shared work benefits with respect to any week if:

(1) during the week the applicant is employed as a member of an affected group in a plan that was approved prior to the week and is in effect for the week; and

(2) during the week the normal weekly hours of work were reduced, in accordance with the plan, at least 20 percent but not more than 40 percent, with a corresponding reduction in wages.

(b) Shared work benefits shall not be paid to an applicant beyond one benefit year.

(c) The total amount of regular unemployment benefits and shared work benefits paid to an applicant in a benefit year shall not exceed the maximum amount of regular unemployment benefits available.

(d) An otherwise eligible applicant shall not be denied shared work benefits because of the application of any provision relating to availability for employment, active search for employment, or refusal to apply for or accept suitable employment from other than the applicant's shared work employer.

Subd. 4. **Weekly benefit amount.** (a) An applicant who is eligible for shared work benefits shall be paid an amount equal to the regular weekly unemployment benefit amount multiplied by the nearest full percentage of reduction of the applicant's regular weekly hours of work as set in the plan. The benefit payment, if not a whole dollar shall be rounded to the next lower dollar.

(b) The deductible earnings provisions of section 268.085, subdivision 5, shall not apply to earnings from the shared work employer of an applicant eligible for shared work benefits unless the resulting amount would be less than the regular weekly unemployment benefit amount the applicant would otherwise be eligible for without regard to shared work benefits.

(c) An applicant shall not be eligible for shared work benefits for any week that employment is performed for the shared work employer in excess of the reduced hours set forth in the plan.

History: 1994 c 503 s 4; 1996 c 417 s 16; 1997 c 66 s 79,80; 1998 c 265 s 45; 1999 c 107 s 52,66; 2000 c 343 s 4

268.14 Subdivision 1. [Renumbered 268.198, subd 1]

Subd. 2. [Renumbered 268.198, subd 2]

Subd. 3. [Repealed, 1997 c 66 s 81]

Subd. 4. [Repealed, 1997 c 66 s 81]

Subd. 5. [Renumbered 268.198, subd 3]

Subd. 6. MS 1980 [Expired]

268.145 INCOME TAX WITHHOLDING.

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

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

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

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

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

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

(b) If an applicant elects to have federal income tax withheld, the commissioner shall deduct 15 percent for federal income tax, rounded to the nearest whole dollar. If

an applicant also elects to have Minnesota state income tax withheld, the commissioner shall make an additional five percent deduction for state income tax. Any amounts deducted or offset pursuant to sections 268.155, 268.156, 268.18, and 268.184 have priority over any amounts deducted under this section. Federal income tax withholding has priority over state income tax withholding.

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

Subd. 2. **Transfer of funds.** The amount of any unemployment benefits deducted under this section shall remain in the fund until transferred to the federal Internal Revenue Service, or the department of revenue, as an income tax payment on behalf of the applicant.

Subd. 3. **Correction of errors.** Any error that resulted in underwithholding or overwithholding under this section shall not be corrected retroactively.

Subd. 4. **Federal requirement.** The commissioner shall follow all federal requirements for the deduction and withholding of income tax from unemployment benefits.

Subd. 5. **Effect of payments.** Any amount deducted under this section shall be considered as unemployment benefits paid to the applicant.

History: 1996 c 417 s 17; 1997 c 66 s 79; 1998 c 254 art 1 s 73; 1999 c 107 s 53,66; 2000 c 343 s 4

268.15 Subdivision 1. [Renumbered 268.196, subd 1]

Subd. 2. [Renumbered 268.196, subd 2]

Subd. 3. [Renumbered 268.196, subd 3]

Subd. 4. [Repealed, 2Sp1981 c 1 s 8]

268.155 CHILD SUPPORT DEDUCTED FROM UNEMPLOYMENT BENEFITS.

Subdivision 1. **Definitions.** As used in this section:

(1) "Child support obligations" means obligations that are being enforced by a child support agency pursuant to a plan described in United States Code, title 42, section 454, of the Social Security Act that has been approved by the secretary of health and human services under part D of title IV of the Social Security Act. This shall not include any type of spousal maintenance or foster care payments; and

(2) "Child support agency" means the public agency responsible for child support enforcement.

Subd. 2. **Notice upon application.** In an application for unemployment benefits, the applicant shall disclose if child support obligations are owed and, if so, in what state and county. If child support obligations are owed, the commissioner shall, if the applicant establishes a benefit account, notify the child support agency.

Subd. 3. **Withholding of unemployment benefits.** The commissioner shall deduct and withhold from any unemployment benefits payable to an applicant who owes child support obligations:

(1) the amount required pursuant to a proper order of a court or administrative agency; or

(2) if clause (1) is not applicable, the amount determined pursuant to an agreement under United States Code, title 42, section 454 (20) (B) (i), of the Social Security Act; or

(3) if clause (1) or (2) is not applicable, the amount specified by the applicant.

Subd. 4. **Payment.** Any amount deducted and withheld shall be paid to the child support agency, but shall for all purposes be treated as if it were paid to the applicant as unemployment benefits and paid by the applicant to the child support agency in satisfaction of the applicant's child support obligations.

Subd. 5. **Payment of costs.** The child support agency shall pay the costs incurred by the commissioner in the implementation and administration of this section and sections 518.551 and 518.6111.

Subd. 6. [Renumbered subdivision 5]

History: 1Sp1982 c 1 s 22; 1986 c 444; 1987 c 384 art 2 s 67; 1994 c 488 s 8; 1996 c 417 s 10-12; 1997 c 66 s 79,80; 1997 c 203 art 6 s 92; 1999 c 107 s 54,66; 2000 c 343 s 4

268.16 Subdivision 1. [Renumbered 268.057 subd 5]

Subd. 1a. [Renumbered 268.057 subd 6]

Subd. 2. [Renumbered 268.057 subd 1]

Subd. 3. [Repealed, 1Sp1982 c 1 s 43]

Subd. 3a. [Renumbered 268.057 subd 4]

Subd. 4. [Renumbered 268.067]

Subd. 5. [Renumbered 268.057 subd 10]

Subd. 6. [Renumbered 268.057 subd 7]

Subd. 7. [Renumbered 268.057 subd 8]

Subd. 8. [Repealed, 1997 c 66 s 81]

Subd. 9. [Renumbered 268.057 subd 9]

268.161 Subdivision 1. [Renumbered 268.058, subd 1]

Subd. 1a. [Renumbered 268.058, subd 2]

Subd. 2. [Renumbered 268.058 subd 6]

Subd. 3. [Repealed, 1997 c 66 s 81]

Subd. 4. [Renumbered 268.058, subd 5]

Subd. 5. [Renumbered 268.058, subd 4]

Subd. 6. [Renumbered 268.057, subd 2]

Subd. 7. [Renumbered 268.057, subd 3]

Subd. 8. [Renumbered 268.058, subd 3]

Subd. 9. [Renumbered 268.063]

268.162 [Renumbered 268.064]

268.163 [Renumbered 268.065]

268.164 [Renumbered 268.0625]

268.165 [Repealed, 1997 c 66 s 81]

268.166 [Renumbered 268.066]

268.167 [Renumbered 268.059]

268.17 [Renumbered 268.192]

268.18 UNEMPLOYMENT BENEFIT OVERPAYMENTS.

Subdivision 1. **Overpayment due to error.** (a) Any applicant who (1) by reason of the applicant's own mistake, or (2) because of an error by any employee of the department, or (3) because of a determination, redetermination, or amended determination issued pursuant to section 268.07 or 268.101, or (4) because of an appeal decision under section 268.105, has received any unemployment benefits that the applicant was not entitled to, shall promptly repay the unemployment benefits to the fund. If the applicant fails to repay the unemployment benefits, the commissioner shall, as soon as the erroneous payment is discovered, determine the amount due and notify the applicant in writing to repay the unemployment benefits.

(b) Unless the applicant files an appeal within 30 calendar days after the mailing of the determination of overpayment to the applicant's last known address, the determination shall become final. Proceedings on the appeal shall be conducted in accordance with section 268.105. An applicant may not collaterally attack, by way of an appeal to an overpayment determination, any prior determination issued pursuant to section 268.07 or 268.101, or decision issued pursuant to section 268.105, that has become final.

(c) If the applicant fails to repay the unemployment benefits, the commissioner may offset from any future unemployment benefits otherwise payable the amount of the overpayment. Except when the overpayment resulted because the applicant failed to report deductible earnings or deductible payments, no single offset shall exceed 50 percent of the amount of the payment from which the offset is made. The overpayment may also be collected by the same methods as delinquent taxes. A determination of overpayment shall state the methods of collection the commissioner may use to recover the overpayment.

(d) If an applicant has been overpaid unemployment benefits under the law of another state because of an error and that state certifies that the applicant is liable under its law to repay the unemployment benefits and requests the commissioner to recover the overpayment, the commissioner may offset from future unemployment benefits otherwise payable the amount of overpayment, except that no single offset shall exceed 50 percent of the amount of the payment from which the offset is made.

(e) Unemployment benefits paid for weeks more than three years prior to the discovery of error are not overpaid unemployment benefits.

Subd. 2. Overpayment due to fraud. (a) Any applicant who receives unemployment benefits by intentionally misrepresenting, misstating, or failing to disclose any material fact has committed fraud. After the discovery of facts indicating fraud, the commissioner shall make a written determination that the applicant obtained unemployment benefits by fraud and that the applicant must promptly repay the unemployment benefits to the fund. In addition, the commissioner shall assess a penalty equal to 25 percent of the amount fraudulently obtained. If the applicant had a prior overpayment due to fraud, the commissioner shall, on the present overpayment, assess a penalty equal to 50 percent of the amount fraudulently obtained.

(b) Unless the applicant files an appeal within 30 calendar days after the mailing of the determination of overpayment by fraud to the applicant's last known address, the determination shall become final. Proceedings on the appeal shall be conducted in accordance with section 268.105.

(c) If the applicant fails to repay the unemployment benefits, penalty, and interest assessed, the commissioner shall offset from future unemployment benefits otherwise payable the amount of overpayment. The total due may also be collected by the same methods as delinquent taxes. A determination of overpayment by fraud shall state the methods of collection the commissioner may use to recover the overpayment. Money received in repayment of fraudulently obtained unemployment benefits, penalties, and interest shall first be applied to the unemployment benefits overpaid, then to the penalty amount due, then to any interest due. Payments made toward penalty and interest shall be credited to the contingent account.

(d) If an applicant has been overpaid unemployment benefits under the law of another state because of fraud and that state certifies that the applicant is liable to repay the unemployment benefits and requests the commissioner to recover the overpayment, the commissioner may offset from future unemployment benefits otherwise payable the amount of overpayment.

(e) A determination of overpayment by fraud may be made at any time.

Subd. 2a. [Renumbered subd 3a]

Subd. 2b. Interest. (a) Beginning January 1, 2002, on any unemployment benefits fraudulently obtained, and any penalty amounts assessed under subdivision 2, the commissioner shall assess interest at the rate of 1-1/2 percent per month on any

amount that remains unpaid 30 calendar days after the date of the determination of overpayment by fraud. A determination of overpayment by fraud shall state that interest shall be assessed.

(b) If this subdivision became effective after the date of the determination, or the determination did not state that interest shall be assessed, interest shall be assessed beginning 30 calendar days after written notification to the applicant.

Subd. 3. [Renumbered 268.182]

Subd. 3a. **Offset of federal unemployment benefits.** The commissioner is authorized to enter into reciprocal agreements with the United States Secretary of Labor, whereby, overpayments of benefits as determined under federal law, may be recovered by offset from unemployment benefits otherwise payable and unemployment benefit overpayments under subdivisions 1 and 2 may be recovered by offset from benefits otherwise payable under a federal program.

Subd. 4. **Cancellation of overpayments.** (a) If unemployment benefits paid because of an error are not repaid or offset from subsequent unemployment benefits as provided for in subdivision 1 within six years after the date of the determination of overpayment, the commissioner shall cancel the overpayment balance, and no administrative or legal proceedings shall be used to enforce collection of those amounts.

(b) If unemployment benefits paid as a result of fraud including penalties and interest are not repaid or offset from subsequent unemployment benefits as provided for in subdivision 2 within ten years after the date of the determination of overpayment by fraud, the commissioner shall cancel the overpayment balance and any penalties and interest due, and no administrative or legal proceeding shall be used to enforce collection of those amounts.

(c) The commissioner may cancel at any time any overpayment, including penalties and interest, that the commissioner determines is uncollectible due to death or bankruptcy.

Subd. 4a. **Court fees.** (a) If the commissioner is required to pay any court fees in an attempt to enforce collection of overpaid unemployment benefits, penalties, or interest, the commissioner may add the amount of the court fees to the total amount due.

(b) If an applicant who has been determined overpaid unemployment benefits because of fraud seeks to have any portion of the debt discharged under the federal bankruptcy code, and the commissioner files an objection in bankruptcy court to the discharge, the commissioner may add the commissioner's cost of any court fees to the debt if the bankruptcy court does not discharge the debt.

Subd. 5. [Repealed, 1997 c 66 s 81]

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

(b) Intervention or lack thereof, in whole or in part, in a workers' compensation matter under section 176.361 shall not be considered an election of a remedy and shall not prevent the commissioner from determining any unemployment benefits overpaid under subdivision 1 or 2 or taking action under section 268.182.

Subd. 6. [Renumbered 268.184]

Subd. 6. **Collection of overpayments.** (a) The commissioner may not compromise the amount that has been determined overpaid under this section including penalties and interest.

(b) The commissioner shall have discretion regarding the use of any method of recovery of any overpayment under subdivision 1. Regardless of any law to the contrary, the commissioner shall not be required to refer any amount determined overpaid under subdivision 1 to a public or private collection agency, including agencies of this state.

(c) Amounts determined overpaid under subdivision 1 shall not be considered a "debt" to the state of Minnesota for purposes of any reporting requirements to the commissioner of finance.

(d) A pending appeal under section 268.105 shall not toll the assessment of interest, penalties, or collection of an overpayment under this section.

History: (4337-36) *Ex1936 c 2 s 16; 1941 c 554 s 15; 1951 c 442 s 11; 1953 c 97 s 18; 1969 c 567 s 3; 1973 c 254 s 3; 1975 c 336 s 24; 1977 c 4 s 10; 1977 c 430 s 25 subd 1; 1979 c 181 s 17,18; 1Sp1982 c 1 s 37-40; 1983 c 216 art 1 s 42,87; 1983 c 372 s 45,46; 1985 c 248 s 70; 1Sp1985 c 14 art 9 s 75; 1986 c 444; 1987 c 385 s 40-45; 1988 c 712 s 3; 1989 c 209 art 2 s 1; 1990 c 566 s 8; 1992 c 484 s 15; 1994 c 483 s 1; 1995 c 54 s 21-24; 1996 c 417 s 29,31; 1997 c 66 s 71-73,79; 1998 c 265 s 36,45; 1999 c 107 s 55,66; 2000 c 343 s 4*

268.182 FALSE REPRESENTATIONS; CONCEALMENT OF FACTS; PENALTY.

(a) Whoever obtains, or attempts to obtain, or aids or abets any individual to obtain by means of an intentional false statement or representation, by intentional concealment of a material fact, or by impersonation or other fraudulent means, unemployment benefits that the individual is not entitled or unemployment benefits greater than the individual is entitled under this chapter, or under the law of any state or of the federal government, either personally or for any other individual, is guilty of theft and shall be sentenced pursuant to section 609.52.

(b) Any individual who intentionally makes a false statement or representation, who intentionally fails to disclose a material fact, or who makes a false statement or representation without a good faith belief as to the correctness of the statement or representation, in order to obtain or in an attempt to obtain unemployment benefits may be assessed an administrative penalty of denial of unemployment benefits for one to 52 weeks that the individual would otherwise be entitled to unemployment benefits. A denial shall not apply to any week more than two years after the week that the penalty was determined. A written determination of denial shall be mailed to the individual's last known address. Unless an appeal is filed within 30 calendar days of mailing, the determination shall be final. Proceeding on the appeal shall be conducted in accordance with section 268.105.

(c) [Renumbered 268.184, paragraph (e)]

History: *Ex1936 c 2 s 16; 1941 c 554 s 15; 1951 c 442 s 11; 1953 c 97 s 18; 1969 c 567 s 3; 1973 c 254 s 3; 1975 c 336 s 24; 1977 c 4 s 10; 1977 c 430 s 25 subd 1; 1979 c 181 s 17,18; 1Sp1982 c 1 s 37-40; 1983 c 216 art 1 s 42,87; 1983 c 372 s 45,46; 1985 c 248 s 70; 1Sp1985 c 14 art 9 s 75; 1986 c 444; 1987 c 385 s 40-45; 1988 c 712 s 3; 1989 c 209 art 2 s 1; 1990 c 566 s 8; 1992 c 484 s 15; 1994 c 483 s 1; 1995 c 54 s 21-24; 1996 c 417 s 29,31; 1997 c 66 s 74,79; 1998 c 265 s 37; 1999 c 107 s 56,66; 2000 c 343 s 4*

268.184 EMPLOYER MISCONDUCT; PENALTY.

(a) If the commissioner finds that any employer or any employee, officer, or agent of any employer, is in collusion with any applicant for the purpose of assisting the applicant to receive unemployment benefits illegally, the employer shall be penalized \$500 or the amount of unemployment benefits determined to be overpaid, whichever is greater.

(b) If the commissioner finds that any employer or any employee, officer, or agent of an employer has made (1) a false statement or representation knowing it to be false, or (2) has made a false statement or representation without a good faith belief as to correctness of the statement or representation, or (3) who knowingly fails to disclose a material fact, to prevent or reduce the payment of unemployment benefits to any applicant or to reduce or prevent a charge of unemployment benefits to its account, the employer shall be penalized \$500.

(c) Penalties under this section shall be in addition to any other penalties and subject to the same collection procedures that apply to past due taxes. Penalties shall

be paid to the department within 30 calendar days of assessment and credited to the contingent account.

(d) The assessment of the penalty shall be final unless the employer files an appeal within 30 calendar days after the sending of notice of the penalty to the employer by mail or electronic transmission. Proceedings on the appeal shall be conducted in accordance with section 268.105.

(e) Any employer or any officer or agent of an employer or any other individual who makes a false statement or representation knowing it to be false, or who knowingly fails to disclose a material fact, to prevent or reduce the payment of unemployment benefits to any applicant, is guilty of a gross misdemeanor unless the unemployment benefit underpayment exceeds \$500, in that case the individual is guilty of a felony.

History: *Ex1936 c 2 s 16; 1941 c 554 s 15; 1951 c 442 s 11; 1953 c 97 s 18; 1969 c 567 s 3; 1973 c 254 s 3; 1975 c 336 s 24; 1977 c 4 s 10; 1977 c 430 s 25 subd 1; 1979 c 181 s 17,18; 1Sp1982 c 1 s 37-40; 1983 c 216 art 1 s 42,87; 1983 c 372 s 45,46; 1985 c 248 s 70; 1Sp1985 c 14 art 9 s 75; 1986 c 444; 1987 c 385 s 40-45; 1988 c 712 s 3; 1989 c 209 art 2 s 1; 1990 c 566 s 8; 1992 c 484 s 15; 1994 c 483 s 1; 1995 c 54 s 21-24; 1996 c 417 s 29,31; 1997 c 66 s 76,79; 1998 c 265 s 38; 1999 c 107 s 56,66; 2000 c 343 s 4*

268.186 RECORDS.

(a) Each employer shall keep true and accurate records for the periods of time and containing the information the commissioner may require. For the purpose of administering this chapter, the commissioner has the power to examine, or cause to be supplied or copied, any books, correspondence, papers, records, or memoranda that are relevant, whether the books, correspondence, papers, records, or memoranda are the property of or in the possession of the employer or any other person at any reasonable time and as often as may be necessary.

(b) The commissioner may make summaries, compilations, photographs, duplications, or reproductions of any records, or reports that the commissioner considers advisable for the preservation of the information contained therein. Any summaries, compilations, photographs, duplications, or reproductions shall be admissible in any proceeding under this chapter. Regardless of any restrictions contained in section 16B.50, the commissioner may duplicate records, reports, summaries, compilations, instructions, determinations, or any other written or recorded matter pertaining to the administration of this chapter.

(c) Regardless of any law to the contrary, the commissioner may provide for the destruction of any records, reports, or reproductions thereof, or other papers, that are more than two years old, and that are no longer necessary for determining employer liability or an applicant's unemployment benefit rights or for the administration of this chapter, including any required audit. The commissioner may provide for the destruction or disposition of any record, report, or other paper that has been photographed, duplicated, or reproduced.

History: *Ex1936 c 2 s 10; 1937 c 306 s 7; 1939 c 441 s 42; 1939 c 443 s 8,10; 1941 c 554 s 9; 1943 c 650 s 7; 1945 c 376 s 9; 1947 c 600 s 3-6; 1949 c 605 s 15; 1949 c 739 s 8; 1951 c 442 s 6-10; 1951 c 713 s 29; 1953 c 97 s 15; 1953 c 603 s 1; 1953 c 612 s 1; 1955 c 847 s 22; 1957 c 883 s 7; 1965 c 45 s 42-44; 1965 c 741 s 18; 1967 c 770 s 1; 1969 c 9 s 63; 1969 c 310 s 2; 1969 c 567 s 1,3; 1969 c 854 s 11,12; 1969 c 1129 art 8 s 7; 1971 c 942 s 12; 1973 c 254 s 1,3; 1973 c 492 s 14; 1974 c 241 s 1; 1975 c 315 s 19; 1975 c 336 s 20,21; 1977 c 172 s 2; 1977 c 237 s 1; 1977 c 297 s 20; 1977 c 305 s 31; 1977 c 430 s 25 subd 1; 1978 c 674 s 60; 1979 c 181 s 15; 1980 c 615 s 37; 1981 c 311 s 39; 1982 c 424 s 130; 1982 c 545 s 23,24; 1Sp1982 c 1 s 31,32; 1983 c 216 art 1 s 87; 1983 c 247 s 114; 1983 c 260 s 58; 1983 c 312 art 8 s 2; 1983 c 372 s 37,38; 1984 c 544 s 89; 1985 c 248 s 70; 1Sp1985 c 14 art 9 s 75; 1986 c 444; 1987 c 165 s 1; 1987 c 312 art 1 s 26 subd 2; 1987 c 362 s 23; 1987 c 385 s 25; 1989 c 65 s 11; 1989 c 209 art 2 s 1; 1990 c 516 s 6,7; 1991 c 202 s 16; 1993 c 67 s 10; 1994 c 483 s 1; 1994 c 488 s 8; 1995 c 54 s 12; 1996 c 417 s 23,31; 1996 c 440 art 1 s 47; 1997 c 66 s 62,79; 1998 c 265 s 44; 1999 c 107 s 57,66; 2000 c 343 s 4*

268.188 SUBPOENAS; OATHS.

(a) The commissioner shall have power to administer oaths and affirmations, take depositions, certify to official acts, and issue subpoenas to compel the attendance of individuals and the production of documents and other personal property necessary in connection with the administration of sections 268.03 to 268.23.

(b) Individuals subpoenaed, other than applicants or officers and employees of an employer that is the subject of the inquiry, shall be allowed fees the same as witness fees in civil actions in district court. The fees need not be paid in advance.

(c) The subpoena shall be enforceable through the district court in the district that the subpoena is issued.

History: *Ex1936 c 2 s 10; 1937 c 306 s 7; 1939 c 441 s 42; 1939 c 443 s 8,10; 1941 c 554 s 9; 1943 c 650 s 7; 1945 c 376 s 9; 1947 c 600 s 3-6; 1949 c 605 s 15; 1949 c 739 s 8; 1951 c 442 s 6-10; 1951 c 713 s 29; 1953 c 97 s 15; 1953 c 603 s 1; 1953 c 612 s 1; 1955 c 847 s 22; 1957 c 883 s 7; 1965 c 45 s 42-44; 1965 c 741 s 18; 1967 c 770 s 1; 1969 c 9 s 63; 1969 c 310 s 2; 1969 c 567 s 1,3; 1969 c 854 s 11,12; 1969 c 1129 art 8 s 7; 1971 c 942 s 12; 1973 c 254 s 1,3; 1973 c 492 s 14; 1974 c 241 s 1; 1975 c 315 s 19; 1975 c 336 s 20,21; 1977 c 172 s 2; 1977 c 237 s 1; 1977 c 297 s 20; 1977 c 305 s 31; 1977 c 430 s 25 subd 1; 1978 c 674 s 60; 1979 c 181 s 15; 1980 c 615 s 37; 1981 c 311 s 39; 1982 c 424 s 130; 1982 c 545 s 23,24; 1Sp1982 c 1 s 31,32; 1983 c 216 art 1 s 87; 1983 c 247 s 114; 1983 c 260 s 58; 1983 c 312 art 8 s 2; 1983 c 372 s 37,38; 1984 c 544 s 89; 1985 c 248 s 70; 1Sp1985 c 14 art 9 s 75; 1986 c 444; 1987 c 165 s 1; 1987 c 312 art 1 s 26 subd 2; 1987 c 362 s 23; 1987 c 385 s 25; 1989 c 65 s 11; 1989 c 209 art 2 s 1; 1990 c 516 s 6,7; 1991 c 202 s 16; 1993 c 67 s 10; 1994 c 483 s 1; 1994 c 488 s 8; 1995 c 54 s 12; 1996 c 417 s 23,31; 1996 c 440 art 1 s 47; 1997 c 66 s 63,79; 1998 c 265 s 44; 1999 c 107 s 58,66*

268.19 DATA PRIVACY.

(a) Except as otherwise provided by this section, data gathered from any employer or individual pursuant to the administration of sections 268.03 to 268.23 are private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, and may not be disclosed except pursuant to a court order or section 13.05. These data may be disseminated to and used by the following agencies without the consent of the subject of the data:

(1) state and federal agencies specifically authorized access to the data by state or federal law;

(2) any agency of Minnesota or any other state; or any federal agency charged with the administration of an employment security law or the maintenance of a system of public employment offices;

(3) human rights agencies within Minnesota that have enforcement powers;

(4) the department of revenue must have access to department private data on individuals and nonpublic data not on individuals only to the extent necessary for enforcement of Minnesota tax laws;

(5) public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;

(6) the department of labor and industry on an interchangeable basis with the department subject to the following limitations and regardless of any law to the contrary:

(i) the department must have access to private data on individuals and nonpublic data not on individuals for uses consistent with the administration of its duties under sections 268.03 to 268.23; and

(ii) the department of labor and industry must have access to private data on individuals and nonpublic data not on individuals for uses consistent with the administration of its duties under Minnesota law;

(7) the department of trade and economic development may have access to private data on individual employers and nonpublic data not on individual employers for its internal use only; when received by the department of trade and economic development, the data remain private data on individuals or nonpublic data;

(8) local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, or for any employment or training program administered by those agencies, whether alone, in combination with another welfare agency, or in conjunction with the department or to monitor and evaluate the statewide Minnesota family investment program by providing data on recipients and former recipients of food stamps, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;

(9) local, state, and federal law enforcement agencies for the sole purpose of ascertaining the last known address and employment location of the data subject, provided the data subject is the subject of a criminal investigation;

(10) the federal Immigration and Naturalization Service shall have access to data on specific individuals and specific employers provided the specific individual or specific employer is the subject of an investigation by that agency; and

(11) the department of health may have access to private data on individuals and nonpublic data not on individuals solely for the purposes of epidemiologic investigations.

(b) Data on individuals and employers that are collected, maintained, or used by the department in an investigation pursuant to section 268.182 are confidential as to data on individuals and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except pursuant to statute or court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

(c) Tape recordings and transcripts of recordings of proceedings conducted in accordance with section 268.105 and exhibits received into evidence at those proceedings are private data on individuals and nonpublic data not on individuals and must be disclosed only pursuant to the administration of section 268.105, or pursuant to a court order.

(d) The department may disseminate an employer's name, address, industry code, occupations employed, and the number of employees by ranges of not less than 100 for the purpose of assisting individuals using the Minnesota workforce center system in obtaining employment.

(e) The general aptitude test battery and the nonverbal aptitude test battery as administered by the department are private data on individuals or nonpublic data.

(f) Data gathered by the department pursuant to the administration of sections 268.03 to 268.23 must not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

History: *Ex1936 c 2 s 10; 1937 c 306 s 7; 1939 c 441 s 42; 1939 c 443 s 8,10; 1941 c 554 s 9; 1943 c 650 s 7; 1945 c 376 s 9; 1947 c 600 s 3-6; 1949 c 605 s 15; 1949 c 739 s 8; 1951 c 442 s 6-10; 1951 c 713 s 29; 1953 c 97 s 15; 1953 c 603 s 1; 1953 c 612 s 1; 1955 c 847 s 22; 1957 c 883 s 7; 1965 c 45 s 42-44; 1965 c 741 s 18; 1967 c 770 s 1; 1969 c 9 s 63; 1969 c 310 s 2; 1969 c 567 s 1,3; 1969 c 854 s 11,12; 1969 c 1129 art 8 s 7; 1971 c 942 s 12; 1973 c 254 s 1,3; 1973 c 492 s 14; 1974 c 241 s 1; 1975 c 315 s 19; 1975 c 336 s 20,21; 1977 c 172 s 2; 1977 c 237 s 1; 1977 c 297 s 20; 1977 c 305 s 31; 1977 c 430 s 25 subd 1; 1978 c 674 s 60; 1979 c 181 s 15; 1980 c 615 s 37; 1981 c 311 s 39; 1982 c 424 s 130; 1982 c 545 s 23,24; 1Sp1982 c 1 s 31,32; 1983 c 216 art 1 s 87; 1983 c 247 s 114; 1983 c 260 s 58; 1983 c 312 art. 8 s 2; 1983 c 372 s 37,38; 1984 c 544 s 89; 1985 c 248 s 70; 1Sp1985 c 14 art 9 s 75; 1986 c 444; 1987 c 165 s 1; 1987 c 312 art 1 s 26 subd 2; 1987 c 362 s 23; 1987 c 385 s 25; 1989 c 65 s 11; 1989 c 209 art 2 s 1; 1990 c 516 s 6,7; 1991 c 202 s 16; 1993 c 67 s 10; 1994 c 483 s 1; 1994 c 488 s 8; 1995 c 54 s 12; 1996 c 417 s 23,31; 1996 c 440 art 1 s 47; 1997 c 66 s 79; 1998 c 273 s 13; 1998 c 371 s 11; 1999 c 107 s 66; 2000 c 468 s 25*

268.192 PROTECTION OF RIGHTS.

Subdivision 1. **Waiver of rights void.** Any agreement by an individual to waive, release, or commute rights to unemployment benefits or any other rights under sections 268.03 to 268.23 shall be void. Any agreement by an employee to pay all or any portion of an employer's taxes, shall be void. No employer shall directly or indirectly make or require or accept any deduction from wages to pay the employer's taxes, require or accept any waiver of any right or in any manner obstruct or impede an application or continued claim for unemployment benefits. Any employer or officer or agent of any employer who violates any portion of this subdivision shall, for each offense, be guilty of a misdemeanor.

Subd. 2. **No assignment of unemployment benefits; exemptions.** Any assignment, pledge, or encumbrance of unemployment benefits shall be void. Unemployment benefits shall be exempt from levy, execution, attachment, or any other remedy provided for the collection of debt. Any waiver of this subdivision shall be void.

History: *Ex1936 c 2 s 15; 1941 c 554 s 14; 1986 c 444; 1989 c 209 art 2 s 1; 1996 c 417 s 31; 1997 c 66 s 79; 1998 c 265 s 39; 1999 c 107 s 59; 2000 c 343 s 4*

268.194 UNEMPLOYMENT INSURANCE PROGRAM TRUST FUND.

Subdivision 1. **Establishment.** There is hereby established as a special state fund, separate and apart from all other public money or funds of this state, an unemployment insurance program trust fund, that shall be administered by the commissioner exclusively for the payment of unemployment benefits. This fund shall consist of:

- (1) all taxes collected;
- (2) interest earned upon any money in the fund;
- (3) payments in lieu of taxes paid by nonprofit organizations and the state and political subdivisions;
- (4) voluntary payments under section 268.051, subdivision 7;
- (5) any money received as a loan from the federal unemployment trust fund in accordance with United States Code, title 42, section 1321, of the Social Security Act;
- (6) any other money received pursuant to a reciprocal unemployment benefit arrangement with the federal government or any other state;
- (7) all money recovered on overpaid unemployment benefits;
- (8) all money recovered on losses sustained by the fund;
- (9) all money received from the contingent account under section 268.196, subdivision 3;
- (10) all money credited to the account of Minnesota in the federal unemployment trust fund pursuant to United States Code, title 42, section 1103, of the Social Security Act, also known as the Reed Act; and
- (11) all money received for the fund from any other source.

Subd. 2. **Commissioner of finance to be custodian; separate accounts.** (a) The commissioner of finance shall be the treasurer and custodian of the fund, administer the fund in accordance with the directions of the commissioner, and issue warrants upon it. The commissioner of finance shall maintain within the fund three separate accounts:

- (1) a clearing account;
- (2) an unemployment trust fund account; and
- (3) an unemployment benefit payment account.

All money payable to the fund, upon receipt by the commissioner, shall be forwarded to the commissioner of finance who shall immediately deposit the money in the clearing account. All money in the clearing account, after clearance, shall be deposited to the credit of Minnesota's account in the federal unemployment trust fund.

Tax refunds payable pursuant to section 268.057 may be paid from the clearing account or the unemployment benefit payment account.

(b) The unemployment benefit payment account shall consist of all money requisitioned from Minnesota's account in the federal unemployment trust fund for the payment of unemployment benefits. Money in the clearing and unemployment benefit payment accounts may be deposited by the commissioner of finance, under the direction of the commissioner, in any depository bank that general funds of Minnesota may be deposited, but no public deposit insurance charge or premium shall be paid out of the fund. Money in the clearing and unemployment benefit payment accounts shall be maintained in separate accounts on the books of the depository bank. This money shall be secured by the depository bank to the same extent and in the same manner as required by the general depository law of Minnesota.

Subd. 3. **Exclusive use.** (a) Money requisitioned from Minnesota's account in the federal unemployment trust fund shall be used exclusively for the payment of unemployment benefits and for tax refunds pursuant to section 268.057, except that money credited to Minnesota's account pursuant to United States Code, title 42, section 1103 of the Social Security Act, also known as the Reed Act, may be used for the payment of expenses of administration. The commissioner shall from time to time requisition from the federal unemployment trust fund the amounts necessary for the payment of unemployment benefits and tax refunds for a reasonable future period. Upon receipt the commissioner of finance shall deposit the money in the unemployment benefit payment account and issue warrants for the payment of unemployment benefits solely from the unemployment benefit payment account.

(b) Expenditures of money in the unemployment benefit payment account and tax refunds from the clearing account shall not be subject to any provisions of law requiring specific appropriations or other formal release by state officers.

(c) All warrants issued for the payment of unemployment benefits and tax refunds shall bear the signature of the commissioner of finance and the counter signature of the commissioner.

Subd. 3a. [Renumbered subdivision 4]

Subd. 4. **Reimbursements.** The commissioner is authorized to make to other state or federal agencies and to receive from other state or federal agencies, reimbursements from or to the fund, in accordance with reciprocal arrangements entered into pursuant to section 268.131.

Money received pursuant to a reciprocal agreement shall be placed directly in the unemployment benefit payment account of the fund.

Subd. 5. **Reed Act money.** (a) Money credited to the account of Minnesota in the federal unemployment trust fund pursuant to United States Code, title 42, section 1103, of the Social Security Act, also known as the Reed Act, may be requisitioned and used for (1) the payment of unemployment benefits, or (2) expenses incurred for the administration of sections 268.03 to 268.23 pursuant to a specific appropriation by the legislature. Any money used for the payment of unemployment benefits may be restored for appropriation and use for administrative expenses upon request of the governor to the United States Secretary of Labor.

(b) Reed Act money may be used for expenses in the administration of sections 268.03 to 268.23 provided that the expenses are incurred and the money is requisitioned after the enactment of an appropriation law that:

- (1) specifies the amounts and the purposes for which the money is appropriated;
- (2) limits the period within which the money may be obligated to a period ending not more than two years after the date of the enactment of the appropriation law; and
- (3) limits the amount that may be obligated to an amount that does not exceed the amount by which the aggregate of the amounts transferred to the account of Minnesota pursuant to the Reed Act exceeds the aggregate of the amounts used pursuant to this subdivision and charged against the amounts transferred to the account of Minnesota.

For the purposes of this subdivision, amounts used for administration shall be chargeable against the transferred amounts at the time of the obligation.

(c) Reed Act money requisitioned for the payment of expenses of administration shall remain a part of the unemployment insurance program trust fund. The commissioner shall account for the use of this money in accordance with the standards established by the United States Secretary of Labor. If any money is not spent for the purpose for which it was appropriated, or, if it remains unspent at the end of the period specified by the law appropriating the money, it shall be returned for credit to Minnesota's account in the federal unemployment trust fund.

Subd. 6. **Borrowing federal funds.** (a) The governor is hereby authorized, if necessary, to borrow funds from the federal unemployment trust fund in accordance with United States Code, title 42, section 1321 of the Social Security Act in order to pay unemployment benefits.

(b) Any amount transferred to the fund under the terms of any loan shall be repayable as provided in United States Code, title 42, sections 1101(d)(1), 1103(b)(2), and 1322 of the Social Security Act.

(c) Interest payable on any loan shall be paid in accordance with section 268.051, subdivision 8, paragraph (b).

History: *Ex1936 c 2 s 3,11; 1937 c 306 s 8; 1937 c 452 s 1; 1939 c 443 s 2,9; 1941 c 554 s 2,10; 1943 c 650 s 8; 1945 c 376 s 2,10; 1947 c 432 s 8-10; 1949 c 605 s 2; 1953 c 97 s 3,4; 1957 c 883 s 2-5; 1961 c 517 s 1; 1965 c 45 s 45; 1969 c 9 s 64; 1969 c 310 s 1; 1969 c 567 s 3; 1971 c 942 s 13; 1975 c 302 s 1; 1979 c 181 s 16; 1Sp1982 c 1 s 4; 1983 c 216 art 1 s 87; 1983 c 372 s 8; 1985 c 248 s 70; 1Sp1985 c 13 s 300; 1986 c 444; 1989 c 209 art 2 s 1; 1994 c 488 s 8; 1996 c 417 s 31; 1997 c 66 s 79,80; 1998 c 265 s 33-35,40-42,45; 1999 c 107 s 60,66; 2000 c 343 s 4*

268.196 ECONOMIC SECURITY ADMINISTRATION ACCOUNT.

Subdivision 1. **Administration account.** (a) There is hereby created in the state treasury a special account to be known as the economic security administration account. All money that is deposited or paid into this account shall be continuously available to the commissioner for expenditure to administer sections 268.03 to 268.23, and shall not lapse at any time. The administration account shall consist of:

(1) all money received from the federal government to administer sections 268.03 to 268.23;

(2) any money received as compensation for services or facilities supplied to the federal government or any other state;

(3) any amounts received for losses sustained by this account or by reason of damage to equipment or supplies; and

(4) any proceeds from the sale or disposition of any equipment or supplies that may no longer be necessary for the proper administration of those sections.

(b) All money in this account shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as are provided by law for the other special accounts in the state treasury. The commissioner of finance, as treasurer and custodian of this account, shall be liable for the faithful performance of duties in connection with this account.

(c) All money in this account shall be spent solely for the purposes and in the amounts found necessary by the United States Secretary of Labor for the proper and efficient administration of sections 268.03 to 268.23.

Subd. 2. **State to replace money wrongfully used.** If any money received under United States Code, title 42, section 501 of the Social Security Act or the Wagner-Peyser Act, is found by the United States Secretary of Labor to have been spent for purposes other than, or in amounts in excess of, those necessary for the proper administration of sections 268.03 to 268.23, the commissioner may replace the money from the contingent account. If the money is not replaced from the contingent account,

it is the policy of this state that the money be replaced by money appropriated for that purpose from the general funds of this state. If not replaced from the contingent account, the commissioner shall, at the earliest opportunity, submit to the legislature a request for the appropriation of that amount.

Subd. 3. Contingent account. (a) There is hereby created in the state treasury a special account, to be known as the economic security contingent account, that shall not lapse nor revert to any other fund. This account shall consist of all money appropriated therefor by the legislature, all money in the form of interest and penalties collected pursuant to sections 268.057, 268.18, and 268.184, all money received in the form of voluntary contributions to this account, and any interest earned on the account. All money in this account shall be supplemental to all federal money available to the commissioner. Money in this account is hereby appropriated to the commissioner and shall be available to the commissioner for those expenditures the commissioner considers necessary in connection with the administration of sections 268.03 to 268.23.

(b) Whenever the commissioner spends money from the contingent account for the administration of sections 268.03 to 268.23 for which money will later be made available by the federal government, the contingent account shall, when money is available, be reimbursed from the administration account. The commissioner shall certify to the commissioner of finance the amount of the reimbursement and the commissioner of finance shall transfer that amount from the administration account to the contingent account.

(c) All money in this account shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as is provided by law for the other special accounts in the state treasury. On June 30 of each year, all amounts in excess of \$300,000 in this account shall be paid over to the unemployment insurance program trust fund.

History: *Ex1936 c 2 s 13; 1941 c 554 s 12; 1945 c 376 s 12; 1953 c 97 s 16; 1957 c 883 s 8-10; 1963 c 721 s 1; 1965 c 45 s 46; 1969 c 399 s 1; 1969 c 567 s 3; 1973 c 254 s 3; 1973 c 492 s 14; 1973 c 720 s 73 subd 1; 1974 c 497 s 1; 1975 c 302 s 2; 1Sp1982 c 1 s 33; 1983 c 216 art 1 s 87; 1986 c 444; 1987 c 362 s 25; 1987 c 385 s 27; 1989 c 209 art 2 s 1; 1994 c 488 s 8; 1996 c 417 s 31; 1997 c 7 art 1 s 106; 1997 c 66 s 79,80; 1998 c 265 s 43; 1999 c 107 s 61,66; 2000 c 343 s 4*

268.198 JOB SERVICE OFFICES.

Subdivision 1. Establishment. The commissioner shall establish and maintain free public job service offices, in that number and in those places as may be necessary for the purpose of providing reemployment assistance services to applicants, as well as performing the functions under the Wagner-Peyser Act, United States Code, title 29, section 49.

Subd. 2. Financing. All money received by this state under the Wagner-Peyser Act shall be paid into the economic security administration account and expended solely for the maintenance of state public job service offices. For the purpose of establishing and maintaining free public job service offices and promoting the use of their facilities, the commissioner is authorized to enter into agreements with any public agency whose purposes are reasonably related to the purposes of the job service.

Subd. 3. Veterans representatives. There shall be assigned to the staff of the job service one or more employees of the department who shall perform the duties of a veterans employment representative. The position of veterans employment representative shall be filled by veterans as defined in section 197.447.

History: *Ex1936 c 2 s 12; 1937 c 306 s 9; 1939 c 443 s 11; 1941 c 554 s 11; 1945 c 376 s 11; 1949 c 605 s 11; 1969 c 567 s 3; 1973 c 254 s 3; 1977 c 151 s 1; 1977 c 430 s 25 subd 1; 1980 c 350 s 1; 1983 c 216 art 1 s 87; 1Sp1985 c 14 art 9 s 75; 1989 c 209 art 2 s 1; 1994 c 483 s 1; 1996 c 417 s 31; 1997 c 66 s 65,79; 1998 c 265 s 44; 1999 c 107 s 62,66*

268.20 REPRESENTATION IN COURT.

In any civil action to enforce the provisions of sections 268.03 to 268.23, the commissioner shall be represented by the attorney general.

History: (4337-37) *Ex1936 c 2 s 17; 1941 c 554 s 16; 1989 c 209 art 2 s 1; 1996 c 417 s 31*

268.21 NONLIABILITY OF STATE.

(a) Unemployment benefits shall be payable only to the extent provided in this chapter and to the extent that money is available in the fund and neither the state nor the commissioner shall be liable for any amount in excess of the money available in the fund.

(b) No person shall make any demand, bring any suit, or other proceeding to recover from the state or the commissioner any sum alleged to be due on a benefit account after the expiration of two years from the effective date of the benefit account.

History: (4337-38) *Ex1936 c 2 s 18; 1941 c 554 s 17; 1989 c 209 art 2 s 1; 1994 c 488 s 8; 1996 c 417 s 31; 1997 c 66 s 77; 1998 c 265 s 44; 1999 c 107 s 63; 2000 c 343 s 4*

268.22 SAVING CLAUSE.

The legislature reserves the right to amend or repeal all or any part of sections 268.03 to 268.23 at any time; and there shall be no vested private right of any kind against such amendment or repeal. All the rights, privileges, or immunities conferred thereby, or by acts done pursuant thereto, shall exist subject to the power of the legislature to amend or repeal these sections at any time.

History: (4337-39) *Ex1936 c 2 s 19; 1941 c 554 s 18; 1991 c 199 art 2 s 1; 1996 c 417 s 31*

268.23 SEVERABLE.

In the event that the United States Department of Labor determines that any provision of sections 268.03 to 268.23, or any other provision of Minnesota Statutes relating to the unemployment insurance program, is not in conformity with the requirements of federal law, the provision shall have no force or effect; but if only a portion of the provision, or the application to any person or circumstances, is held not in conformity, the remainder of the provision and the application of the provision to other persons or circumstances shall not be affected.

History: (4337-40) *Ex1936 c 2 s 20; 1941 c 554 s 19; 1949 c 605 s 14; 1965 c 45 s 47; 1991 c 199 art 2 s 1; 1996 c 417 s 30,31; 1999 c 107 s 64,66; 2000 c 343 s 4*

268.231 [Repealed, 1996 c 417 s 32]

268.24 [Repealed, 1987 c 385 s 50]

268.25 [Repealed, 1998 c 265 s 46]

JUVENILE JUSTICE AND YOUTH INTERVENTION**268.29 JUVENILE JUSTICE PROGRAM.**

The governor shall designate the department of economic security as the sole agency responsible for supervising the preparation and administration of the state plan for juvenile justice required by the Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

The governor shall designate the juvenile justice advisory committee as the supervisory board for the department of economic security with respect to preparation and administration of the state plan and award of grants.

The governor shall appoint members to the juvenile justice advisory committee in accordance with the membership requirements of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

History: 1987 c 312 art 1 s 22; 1994 c 483 s 1

NOTE: See section 15.059, subdivision 5a, for expiration of juvenile justice advisory committee.

268.30 GRANTS-IN-AID TO YOUTH INTERVENTION PROGRAMS.

Subdivision 1. **Grants.** The commissioner may make grants to nonprofit agencies administering youth intervention programs in communities where the programs are or may be established.

“Youth intervention program” means a nonresidential community-based program providing advocacy, education, counseling, and referral services to youth and their families experiencing personal, familial, school, legal, or chemical problems with the goal of resolving the present problems and preventing the occurrence of the problems in the future.

Subd. 2. **Applications.** Applications for a grant-in-aid shall be made by the administering agency to the commissioner. The grant-in-aid is contingent upon the agency having obtained from the community in which the youth intervention program is established local matching money two times the amount of the grant that is sought.

The commissioner shall provide the application form, procedures for making application form, criteria for review of the application, and kinds of contributions in addition to cash that qualify as local matching money. No grant to any agency may exceed \$50,000.

History: 1987 c 312 art 1 s 23; 1996 c 408 art 2 s 2; 1999 c 107 s 65

268.31 [Repealed, 1994 c 632 art 4 s 84]

268.315 [Repealed, 1994 c 632 art 4 s 84]

268.32 [Repealed, 1994 c 632 art 4 s 84]

268.33 [Repealed, 1994 c 632 art 4 s 84]

268.34 [Repealed, 1994 c 632 art 4 s 84]

268.35 [Repealed, 1994 c 632 art 4 s 84]

268.36 [Repealed, 1994 c 632 art 4 s 84]

PLANNING FOR YOUTH EMPLOYMENT**268.361 DEFINITIONS.**

Subdivision 1. **Terms.** For the purposes of sections 268.361 to 268.366, the following terms have the meanings given them.

Subd. 2. **Advisory committee.** “Advisory committee” means the committee established in section 268.363.

Subd. 3. **Commissioner.** “Commissioner” means the commissioner of economic security.

Subd. 4. **Eligible organization.** “Eligible organization” means a public agency or a nonprofit organization that can demonstrate an ability to implement a program for education and training services provided to targeted youth. Eligible organizations may include local jurisdictions, public school districts, private nonsectarian schools, post-secondary educational institutes, alternative schools, community groups, and labor organizations.

Subd. 4a. **Program.** “Program” means the services and activities performed or contracted for by an eligible organization for which a grant has been received or for which a grant application has been submitted to the commissioner.

Subd. 5. **Homeless individual.** “Homeless individual” or “homeless person” means:

- (1) an individual who lacks a fixed, regular, and adequate nighttime residence; and
- (2) an individual who has a primary nighttime residence that is:

(i) a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations;

(ii) an institution that provides a temporary residence for individuals intended to be institutionalized; or

(iii) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for humans.

The term "homeless individual" does not include any individual imprisoned or otherwise detained under federal or state law.

Subd. 6. Targeted youth. "Targeted youth" means at-risk persons who are at least 16 years of age but not older than 24 years of age, are eligible for the high school graduation incentive program under section 124D.68, subdivision 2, or are economically disadvantaged as defined in United States Code, title 29, section 1503, and are part of one of the following groups:

(1) persons who are not attending any school and have not received a secondary school diploma or its equivalent; or

(2) persons currently enrolled in a traditional or alternative school setting or a GED program and who, in the opinion of an official of the school, are in danger of dropping out of the school.

Subd. 7. Very low income. "Very low income" means incomes that are at or less than 50 percent of the area median income, adjusted for family size, as estimated by the department of housing and urban development.

History: 1988 c 686 art 3 s 1; 1989 c 328 art 7 s 1,2; 1991 c 345 art 2 s 47; 1993 c 369 s 80,81; 1994 c 483 s 1; 1997 c 7 art 1 s 107; 1998 c 397 art 11 s 3

268.362 GRANTS.

Subdivision 1. Generally. (a) The commissioner shall make grants to eligible organizations for programs to provide education and training services to targeted youth. The purpose of these programs is to provide specialized training and work experience for targeted youth who have not been served effectively by the current educational system. The programs are to include a work experience component with work projects that result in the rehabilitation, improvement, or construction of (1) residential units for the homeless, or (2) education, social service, or health facilities which are owned by a public agency or a private nonprofit organization.

(b) Eligible facilities must principally provide services to homeless or very low income individuals and families, and include the following:

- (1) Head Start or day care centers;
- (2) homeless, battered women, or other shelters;
- (3) transitional housing;
- (4) youth or senior citizen centers; and
- (5) community health centers.

Two or more eligible organizations may jointly apply for a grant. The commissioner shall administer the grant program.

Subd. 2. Grant applications; awards. Interested eligible organizations must apply to the commissioner for the grants. The advisory committee must review the applications and provide to the commissioner a list of recommended eligible organizations that the advisory committee determines meet the requirements for receiving a grant. The total grant award for any program may not exceed \$150,000 per year. In awarding grants, the advisory committee and the commissioner must give priority to:

(1) continuing and expanding effective programs by providing grant money to organizations that are operating or have operated a successful program that meets the program purposes under section 268.364; and

(2) distributing programs throughout the state through start-up grants for programs in areas that are not served by an existing program.

To receive a grant under this section, the eligible organization must match the grant money with at least an equal amount of nonstate money. The commissioner must verify that the eligible organization has matched the grant money. Nothing in this subdivision shall prevent an eligible organization from applying for and receiving grants for more than one program. A grant received by an eligible organization from the federal Youthbuild Project under United States Code, title 42, section 5091, is nonstate money and may be used to meet the state match requirement. State grant money awarded under this section may be used by grantee organizations for match requirements of a federal Youthbuild Project.

History: 1988 c 686 art 3 s 2; 1989 c 328 art 7 s 3; 1992 c 376 art 5 s 1; 1993 c 369 s 82; 2000 c 488 art 2 s 18

268.3625 ADMINISTRATIVE COSTS.

The commissioner may use up to five percent of the biennial appropriation for Youthbuild from the general fund to pay costs incurred by the department in administering Youthbuild during the biennium.

History: 1997 c 200 art 1 s 65

268.363 ADVISORY COMMITTEE.

A 13-member advisory committee is established as provided under section 15.059 to assist the commissioner in selecting eligible organizations to receive program grants and evaluating the final reports of each organization. Notwithstanding section 15.059, the advisory committee shall not expire before June 30, 1995. Members of the committee may be reimbursed for expenses but may not receive any other compensation for service on the committee. The advisory committee consists of representatives of the commissioners of children, families, and learning, human services, and economic security; a representative of the chancellor of the Minnesota state colleges and universities; a representative of the commissioner of the housing finance agency; the director of the office of jobs policy; and seven public members appointed by the governor. Each of the following groups must be represented by a public member experienced in working with targeted youth: labor organizations, local educators, community groups, consumers, local housing developers, youth between the ages of 16 and 24 who have a period of homelessness, and other homeless persons. At least three of the public members must be from outside of the metropolitan area as defined in section 473.121, subdivision 2. The commissioner may provide staff to the advisory committee to assist it in carrying out its purpose.

History: 1988 c 686 art 3 s 3; 1990 c 375 s 3; 1993 c 132 s 5; 1993 c 369 s 83; 1994 c 483 s 1; 1Sp1995 c 3 art 16 s 13; 1996 c 339 s 6; 1996 c 395 s 18

268.364 PROGRAM PURPOSE AND DESIGN.

Subdivision 1. Program purpose. The grants awarded under section 268.362 are for a youth employment and training program directed at targeted youth who are likely to be at risk of not completing their high school education. Each program must include education, work experience, job skills, and leadership training and peer support components. Each participant must be offered counseling and other services to identify and overcome problems that might interfere with successfully completing the program.

Subd. 2. Education component. A program must contain an education component that requires program participants to complete their secondary education in a traditional public or private secondary school, a suitable alternative school setting, or a GED program. Program participants must be working toward the completion of their secondary education or literacy advancement.

Subd. 3. Work experience component. A work experience component must be included in each program. The work experience component must provide vocational

skills training in an industry where there is a viable expectation of job opportunities. A training subsidy, living allowance, or stipend, not to exceed an amount equal to 100 percent of the poverty line for a family of two as defined in United States Code, title 42, section 673, paragraph (2), may be provided to program participants. The wage or stipend must be provided to participants who are recipients of public assistance in a manner or amount which will not reduce public assistance benefits. The work experience component must be designed so that work projects result in (1) the expansion or improvement of residential units for homeless persons and very low income families, or (2) rehabilitation, improvement, or construction of eligible education, social service, or health facilities that principally serve homeless or very low income individuals and families. Any work project must include direct supervision by individuals skilled in each specific vocation. Program participants may earn credits toward the completion of their secondary education from their participation in the work experience component.

Subd. 4. **Job readiness skills component.** A job readiness skills component must comprise at least 20 percent of each program. The component must provide program participants with job search skills, placement assistance, and other job readiness skills to ensure that participants will have an understanding of the building trades, unions, self-employment, and other employment opportunities and be able to compete in the employment market.

Subd. 5. [Repealed by amendment, 1989 c 328 art 7 s 4]

Subd. 6. **Leadership training and peer support component.** Each program must provide participants with meaningful opportunities to develop leadership skills such as decision making, problem solving, and negotiating. The program must encourage participants to develop strong peer group ties that support their mutual pursuit of skills and values.

History: 1988 c 686 art 3 s 4; 1989 c 328 art 7 s 4; 1992 c 376 art 5 s 2; 1993 c 369 s 84-86

268.365 HOUSING FOR HOMELESS.

Subdivision 1. [Repealed, 1993 c 369 s 146]

Subd. 2. **Priority for housing.** Any residential or transitional housing units that become available through a work project that is part of the program described in section 268.364 must be allocated in the following order:

- (1) homeless targeted youth who have participated in constructing, rehabilitating, or improving the unit;
- (2) homeless families with at least one dependent;
- (3) other homeless individuals;
- (4) other very low income families and individuals; and
- (5) families or individuals that receive public assistance and that do not qualify in any other priority group.

Subd. 3. **Acquisition of housing units.** The eligible organization receiving a grant under section 268.362 shall acquire property or buildings for the construction or rehabilitation of residential units at the lowest possible cost. Possible sources of property and funding include the federal Department of Housing and Urban Development, Farmers Home Administration, Minnesota housing finance agency, and the local housing authority.

Subd. 4. **Management of residential units.** The program must address how to manage these residential units, including the source of financing for the maintenance costs of the buildings. Any management plan must include the participation of the residents and local established neighborhood groups.

History: 1988 c 686 art 3 s 5; 1989 c 328 art 7 s 5; 1992 c 376 art 5 s 3; 1993 c 369 s 87

268.366 REQUIREMENTS OF ORGANIZATIONS RECEIVING GRANTS.

An organization that is awarded a grant shall prepare and submit an annual report to the commissioner by September 1 of each year. The report must include a discussion of the following:

(1) the process used for encouraging the participation of the targeted youth in the geographic area surrounding the organization receiving the grant;

(2) the support services and social services that targeted youth received under the program. Services may include client needs assessment, preemployment skills such as basic job skills and behavior, and intermediate needs such as education and chemical dependency treatment;

(3) the type and degree of work experience that program participants received, including real work experience in both vocational and nonvocational settings;

(4) the amount of training subsidy or stipend that each participant received while participating in the work experience component. The subsidy or stipend must reflect prevailing wage and benefits standards appropriate for preapprenticeship training unless a participant's receipt of public assistance is affected. The subsidy or stipend should be structured to include incentives for progress toward increasing job skills and completing secondary education;

(5) the means of providing the necessary job readiness skills to program participants who have completed the work experience and educational components of the program so they have the ability to compete in the job market. These job search skills may include skills assessment, job search and selection, application preparation and assistance in preparing for job interviews;

(6) the methods used to assist in placing program participants in suitable employment. The methods should include means of involving state government, businesses, labor organizations, community groups, and local jurisdictions in assisting in the placement;

(7) the process used for evaluating the program, including the necessary data elements collected from program participants after they have completed the program for monitoring the success of the program;

(8) the method used to maximize parental involvement in the program;

(9) the existing public and private programs that were utilized by the program to avoid duplication of services;

(10) the regional characteristics that affected the operation of the program in the specific region where the organization is located;

(11) the means of addressing the special needs of priority groups of targeted youth, including:

(i) persons who are responsible for at least one dependent;

(ii) persons who are pregnant;

(iii) persons who are or have been subject to any stage of the criminal justice system and who may benefit from receiving employment and training services in overcoming barriers to employment resulting from a record of arrest or conviction;

(iv) persons receiving income maintenance services and social services, including chemical dependency treatment, vocational rehabilitation services, and protection services;

(v) persons who reside on a farm who personally derive or whose family derives a substantial portion of their income from farming, lack nonfarm work skills, or have limited access to vocational education or work experience opportunities;

(vi) homeless youth; and

(vii) minors who are not financially dependent on a parent or a guardian;

(12) costs for each of the components of the program; and

(13) the identification of the funding sources other than state appropriations that were used to support the program.

History: 1988 c 686 art 3 s 6; 1989 c 328 art 7 s 6

268.3661 YOUTHBUILD TECH.

Subdivision 1. **Generally.** A pilot program is established within the department to make grants to eligible organizations for programs which are available to students who have completed at least four months in a program funded under section 268.362. Programs funded under this section must provide participants with the knowledge and skills necessary to obtain entry-level jobs in the computer industry, including core computer classes and job-specific education.

Subd. 2. **Grants.** The provisions of section 268.361; 268.362, subdivision 2; 268.3625; and 268.366 shall apply to grants under this section.

History: 1999 c 223 art 2 s 37

268.367 [Repealed, 1996 c 339 s 10]

268.37 [Repealed, 1998 c 273 s 15]

268.371 [Repealed, 1998 c 273 s 15]

268.38 Subdivision 1. [Repealed, 1998 c 273 s 15]

Subd. 2. [Repealed, 1998 c 273 s 15]

Subd. 3. [Repealed, 1998 c 273 s 15]

Subd. 4. [Repealed, 1998 c 273 s 15]

Subd. 5. [Repealed, 1998 c 273 s 15]

Subd. 6. [Repealed, 1998 c 273 s 15]

Subd. 7. [Repealed, 1998 c 273 s 15]

Subd. 8. [Repealed, 1998 c 273 s 15]

Subd. 9. [Repealed, 1998 c 273 s 15]

Subd. 10. [Deleted, 1995 c 233 art 2 s 56]

Subd. 11. [Repealed, 1996 c 339 s 10]

Subd. 12. [Repealed, 1998 c 273 s 15]

Subd. 13. [Renumbered 119A.43 subd 11]

268.39 [Repealed, 1997 c 200 art 4 s 23]

268.40 [Expired]

268.41 [Expired]

268.42 [Expired]

268.43 [Expired]

268.52 [Renumbered 119A.374]

268.53 Subdivision 1. [Renumbered 119A.375 subd 1]

Subd. 1a. [Renumbered 119A.375 subd 2]

Subd. 2. [Renumbered 119A.375 subd 3]

Subd. 3. [Renumbered 119A.375 subd 4]

Subd. 4. [Renumbered 119A.375 subd 5]

Subd. 5. [Renumbered 119A.375 subd 6]

Subd. 6. [Renumbered 119A.375 subd 7]

Subd. 7. [Renumbered 119A.375 subd 8]

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268.54 [Renumbered 119A.376]

268.55 [Repealed, 1998 c 273 s 15]

WAGE SUBSIDY PROGRAM

268.551 DEFINITIONS.

Subdivision 1. **Terms.** For the purposes of this section and section 268.552, the terms defined in this section have the meanings given them.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of economic security.

Subd. 3. **Eligible applicant.** "Eligible applicant" means a person who:

- (1) has been a resident of this state for at least one month;
- (2) is unemployed;
- (3) is not receiving and is not eligible to receive unemployment benefits; and
- (4) is a targeted young person as defined in Laws 1990, chapter 562, article 4, section 12, between the ages of 14 and 21, who, because of a lack of personal resources and skills, needs assistance in setting and realizing education goals and in becoming a contributing member of the community.

Subd. 4. **Employer.** "Employer" means a private or public employer.

History: 1991 c 345 art 1 s 81; 1994 c 483 s 1; 1994 c 488 s 8; 1999 c 107 s 66; 2000 c 343 s 4

268.552 WAGE SUBSIDY PROGRAM.

Subdivision 1. **Creation.** A grant program is established to provide adolescents with opportunities for gaining a high school diploma, exploring occupations, evaluating vocational options, receiving career and life skills counseling, developing and pursuing personal goals, and participating in community-based projects and summer youth employment.

Subd. 2. **Amount and duration of subsidy.** The maximum subsidy is \$4 per hour for wages and \$1 per hour for fringe benefits. The subsidy for an eligible applicant may be paid for a maximum of 1,040 hours over a period of 26 weeks. Employers are encouraged to use money from other sources to provide increased wages to applicants they employ.

Subd. 3. **Contracts to administer.** The commissioner may contract with local service units or certified local service providers to deliver the wage subsidies. The contract must require that no more than five percent of the contract amount be expended for administration.

Subd. 4. **Area allocation of subsidies.** Wage subsidy money must be allocated to local service units based on the number of eligible applicants in that area compared to the state total of eligible applicants. Money may be reallocated if it otherwise would not be used.

Subd. 5. **Allocation to applicants.** Priority for subsidies shall be in the following order:

- (1) applicants living in households with no other income source;
- (2) applicants whose incomes and resources are less than the standard for eligibility for general assistance; and
- (3) applicants who are eligible for the Minnesota family investment program.

Subd. 6. **Outreach.** A local service unit shall publicize the availability of wage subsidies within its area.

Subd. 7. **Reports.** Each entity delivering wage subsidies shall report to the commissioner on a quarterly basis:

- (1) the number of persons placed in private sector jobs, in temporary public sector jobs, or in other services;
- (2) the outcome for each participant placed;
- (3) the number and type of employers employing persons under the program;
- (4) the amount of money spent in each local service unit for wages for each type of employment and each type of other expense;
- (5) the age, educational experience, family status, gender, priority group status, race, and work experience of each person in the program;
- (6) the amount of wages received by persons while in the program and 60 days after completing the program;
- (7) for each classification of persons described in clause (5), the outcome of the wage subsidy placement, including length of time employed; nature of employment, whether private sector, temporary public sector, or other service; and the hourly wages; and
- (8) any other information requested by the commissioner. Each report must include cumulative information, as well as information for each quarter.

Data collected on individuals under this subdivision are private data on individuals as defined in section 13.02, subdivision 12, except that summary data may be provided under section 13.05, subdivision 7.

Subd. 8. **Part-time employment.** Subsidies under this section may be paid for part-time jobs.

Subd. 9. **Layoffs; work reductions.** An employer may not lay off, terminate, or reduce the working hours of an employee for the purpose of hiring an individual with funds provided by this section. An employer may not hire an individual with funds available under this section if any other person is on layoff from the same or a substantially equivalent job.

Subd. 10. **Rules.** The commissioner may adopt rules to implement this section.

History: 1991 c 345 art 1 s 82; 1997 c 85 art 4 s 27; 1999 c 159 s 120

MINNESOTA YOUTH PROGRAM

268.56 MINNESOTA YOUTH PROGRAM; DEFINITIONS.

Subdivision 1. **Scope.** For the purposes of this section and section 268.561, the terms defined in this section have the meanings given them.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of economic security.

Subd. 3. **Eligible applicant.** "Eligible applicant" means an individual who is between the ages of 14 and 21 and economically disadvantaged.

An at-risk youth who is classified as a family of one is deemed economically disadvantaged. For purposes of eligibility determination the following individuals are considered at risk:

- (1) a pregnant or parenting youth;
- (2) a youth with limited English proficiency;
- (3) a potential or actual school dropout;
- (4) a youth in an offender or diversion program;
- (5) a public assistance recipient or a recipient of group home services;
- (6) a youth with disabilities including learning disabilities;
- (7) a chemically dependent youth or child of drug or alcohol abusers;

- (8) a homeless or runaway youth;
- (9) a youth with basic skills deficiency;
- (10) a youth with an educational attainment of one or more levels below grade level appropriate to age; or
- (11) a foster child.

Subd. 4. **Employer.** "Employer" means a private or public employer.

History: 1994 c 483 s 1; 1994 c 632 art 4 s 66

268.561 MINNESOTA YOUTH PROGRAM.

Subdivision 1. **Purpose.** The Minnesota youth program is established to:

- (1) improve the employability of eligible applicants through exposure to public or private sector work;
- (2) enhance the basic educational skills of eligible applicants;
- (3) encourage the completion of high school or equivalency;
- (4) assist eligible applicants to enter employment, school-to-work transition programs, the military, or post-secondary education or training;
- (5) enhance the citizenship skills of eligible applicants through community service and service-learning; and
- (6) provide educational, career, and life skills counseling.

Subd. 2. **Wage rate.** The rate of pay for Minnesota youth program positions with public, private nonprofit, and private for-profit employers is the minimum wage. Employers may use their own funds to increase the participants' hourly wage rates. Youths designated as supervisors may be paid at a higher level to be determined by the local contractor.

Subd. 3. **Employment contracts.** The commissioner may enter into arrangements with existing public and private nonprofit organizations and agencies with experience in administering youth employment programs for the purpose of providing employment opportunities for eligible applicants in furtherance of this section and section 268.56. The department of economic security shall retain ultimate responsibility for the administration of this employment program.

Subd. 4. **Contract administration.** Preference shall be given to local contractors with experience in administering youth employment and training programs and those who have demonstrated efforts to coordinate state and federal youth programs locally.

Subd. 5. **Allocation formula.** Seventy percent of Minnesota youth program funds must be allocated based on the county's share of economically disadvantaged youth. The remaining 30 percent must be allocated based on the county's share of population ages 14 to 21.

Subd. 6. **Allowable cost categories.** Of the total allocation, up to 15 percent may be used for administrative purposes and the remainder may be used for a combination of training and participant support activities.

Subd. 7. **Reports.** Each contractor shall report to the commissioner on a quarterly basis in a format to be determined by the commissioner.

Data collected on individuals under this subdivision are private data on individuals as defined in section 13.02, subdivision 12, except that summary data may be provided under section 13.05, subdivision 7.

Subd. 8. **Part-time employment.** Wages and subsidies under this section may be paid for part-time employment.

Subd. 9. **Layoffs; worker reductions.** An employer may not lay off, terminate, or reduce the working hours of an employee for the purpose of hiring an individual with funds provided by this section. An employer may not hire an individual with funds available under this section if any other individual is laid off from the same or a substantially equivalent job.

Subd. 10. **Rules.** The commissioner may adopt rules to implement this section.

History: 1994 c 483 s 1; 1994 c 632 art 4 s 67; 1Sp1995 c 3 art 4 s 30

JOB TRAINING

268.60 PURPOSE.

It is the purpose of sections 268.60 to 268.64 to provide financial assistance for comprehensive job training and related services for economically disadvantaged, unemployed, and underemployed individuals through opportunities industrialization centers.

History: 1983 c 312 art 6 s 1

268.61 DEFINITIONS.

Subdivision 1. **Scope.** When used in sections 268.60 to 268.64 the terms in this section have the meanings given them.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of economic security.

Subd. 3. **Council.** "Council" means the Minnesota state council of the opportunities industrialization centers of America.

Subd. 4. **Economically disadvantaged.** "Economically disadvantaged" means an individual who meets the criteria for an economically disadvantaged person established by rule by the commissioner.

Subd. 5. **Underemployed.** "Underemployed" means an individual:

- (a) Working part time but seeking full-time work; or
- (b) Working full time but receiving wages below the greater of:

(1) the poverty level determined in accordance with criteria established by the department of economic security; or

(2) 70 percent of the lower living standard income level as determined by the United States Bureau of Labor Statistics.

Subd. 6. **Unemployed.** "Unemployed" means an individual who is without a job, and who wants and is available for work.

History: 1983 c 312 art 6 s 2; 1Sp1985 c 14 art 9 s 75; 1994 c 483 s 1

268.62 DISTRIBUTION AND USE OF STATE MONEY.

The commissioner shall distribute the money appropriated for:

(a) comprehensive job training and related services or job opportunities programs for economically disadvantaged, unemployed, and underemployed individuals, including persons of limited English speaking ability, through opportunities industrialization centers; and

(b) the establishment and operation in Minnesota of these centers.

Comprehensive job training and related services include: recruitment, counseling, remediation, motivational prejob training, vocational training, job development, job placement, and other appropriate services enabling individuals to secure and retain employment at their maximum capacity.

History: 1983 c 312 art 6 s 3

268.63 CRITERIA FOR DISTRIBUTION OF MONEY.

The commissioner, with the advice of the council, shall establish criteria for the distribution of state money for the purpose of section 268.62. The criteria shall include requirements that:

(a) the program receiving state assistance:

(1) involve residents in the area to be served by the program in the planning and operation of the program; and

(2) involve the business community in the area to be served by the program in its development and operation;

(b) the distribution of assistance among areas within the state be equitable, with priority being given to areas with high unemployment or underemployment;

(c) financial assistance under sections 268.60 to 268.64 to any program may not exceed 25 percent of the cost of the program including costs of administration; and

(d) a program receiving financial assistance has adequate internal administrative controls, accounting procedures, personnel standards, evaluation procedures, availability of in-service training and technical assistance programs, and other policies necessary to promote the effective use of state money.

The commissioner may make a distribution in excess of the limit prescribed in clause (c) if the commissioner determines that the excess distribution is necessary to further the objectives of sections 268.60 and 268.62.

History: 1983 c 312 art 6 s 4

268.64 MONEY DISTRIBUTION.

The commissioner may make a distribution of money directly to a program, or make a distribution subject to conditions that ensure use consistent with the distribution and utilization of money under federal legislation regarding job training and related services.

History: 1983 c 312 art 6 s 5

268.65 APPROVED TRAINING.

Subdivision 1. **Creation.** The commissioner of economic security shall establish a training program for structurally unemployed workers under which individuals may be enrolled in an on-the-job training program, and an additional 1,000 individuals may be enrolled in classroom training, in accordance with this section. Nothing in this section limits or adversely affects the approved training provisions applicable to an individual under section 268.085, subdivision 1, clause (3). An individual approved under this section is eligible for tuition aid under the provisions of chapter 136A.

Subd. 2. **Approval of training.** An individual's enrollment in a training course must be approved for the purposes of this subdivision if the commissioner finds that:

(1) the individual is not unemployed due to the seasonal nature of the work or a temporary work shortage;

(2) the individual's separation or notice of layoff from most recent employment was caused by job obsolescence, plant shutdown, regional decline in the individual's customary occupation, or industry slowdown, and the individual is unlikely to return to work for that employer or in that occupation within 12 months following separation from employment;

(3) reasonable and suitable work opportunities for which the individual is fitted by training, experience, and physical capabilities do not exist within the local labor market;

(4) the training course is designed to provide preparation for available employment within the local labor market or in an area to which the individual is willing to relocate;

(5) the training is conducted by an agency, educational institution, or employing unit that is approved by the commissioner of children, families, and learning or the board of trustees of the Minnesota state colleges and universities or higher education services office to conduct training programs; except that an agency, educational institution, or employing unit that is not subject to regulation and approval by one of the agencies in this clause may be approved by the commissioner if it is determined that the institution's curriculum, facilities, staff, and other essentials are adequate to achieve the training objective; and

(6) the training consists of a full course load, as defined by the training provider, necessary to achieve the approved training objective, and the individual is making

satisfactory progress in the course. The department may require the training provider to periodically certify to the individual's attendance and progress.

Subd. 3. **On-the-job training.** An individual who meets the criteria in subdivision 2 is eligible for participation in a full-time on-the-job training program if:

(1) the on-the-job training position is in an occupation for which the commissioner has determined a demand exists or will exist; in making this determination, the commissioner shall consider labor market information as contained in state and national occupational outlook publications, as well as other generally accepted authoritative sources with verifiable validity;

(2) the employer pays an hourly wage during training of at least the state minimum wage;

(3) the employer guarantees to provide at least 12 consecutive months of employment to the trainee after the completion of training at the prevailing area labor market wage for a trained individual in that occupation;

(4) the employer will not terminate the trainee during the period of training or guaranteed employment except for misconduct or demonstrated substandard performance; and

(5) the employer will not terminate, lay off, or reduce the hours of any employee for the purpose of hiring an individual with money available, and will not hire an individual if another person is on layoff from the same or a substantially equivalent job.

Subd. 4. **Training allowance.** During participation in an approved on-the-job training program, the trainee shall maintain satisfactory progress and attendance. During the period of training specified in the agreement between the commissioner and the employer, individuals participating in an approved on-the-job training program must be paid a training allowance for each week claimed during the benefit year, until benefits are exhausted, equal to the weekly benefit amount calculated under section 268.07, subdivision 2, less the part of the earnings, including holiday pay, in excess of \$100. The training allowance is computed by rounding down to the nearest dollar amount. Notwithstanding any other provision, an individual participating in on-the-job training on a full-time basis is not employed for purposes of benefit eligibility.

Subd. 5. **Employer penalty.** An employer who enters into an on-the-job training agreement with the commissioner and who terminates the trainee in a manner other than provided in this subdivision shall repay 70 percent of the amount of unemployment benefits paid to the individual while in the training program with that employer if the termination occurs during the training period. If the termination occurs during the 12-month period of guaranteed employment, the employer receives a proportional reduction in the amount it must repay. Penalties assessed under this subdivision are in addition to any other penalties provided for by this chapter and are subject to the same collection procedures that apply to past due contributions under this chapter. Penalties under this subdivision shall be paid to the commissioner and credited to the job search and relocation fund. When it is determined to be in the best interest of the state, the commissioner may waive all or part of the employer penalty. The commissioner shall use any money collected under this paragraph for job search and relocation expenses of structurally unemployed workers participating in the training program.

History: *1Sp1985 c 14 art 9 s 46; 1987 c 385 s 46; 1994 c 483 s 1; 1995 c 212 art 3 s 59; 1Sp1995 c 3 art 16 s 13; 1996 c 339 s 7; 1996 c 395 s 18; 1997 c 66 s 80; 1998 c 265 s 45; 1999 c 107 s 66; 2000 c 343 s 4*

268.66 FIRST SOURCE AGREEMENTS.

Subdivision 1. **List of vacancies.** A business or private enterprise receiving grants or loans from the state in amounts over \$200,000 a year shall as part of the grant or loan agree to list any vacant or new positions with the job services of the commissioner of economic security or the local service units.

Subd. 2. **Grant and loan agreements.** The commissioner of trade and economic development shall incorporate the provisions of this section into grant and loan

agreements and assist the commissioner of economic security and the local service units to promote private sector listings with job services and to evaluate their effect on employers and individuals who are referred.

History: *1Sp1985 c 14 art 9 s 47; 1987 c 312 art 1 s 26 subd 2; 1994 c 483 s 1*

268.665 WORKFORCE DEVELOPMENT COUNCIL.

Subdivision 1. Creation. The governor's workforce development council is created under the authority of the Job Training Partnership Act, United States Code, title 29, section 1501, et seq. Local workforce development councils are authorized under the Job Training Partnership Act, United States Code, title 29, section 1501 and the one stop career center system.

Subd. 2. Membership. The governor's workforce development council is composed of 33 members appointed by the governor. The members may be removed pursuant to section 15.059. In selecting the representatives of the council, the governor shall ensure that 50 percent of the members come from nominations provided by local workforce councils. Local education representatives shall come from nominations provided by local education to employment partnerships. The 33 members shall represent the following sectors:

(a) State agencies: the following individuals shall serve on the council:

- (1) commissioner of the Minnesota department of economic security;
- (2) commissioner of the Minnesota department of children, families, and learning;
- (3) commissioner of the Minnesota department of human services; and
- (4) commissioner of the Minnesota department of trade and economic development.

(b) Business and industry: six individuals shall represent the business and industry sectors of Minnesota.

(c) Organized labor: six individuals shall represent labor organizations of Minnesota.

(d) Community-based organizations: four individuals shall represent community-based organizations of Minnesota. Community-based organizations are defined by the Job Training Partnership Act as private nonprofit organizations that are representative of communities or significant segments of communities and that provide job training services, agencies serving youth, agencies serving individuals with disabilities, agencies serving displaced homemakers, union-related organizations, and employer-related nonprofit organizations and organizations serving nonreservation Indians and tribal governments.

(e) Education: six individuals shall represent the education sector of Minnesota as follows:

- (1) one individual shall represent local public secondary education;
- (2) one individual shall have expertise in design and implementation of school-based service-learning;
- (3) one individual shall represent post-secondary education;
- (4) one individual shall represent secondary/post-secondary vocational institutions;
- (5) the chancellor of the board of trustees of the Minnesota state colleges and universities; and
- (6) one individual shall have expertise in agricultural education.

(f) Other: two individuals shall represent other constituencies including:

- (1) units of local government; and
- (2) applicable state or local programs.

The speaker and the minority leader of the house of representatives shall each appoint a representative to serve as an ex officio member of the council. The majority

and minority leaders of the senate shall each appoint a senator to serve as an ex officio member of the council. After January 1, 1997, the Minnesota director of the corporation for national service shall also serve as an ex officio member.

(g) Appointment: each member shall be appointed for a term of three years from the first day of January or July immediately following their appointment. Elected officials shall forfeit their appointment if they cease to serve in elected office.

(h) Members of the council are compensated as provided in section 15.059, subdivision 3.

Subd. 3. **Purpose; duties.** The governor's workforce development council shall replace the governor's job training council and assume all of its requirements, duties, and responsibilities, under the Job Training Partnership Act, United States Code, title 29, section 1501, et seq. Additionally, the workforce development council shall assume the following duties and responsibilities:

(a) Coordinate the development, implementation, and evaluation of the statewide education and employment transitions system under section 124D.46. Beginning January 1, 1997, the council shall also coordinate the development, implementation, and evaluation of the Minnesota youth services programs under sections 124D.39 to 124D.44, and the National and Community Services Act of 1993, United States Code, title 42, section 12501, et seq.

(b) Review the provision of services and the use of funds and resources under applicable federal human resource programs and advise the governor on methods of coordinating the provision of services and the use of funds and resources consistent with the laws and regulations governing the programs. For purposes of this section, applicable federal and state human resource programs mean the:

(1) Job Training Partnership Act, United States Code, title 29, section 1501, et seq.;

(2) Carl D. Perkins Vocational and Applied Technology Education Act, United States Code, title 20, section 2301, et seq.;

(3) National and Community Service Act of 1993, United States Code, title 42, section 12501, et seq.;

(4) Adult Education Act, United States Code, title 20, section 1201, et seq.;

(5) Wagner-Peyser Act, United States Code, title 29, section 49;

(6) Social Security Act, title IV, part F, (JOBS), United States Code, title 42, section 681, et seq.;

(7) Food Stamp Act of 1977, United States Code, title 7, section 6(d)(4), Food Stamp Employment and Training Program, United States Code, title 7, section 2015(d)(4);

(8) programs defined in section 268.0111, subdivisions 4 and 5; and

(9) School to Work Opportunity Act of 1994; Public Law Number 103-239.

Additional federal and state programs and resources can be included within the scope of the council's duties if recommended by the governor after consultation with the council.

(c) Review federal, state, and local education, post-secondary, job skills training, and youth employment programs, and make recommendations to the governor and the legislature for establishing an integrated seamless system for providing education, service-learning, and work skills development services to learners and workers of all ages.

(d) Advise the governor on the development and implementation of statewide and local performance standards and measures relating to applicable federal human resource programs and the coordination of performance standards and measures among programs.

(e) Develop program guidelines and recommend grant approval procedures to the department of children, families, and learning for grants to local education and employment transition partnerships, including implementation grants under section 124D.46, grants for youth apprenticeship programs under section 124D.47, and youth employer grants; and

(1) coordinate implementation of the education and employment transitions system under section 124D.46;

(2) promote education and employment transitions programs and knowledge and skills of entrepreneurship among employers, workers, youth, and educators, and encourage employers to provide meaningful work-based learning opportunities;

(3) evaluate and identify exemplary education and employment transitions programs and provide technical assistance to local partnerships to replicate the programs throughout the state;

(4) establish a performance-based quality assurance system for consistent statewide evaluation of the performance of the education and employment transitions system at both the state and local level;

(5) conduct an annual review of each local education and employment transitions partnership to ensure it adequately meets the quality assurance standards established as part of the state quality assurance system;

(6) develop the methods to assess local partnership effectiveness;

(7) annually publish a report on the findings of the evaluations of each local education transitions partnership;

(8) promote knowledge and skills of entrepreneurship among students in kindergarten through grade 12 by sharing information about the ways new business development contributes to a strong economy.

(f) Advise the governor on methods to evaluate applicable federal human resource programs.

(g) Sponsor appropriate studies to identify human investment needs in Minnesota and recommend to the governor goals and methods for meeting those needs.

(h) Recommend to the governor goals and methods for the development and coordination of a human resource system in Minnesota.

(i) Examine federal and state laws, rules, and regulations to assess whether they present barriers to achieving the development of a coordinated human resource system.

(j) Recommend to the governor and to the federal government changes in state or federal laws, rules, or regulations concerning employment and training programs that present barriers to achieving the development of a coordinated human resource system.

(k) Recommend to the governor and to the federal government waivers of laws and regulations to promote coordinated service delivery.

(l) Sponsor appropriate studies and prepare and recommend to the governor a strategic plan which details methods for meeting Minnesota's human investment needs and for developing and coordinating a state human resource system.

Subd. 4. Subcommittees. The governor's workforce development council shall appoint an advisory subcommittee the majority of whose members shall represent business and industry to advise the council on the establishment of the statewide education and employment transitions system. The chair of the workforce development council may establish subcommittees in order to carry out the duties and responsibilities of the council.

Subd. 5. Staffing. The department of economic security must provide staff support to the Minnesota workforce development council. The department of economic security and the department of children, families, and learning shall jointly staff the education and employment transitions subcommittee and its activity with the full council. The support includes professional, technical, and clerical staff necessary to perform the duties assigned to the workforce development council. The council may ask for

assistance from other units of state government as it requires in order to fulfill its duties and responsibilities.

Subd. 6. **Expiration.** The council expires immediately if it is no longer required by federal law as a condition of receiving federal funding, or if there is no federal funding for the human resource programs within the scope of the council's duties.

History: 1995 c 131 s 1; 1Sp1995 c 3 art 16 s 13; 1996 c 395 s 18; 1Sp1997 c 4 art 3 s 19; 1998 c 397 art 11 s 3; 1998 c 398 art 3 s 9,10

268.666 WORKFORCE SERVICE AREAS.

Subdivision 1. **Designation of workforce service areas.** For the purpose of administering federal, state, and local employment and training services, the commissioner shall designate the geographic boundaries for workforce service areas in Minnesota.

The commissioner shall approve a request to be a workforce service area from:

(1) a home rule charter or statutory city with a population of 200,000 or more or a county with a population of 200,000 or more; or

(2) a consortium of contiguous home rule charter or statutory cities or counties with an aggregate population of 200,000 or more that serves a substantial part of one or more labor markets.

The commissioner may approve a request to be a workforce service area from a home rule charter or statutory city or a county or a consortium of contiguous home rule charter or statutory cities or counties, without regard to population, that serves a substantial portion of a labor market area.

The commissioner shall make a final designation of workforce service areas within the state after consulting with local elected officials and the governor's workforce development council. Existing service delivery areas designated under the federal Job Training Partnership Act shall be initially designated as workforce service areas providing that no other petitions are submitted by local elected officials.

The commissioner may redesignate workforce service areas no more frequently than every two years. These redesignations must be made not later than four months before the beginning of a program year.

Subd. 2. **Creation of local workforce councils.** A local workforce council must be established in each workforce service area, designated according to subdivision 1.

Subd. 3. **Membership on local workforce councils.** In workforce service areas representing only one home rule charter or statutory city or a county, the chief elected official must appoint members to the council. In workforce service areas representing two or more home rule charter or statutory cities or counties, the chief elected officials of the home rule charter or statutory cities or counties must appoint members to the council, in accordance with an agreement entered into by such units of general local government.

A council shall include as members:

(1) representatives of the private sector, who must constitute a majority of the membership of the council and who are owners of business concerns, chief executives or chief operating officers of nongovernmental employers, or other private sector executives who have substantial management or policy responsibility;

(2) at least two representatives of organized labor;

(3) representatives of the area workforce and community-based organizations, who shall constitute not less than 15 percent of the membership of the council; and

(4) representatives of each of the following:

(i) educational agencies that are representative of all educational agencies within the workforce service area;

(ii) vocational rehabilitation agencies;

(iii) public assistance agencies;

- (iv) economic development agencies; and
- (v) public employment service agencies.

The chair of each local workforce council shall be selected from among the members of the council who are representatives of the private sector.

Private sector representatives on the local workforce council shall be selected from among individuals nominated by general purpose business organizations, such as local chambers of commerce, in the workforce service area.

Education representatives on the local workforce council shall be selected from among individuals nominated by secondary and post-secondary educational institutions within the workforce service area.

Organized labor representatives on the local workforce council shall be selected from individuals recommended by recognized state and local labor federations, organizations, or councils. If the state or local labor federations, organizations, or councils fail to nominate a sufficient number of individuals to meet the labor representation requirements, individual workers may be included on the local workforce council to complete the labor representation.

The commissioner must certify a local workforce council if the commissioner determines that its composition and appointments are consistent with this subdivision.

Subd. 4. Purpose; duties of local workforce council. The local workforce council is responsible for providing policy guidance for, and exercising oversight with respect to, activities conducted by local workforce centers in partnership with the local unit or units of general local government within the workforce service area and with the commissioner.

A local workforce center is a location where federal, state, and local employment and training services are provided to job seekers and employers.

A local workforce council, in accordance with an agreement or agreements with the appropriate chief elected official or officials and the commissioner, shall:

(1) determine procedures for the development of the local workforce service area plan. The procedures may provide for the preparation of all or any part of the plan:

- (i) by the council;
- (ii) by any unit of general local or state government in the workforce service area, or by an agency of that unit; or

(iii) by any other methods or institutions as may be provided in the agreement;

(2) select the recipients for local grants and an administrator of the local workforce service area plan. These may be the same entity or separate entities and must be chosen from among the following:

- (i) the council;
- (ii) a unit of general local or state government in its workforce service area, or an agency of that unit;

(iii) a nonprofit organization or corporation; or

(iv) any other agreed upon entity;

(3) jointly plan for local collaborative activities including the transition of public assistance recipients to employment in the public or private sectors;

(4) provide on-site review and oversight of program performance;

(5) establish local priorities for service and target populations;

(6) ensure nonduplication of services and a unified service delivery system within the workforce service area; and

(7) nominate individuals to the governor to consider for membership on the governor's workforce development council.

Subd. 5. **Interpreter.** Workforce centers in areas that have a significant number of residents for whom English is not the primary language must attempt to provide outreach services to those residents.

History: 1997 c 118 s 1; 1999 c 223 art 2 s 38

268.671 [Repealed, 1Sp1985 c 14 art 9 s 78 subd 1]

268.6715 1997 MINNESOTA EMPLOYMENT AND ECONOMIC DEVELOPMENT PROGRAM.

The 1997 Minnesota employment and economic development program is established to assist businesses and communities to create jobs that provide the wages, benefits, and on-the-job training opportunities necessary to help low-wage workers and people transitioning from public assistance to get and retain jobs, and to help their families to move out of poverty. Employment obtained under this program is not excluded from the definition of "employment" by section 268.04, subdivision 12, clause (10), paragraph (d).

History: 1997 c 200 art 3 s 1

268.672 DEFINITIONS.

Subdivision 1. **Terms.** For the purposes of sections 268.672 to 268.682, the following terms have the meanings given them.

Subd. 2. [Repealed, 1Sp1985 c 14 art 9 s 78 subd 2]

Subd. 3. **Eligible business.** "Eligible business" means a for-profit business.

Subd. 4. [Repealed, 1997 c 200 art 3 s 19]

Subd. 5. **Eligible government agency.** "Eligible government agency" means a county, municipality, school district, or other local governmental subdivision, a state agency, or a federal agency office in Minnesota.

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

(1) has attempted to secure a nonsubsidized job by completing comprehensive job readiness and is: a Minnesota family investment program recipient who is making good faith efforts to comply with a job search support plan as defined under section 256J.52, subdivision 3, or an employment plan as defined under section 256J.52, subdivision 5, but has failed to find suitable employment; or

(2) is a member of a household supported only by:

(i) a low-income worker; or

(ii) a person who is underemployed as that term is defined in section 268.61, subdivision 5; or

(3) is a member of a family that is eligible for, but not receiving public assistance.

Subd. 7. **Eligible nonprofit agency.** "Eligible nonprofit agency" means an organization exempt from taxation under the Internal Revenue Code of 1954, section 501(c)(3), as amended through December 31, 1982.

Subd. 8. [Repealed, 1Sp1985 c 14 art 9 s 78 subd 2]

Subd. 9. **Household.** "Household" means a group of persons living at the same residence consisting of, at a maximum, spouses and the minor children of each.

Subd. 10. [Repealed, 1Sp1985 c 14 art 9 s 78 subd 2]

Subd. 11. [Repealed, 1Sp1985 c 14 art 9 s 78 subd 2]

Subd. 12. [Repealed, 1990 c 568 art 4 s 85]

Subd. 13. **Comprehensive job readiness.** "Comprehensive job readiness" means a job search program administered by a county, its designee, or workforce service area that teaches self-esteem, marketable work habits, job-seeking skills, and life-management skills, and may include job retention services.

Subd. 14. **Eligible program participant.** "Eligible program participant" means an eligible job applicant who is participating in comprehensive job readiness, subsidized employment, or job retention services. An individual who has been dismissed for cause or quit subsidized employment without good cause is not eligible for subsidized employment under the program.

Subd. 15. **Employer.** "Employer" means a private or public employer that:

(1) agrees to create a job that is long term and full time, except a private nonprofit or public employer may provide a temporary job;

(2) pays a wage of at least \$2 per hour higher than the minimum wage; and

(3) agrees to retain a participant at the same wage and benefit level of the wage subsidy period after satisfactory completion of the subsidy period.

Subd. 16. **Full time.** "Full time" means 40 hours of work per week or any other schedule considered full time by the employer. In the case of a temporary assistance to needy families recipient, "full time" means 40 hours comprised of the number of hours of work needed to meet the recipient's work requirement plus the number of hours spent in a training or education program. The employer is required to pay and is eligible to receive the subsidy only for hours worked by the participant for the employer.

Subd. 17. **Job retention services.** "Job retention services" means assistance that would not otherwise be provided to an eligible job applicant with child care, transportation, job coaching, employer-employee mediation, and other forms of support services to help an applicant to transition to employment and retain a job.

Subd. 18. **Low-income worker.** "Low-income worker" means a worker who earns no more than \$1 per hour more than the minimum wage.

Subd. 19. **Minimum wage.** "Minimum wage" means the greater of (1) the federal minimum wage in effect on or after September 1, 1997, and (2) the state minimum wage under section 177.24.

Subd. 20. **Program.** "Program" means the 1997 Minnesota employment and economic development program.

Subd. 21. **Workforce service area.** "Workforce service area" means a service delivery area designated by the governor under the Job Training Partnership Act, United States Code, title 29, section 1501, et seq.

History: 1983 c 312 art 7 s 2; 1984 c 654 art 5 s 43; 1Sp1985 c 9 art 2 s 78,79,105; 1Sp1985 c 14 art 9 s 48,49; 1987 c 384 art 2 s 1; 1991 c 199 art 2 s 1; 1994 c 488 s 8; 1997 c 200 art 3 s 2-11; 1999 c 159 s 121

268.673 EMERGENCY JOBS PROGRAM; COMMISSIONER'S DUTIES.

Subdivision 1. [Repealed, 1Sp1985 c 14 art 9 s 78 subd 2]

Subd. 2. [Repealed, 1Sp1985 c 14 art 9 s 78 subd 2]

Subd. 3. **Department of economic security.** The commissioner shall supervise wage subsidies, comprehensive job readiness, and job retention services and shall provide technical assistance to counties in their delivery.

Subd. 4. **Enforcement.** (a) The commissioner shall ensure compliance with sections 268.672 to 268.682.

(b) The commissioner may:

(1) make public or private investigations within or without this state necessary to determine whether any person has violated or is about to violate sections 268.672 to 268.682, a contract entered into under them, or any rule or order adopted under them, or to aid in the enforcement of sections 268.672 to 268.682 or in rules and forms adopted under them;

(2) require or permit any person to file a written statement under oath or otherwise, as the commissioner determines, as to all the facts and circumstances concerning the matter being investigated; and

(3) hold hearings, upon reasonable notice, on any matter arising out of the administration of sections 268.672 to 268.682.

(c) The attorney general shall assign one or more assistant attorneys general to the commissioner and shall conduct all proceedings involving the violation of sections 268.672 to 268.682 and all other enforcement proceedings.

(d) Whenever it appears to the commissioner that any person has violated a provision of sections 268.672 to 268.682, a contract entered into under them, or a rule or order adopted under them:

(1) The commissioner may issue and cause to be served upon the person an order requiring the person to cease and desist from the violation. The order must be calculated to give reasonable notice of the right of the person to request a hearing on it and must state the reasons for the entry of the order. A hearing must be held not later than seven days after a request for the hearing is received by the commissioner, after which and within 20 days of the date of the hearing the commissioner shall issue a further order vacating the cease and desist order or making it permanent as the facts require. If no hearing is requested within 30 days of service of the order, the order becomes final and remains in effect until it is modified or vacated by the commissioner. If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person shall be deemed in default, and the proceeding may be determined upon consideration of the cease and desist order, the allegations of which may be deemed to be true;

(2) The commissioner may bring an action in the district court of the appropriate county to enjoin the violation and to enforce compliance with the provisions of sections 268.672 to 268.682, a contract entered into under them, or any rule or order adopted under them, and the commissioner may refer the matter to the attorney general. Upon a proper showing, a permanent or temporary injunction, restraining order, or writ of mandamus shall be granted. The court may not require the commissioner to post a bond.

Any injunction proceeding under the provisions of sections 268.672 to 268.682 may be brought on for hearing and disposition upon an order to show cause returnable upon not more than eight days' notice to the defendant. The case has precedence over other cases upon the court calendar and may not be continued without the consent of the state, except upon good cause shown to the court, and then only for a reasonable length of time necessary in the opinion of the court to protect the rights of the defendant.

Subd. 4a. **Contracts with counties.** The commissioner shall contract directly with counties, their designees, or workforce service areas to deliver wage subsidies, comprehensive job readiness, and job retention services if (1) each county served by the designee or workforce service area agrees to the contract and knows the amount of wage subsidy money, comprehensive job readiness money, and job retention services money allocated to the county under section 268.6751, and (2) the designee or workforce service area agrees to meet regularly with each county being served. The contracts must require that no more than ten percent of the contract amount be expended for administration.

Counties and workforce service areas are encouraged to designate community-based providers of comprehensive job readiness and job retention services.

Subd. 5. **Report.** Each county delivering wage subsidies, comprehensive job readiness, and job retention services shall report to the commissioner on a quarterly basis:

- (1) the number of persons placed in private sector jobs, in temporary public sector jobs, or in other services;
- (2) the outcome for each participant placed;
- (3) the number and type of employers employing persons under the program;

(4) the amount of money spent in each county for wages, comprehensive job readiness, and job retention services for each type of employment and each type of other expense;

(5) the age, educational experience, family status, gender, priority group status, race, and work experience of each person in the program;

(6) the amount of wages received by persons while in the program and 60 days after completing the program; and

(7) for each classification of persons described in clause (5), the outcome of the wage subsidy placement, the comprehensive job readiness, and the job retention services, including length of time employed; nature of employment, whether private sector, temporary public sector, or other service; and the hourly wages.

Data collected on individuals under this subdivision are private data on individuals as defined in section 13.02, subdivision 12, except that summary data may be provided under section 13.05, subdivision 7.

Subd. 6. [Repealed, 1997 c 200 art 3 s 19]

History: 1983 c 312 art 7 s 3; 1984 c 654 art 5 s 44; 1Sp1985 c 9 art 2 s 80,103,105; 1Sp1985 c 14 art 9 s 50-53; 1986 c 444; 1987 c 403 art 2 s 134,135; 1990 c 568 art 4 s 62,63; 1994 c 483 s 1; 1997 c 200 art 3 s 12-14

268.674 [Repealed, 1Sp1985 c 14 art 9 s 78 subd 2]

268.675 [Repealed, 1Sp1985 c 14 art 9 s 78 subd 2]

268.6751 ALLOCATION OF WAGE SUBSIDY MONEY.

Subdivision 1. **Allocation.** Wage subsidy money, comprehensive job readiness money, and job retention services money must be allocated to counties in proportion to the number of persons living at or below the federal poverty threshold in each county. By December 31 of each fiscal year, counties, designees, and workforce service areas receiving wage subsidy money, comprehensive job readiness money, and job retention services money shall report to the commissioner on the use of allocated funds. The commissioner shall reallocate uncommitted funds for each fiscal year according to the formula in this subdivision.

Subd. 2. **Emergency wage subsidies.** (a) The commissioner shall monitor local and statewide unemployment rates. Upon determining that an economic emergency exists in one or more local service units, the commissioner may implement an emergency wage subsidy program and recommend to the governor to pursue ways to increase the wage subsidy money available to local service units in the affected area or areas from sources other than the appropriation allocated under subdivision 1.

(b) When the unemployment rate for the state of Minnesota equals or exceeds nine percent, the commissioner shall implement a statewide emergency wage subsidy program and shall recommend to the governor to pursue ways to increase money available for wage subsidies.

History: 1Sp1985 c 14 art 9 s 54; 1987 c 403 art 2 s 136; 1990 c 568 art 4 s 64; 1997 c 200 art 3 s 15

NOTE: Subdivision 1 was also amended by Laws 1997, chapter 85, article 4, section 28, to read as follows:

"Subdivision 1. **Wage subsidies.** Wage subsidy money must be allocated to local service units in the following manner.

(a) The commissioner shall allocate 87.5 percent of the funds available for allocation to local service units for wage subsidy programs as follows: the proportion of the wage subsidy money available to each local service unit must be based on the number of unemployed persons in the local service unit for the most recent six-month period and the number of aid to families with dependent children and Minnesota family investment program-statewide cases in the local service unit for the most recent six-month period.

(b) Five percent of the money available for wage subsidy programs must be allocated at the discretion of the commissioner.

(c) Seven and one-half percent of the money available for wage subsidy programs must be allocated at the discretion of the commissioner to provide jobs for residents of federally recognized Indian reservations.

(d) By December 31 of each fiscal year, providers and local service units receiving wage subsidy money shall report to the commissioner on the use of allocated funds. The commissioner shall reallocate uncommitted funds for each fiscal year according to the formula in paragraph (a)."

268.676 [Repealed, 1997 c 200 art 3 s 19]

NOTE: Subdivision 1 was also amended by Laws 1997, chapter 85, article 4, section 29, to read as follows:

"Subdivision 1. **Among job applicants.** At least 80 percent of funds allocated among eligible job applicants statewide must be allocated to:

- (1) applicants living in households with no other income source;
- (2) applicants whose incomes and resources are less than the standards for eligibility for general assistance;
- (3) applicants who are eligible for aid to families with dependent children or Minnesota family investment program-statewide; and
- (4) applicants who live in a farm household who demonstrate severe household financial need."

268.677 USE OF FUNDS.

Subdivision 1. **Wage subsidy, comprehensive job readiness, and job retention services money.** To the extent allowable under federal and state law, wage subsidy money, comprehensive job readiness money, and job retention services money must be pooled and used in combination with money from other employment and training services or income maintenance and support services.

(a) The wage subsidy is \$2.50 per hour for wages and up to \$1 per hour for reimbursement of employer-paid benefits for health care, child care, or transportation expenses for employers paying an eligible program participant an hourly wage that is \$2 to \$2.99 per hour higher than the minimum wage.

(b) The wage subsidy is \$4 per hour for wages and up to \$1 per hour for reimbursement of employer paid benefits for health care, child care, or transportation expenses for employers paying an eligible program participant an hourly wage that is \$3 or more per hour higher than the minimum wage.

(c) The wage subsidy for an eligible job applicant may be paid for a maximum of 1,040 hours over a period of 26 weeks. Employers are encouraged to use money from other sources to provide increased wages to applicants they employ. Job retention services may be provided to an eligible program participant over a period of 78 weeks.

(d) An employer of more than four full-time employees shall receive wage subsidies for no more than 25 percent of the employer's full-time workforce.

Subd. 2. [Repealed, 1997 c 200 art 3 s 19]

Subd. 3. [Repealed, 1997 c 200 art 3 s 19]

History: 1983 c 312 art 7 s 7; 1984 c 654 art 5 s 48; 1Sp1985 c 9 art 2 s 85,105; 1Sp1985 c 14 art 9 s 56; 1987 c 403 art 2 s 138; 1990 c 568 art 4 s 66,67; 1990 c 594 art 3 s 10; 1997 c 200 art 3 s 16

268.678 [Repealed, 1997 c 200 art 3 s 19]**268.679** Subdivision 1. [Repealed, 1Sp1985 c 14 art 9 s 78 subd 2]

Subd. 2. [Repealed, 1Sp1985 c 14 art 9 s 78 subd 2]

Subd. 3. [Repealed, 1997 c 200 art 3 s 19]

268.68 [Repealed, 1Sp1985 c 14 art 9 s 78 subd 2]**268.681 BUSINESS EMPLOYMENT.**

Subdivision 1. **Eligible businesses.** A business employer is an eligible employer if it enters into a written contract, signed and subscribed to under oath, with a county or its designee, containing assurances that:

(a) funds received by a business shall be used only as permitted under sections 268.672 to 268.682;

(b) the business has submitted information to the county, its designee, or work-force service area (1) describing the duties and proposed compensation of each employee proposed to be hired under the program; and (2) demonstrating that, with the funds provided under sections 268.672 to 268.682, the business is likely to succeed and continue to employ persons hired using wage subsidies;

(c) the business will use funds exclusively for compensation and benefits of eligible job applicants and will provide employees hired with these funds with benefits and other terms and conditions of employment comparable to those provided to other employees of the business who do comparable work;

(d) the funds are necessary to allow the business to begin, expand, or to fill other open positions but not to fill positions which would be filled in the absence of wage subsidies;

(e) the business will cooperate with the county and the commissioner in collecting data to assess the result of wage subsidies and the effectiveness of comprehensive job readiness and job retention services; and

(f) the business is in compliance with all applicable affirmative action, fair labor, health, safety, and environmental standards.

Subd. 1a. **Ineligible businesses.** A business employer is ineligible to participate in the program and is ineligible to receive wage subsidy money if:

- (1) the business is a temporary employment agency; or
- (2) the business is a restaurant.

For purposes of this subdivision, "temporary employment agency" means a business that hires people to work in temporary positions for employers who are clients of that business.

For purposes of this subdivision, "restaurant" includes, but is not limited to, fast food restaurants.

Subd. 1b. **Discharge of program participant.** A program participant discharged from employment may challenge the discharge as a violation of subdivision 1.

Subd. 2. **Priorities.** (a) In allocating funds among eligible businesses, the county or its designee shall give priority to:

(1) businesses that will provide applicants with on-the-job training and marketable job skills;

- (2) businesses engaged in manufacturing;
- (3) nonretail businesses that are small businesses as defined in section 645.445; and
- (4) businesses that export products outside the state.

(b) In addition to paragraph (a), a county must give priority to businesses that:

- (1) have a high potential for growth and long-term job creation;
- (2) are labor intensive;
- (3) make high use of local and Minnesota resources;
- (4) are under ownership of women and minorities;
- (5) make high use of new technology;
- (6) produce energy conserving materials or services or are involved in development of renewable sources of energy; and
- (7) have their primary place of business in Minnesota.

Subd. 3. **Payback.** (a) A business receiving wage subsidies shall repay 70 percent of the amount initially received for each eligible job applicant employed, if the employee does not continue in the employment of the business beyond the six-month subsidized period. If the employee continues in the employment of the business for one year or longer after the six-month subsidized period, the business need not repay any of the funds received for that employee's wages. If the employee continues in the employment of the business for a period of less than one year after the expiration of the six-month subsidized period, the business shall receive a proportional reduction in the amount it must repay.

(b) If an employer dismisses an employee for good cause and works in good faith with the local service unit or its contractor to employ and train another person referred

by the county, its designee, or workforce service area, the payback formula shall apply as if the original person had continued in employment.

(c) If a business receiving funds under the program reduces the hourly wage after the six-month subsidy, the business must repay a portion of the subsidy in direct proportion to the amount that the hourly wage is reduced.

(d) A repayment schedule shall be negotiated and agreed to by the county and the business prior to the disbursement of the funds and is subject to renegotiation. The county shall retain payments received under this subdivision for any administrative costs associated with the collection of the funds under this subdivision and for entering into new wage subsidy agreements.

(e) If an employer is more than 60 days late in repaying a subsidy as required in this subdivision, the county may engage a licensed collection agency or refer the matter to the department for collection under chapter 16D.

Subd. 4. [Repealed, 1990 c 594 art 3 s 15]

Subd. 4. **Successorship.** A contract entered into by an owner, employer, or manager under the wage subsidy program is legally binding on any successor owner, employer, or manager.

History: 1983 c 312 art 7 s 11; 1Sp1985 c 14 art 9 s 63; 1987 c 403 art 2 s 141,142; 1990 c 568 art 4 s 69-71; 1990 c 594 art 3 s 11; 1997 c 200 art 3 s 17

268.6811 FUND COMBINATIONS.

To the extent allowable under federal law, money for job training under Title II-A of the Job Training Partnership Act, United States Code, title 29, section 1501 et seq., and money from other employment and training services or income maintenance and support services, except services administered under chapter 116L, may be pooled and used in combination with money to provide subsidized employment, comprehensive job readiness and job retention services under sections 268.6715 to 268.682.

History: 1997 c 200 art 3 s 18

268.682 WORKER DISPLACEMENT PROHIBITED.

Subdivision 1. **Layoffs; work reductions.** An eligible employer may not terminate, lay off, or reduce the working hours of an employee for the purpose of hiring an individual with funds available under sections 268.672 to 268.682.

Subd. 2. **Hiring during layoffs.** An eligible employer may not hire an individual with funds available under sections 268.672 to 268.682 if any other person is on layoff from the same or a substantially equivalent job.

Subd. 3. **Employer certification.** In order to qualify as an eligible employer, a government or nonprofit agency or business must certify to the eligible local service unit that each job created and funded under sections 268.672 to 268.682:

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

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

(c) will not impair existing contracts for service or result in the substitution of wage subsidy funds for other funds in connection with work that would otherwise be performed.

History: 1983 c 312 art 7 s 12; 1Sp1985 c 14 art 9 s 64

268.683 [Repealed, 1Sp1985 c 14 art 9 s 78 subd 2]

268.684 [Repealed, 1Sp1985 c 14 art 9 s 78 subd 2]

268.685 [Repealed, 1Sp1985 c 14 art 9 s 78 subd 1]

268.686 [Repealed, 1Sp1985 c 9 art 2 s 104; 1Sp1985 c 14 art 9 s 78 subd 2]

268.80 [Repealed, 1983 c 312 art 8 s 18; 1Sp1985 c 14 art 9 s 78 subd 1]

268.81 [Repealed, 1983 c 312 art 8 s 18; 1Sp1985 c 14 art 9 s 78 subd 1]

268.82 [Repealed, 1983 c 312 art 8 s 18; 1Sp1985 c 14 art 9 s 78 subd 1]

268.83 [Repealed, 1983 c 312 art 8 s 18; 1Sp1985 c 14 art 9 s 78 subd 1]

268.84 [Repealed, 1Sp1985 c 14 art 9 s 78 subd 1]

268.85 SERVICE PRIORITIES.

Subdivision 1. **Groups with severe disadvantages.** To the extent that the state has the authority to establish priority groups to be served through employment and training services, greatest consideration must be given to client groups identified as experiencing the most severe disadvantages to employment. Individuals volunteering for employment, regardless of whether they are required to register, must also be given preference to avoid the effects of long-term unemployment or dependence on public assistance.

Subd. 2. **Order of priority.** (a) The priority for services to be provided is:

(1) permanent, unsubsidized, full-time private or nonprofit sector employment and, where possible, in conjunction with targeted jobs tax credits as defined at United States Code, title 26, section 44B, as amended by Public Law Number 98-369, with highest priority to employment with paid medical benefits;

(2) permanent, subsidized, full-time private sector employment;

(3) permanent, subsidized, full-time nonprofit sector employment;

(4) training;

(5) relocation, except that relocation is considered only when a client can find affordable housing near the new location; and

(6) part-time, subsidized, nonprofit, or public employment with continued employment assistance.

(b) Individuals receiving any of the priority services in paragraph (a) must be provided with child care, transportation, or other support services as necessary and in relation to their eligibility and the availability of funds.

(c) In delivering employment and training services, local service units shall distribute their available resources in a manner that provides greater incentives to clients in permanent private or nonprofit sector employment than in public sector jobs.

History: 1Sp1985 c 14 art 9 s 65; 1987 c 403 art 3 s 51

268.86 EMPLOYMENT AND TRAINING PROGRAMS.

Subdivision 1. [Repealed, 1987 c 403 art 3 s 98]

Subd. 2. **Interagency agreements.** By October 1, 1987, the commissioner and the commissioner of human services shall enter into a written contract for the design, delivery, and administration of employment and training services for applicants for or recipients of food stamps, the Minnesota family investment program, and general assistance. The contract must address:

(1) specific roles and responsibilities of each department;

(2) assignment and supervision of staff for interagency activities including any necessary interagency employee mobility agreements under the administrative procedures of the department of employee relations;

(3) mechanisms for determining the conditions under which individuals participate in services, their rights and responsibilities while participating, and the standards by which the services must be administered;

(4) procedures for providing technical assistance to local service units, Indian tribes, and employment and training service providers;

(5) access to appropriate staff for ongoing development and interpretation of policy, rules, and program standards;

(6) procedures for reimbursing appropriate agencies for administrative expenses; and

(7) procedures for accessing available federal funds.

Subd. 3. [Repealed, 1987 c 403 art 3 s 98]

Subd. 4. [Repealed, 1987 c 403 art 3 s 98]

Subd. 5. [Repealed, 1987 c 403 art 3 s 98]

Subd. 6. **Coordination.** In developing employment and training services, the commissioner shall identify and incorporate, to the extent possible, money from both federal and state income maintenance, employment and training, and educational programs.

Subd. 7. [Repealed, 1989 c 282 art 5 s 133]

Subd. 8. **Grant diversion.** The commissioner shall develop grant diversion processes for recipients of general assistance and work readiness assistance payments and shall supervise the counties in the administration of the employment and training services to meet the needs and circumstances of these recipients. A grant diversion program that places general assistance and work readiness recipients in public sector employment must operate as a community investment program under section 268.90.

Subd. 9. [Repealed, 1990 c 568 art 4 s 85]

Subd. 10. **Inventory, referral, and intake services.** The commissioner of economic security, in cooperation with the commissioner of human services, shall develop an inventory, referral, and intake system. The system must provide for coordinated delivery of employment and training and income maintenance support services, efficient client referral among programs and services, reduction of duplicate data collection, coordinated program intake by local agencies, and effective evaluation of employment and training services. The system must, at a minimum, include the following:

(1) a listing of all available public and private employment and training services, income maintenance and support services, and vocationally directed education and training programs;

(2) the capability to assess client needs and match those needs with employment opportunities, education and training programs, and employment and training and income maintenance and support services, and to refer the client to the appropriate employer, educational institution, or service provider;

(3) a coordinated intake procedure for employment and training services, and income maintenance and support services;

(4) access to a statewide database for client tracking and program evaluation; and

(5) internal security measures to protect private data from unauthorized access.

In developing the system, the commissioner shall consult with the public post-secondary educational systems, local agencies, employment and training service providers, and client and employer representatives. The system must be available in each local agency or service provider delivering programs administered by the commissioner of economic security or the commissioner of human services. Access by intake workers, state agency personnel, clients, and any other system users to information contained in the system must conform with all applicable federal and state data privacy requirements.

History: 1Sp1985 c 14 art 9 s 66; 1987 c 403 art 3 s 53; 1988 c 689 art 2 s 222; 1989 c 282 art 5 s 125; 1990 c 568 art 4 s 72,73; 1994 c 483 s 1; 1997 c 85 art 4 s 30; 1999 c 159 s 122

268.871 LOCAL DELIVERY.

Subdivision 1. Responsibility and certification. (a) Unless prohibited by federal law or otherwise determined by state law, a local service unit is responsible for the delivery of employment and training services. After February 1, 1988, employment and training services must be delivered by certified employment and training service providers.

(b) The local service unit's employment and training service provider must meet the certification standards in this subdivision in order to be certified to deliver any of the following employment and training services and programs: wage subsidies; general assistance grant diversion; food stamp employment and training programs; community work experience programs; MFIP job search; MFIP grant diversion; MFIP on-the-job training; and MFIP case management.

(c) The commissioner shall certify a local service unit's service provider to provide these employment and training services and programs if the commissioner determines that the provider has:

(1) past experience in direct delivery of the programs specified in paragraph (b);

(2) staff capabilities and qualifications, including adequate staff to provide timely and effective services to clients, and proven staff experience in providing specific services such as assessments, career planning, job development, job placement, support services, and knowledge of community services and educational resources;

(3) demonstrated effectiveness in providing services to public assistance recipients and other economically disadvantaged clients; and

(4) demonstrated administrative capabilities, including adequate fiscal and accounting procedures, financial management systems, participant data systems, and record retention procedures.

(d) When the only service provider that meets the criterion in paragraph (c), clause (1), has been decertified, according to subdivision 1a, in that local service unit, the following criteria shall be substituted: past experience in direct delivery of multiple, coordinated, nonduplicative services, including outreach, assessments, identification of client barriers, employability development plans, and provision or referral to support services.

Subd. 1a. Decertification. (a) The department, on its own initiative, or at the request of the local service unit, shall begin decertification processes for employment and training service providers who:

(1) no longer meet one or more of the certification standards;

(2) are delivering services in a manner that does not comply with the Family Support Act of 1988, Public Law Number 100-485 or relevant state law after corrective actions have been cited, technical assistance has been provided, and a reasonable period of time for remedial action has been provided; or

(3) are not complying with other state and federal laws or policy which are necessary for effective delivery of services.

(b) The initiating of decertification processes shall not result in decertification of the service provider unless and until adequate fact-finding and investigation has been performed by the department.

Subd. 2. Contracting responsibility. A local service unit must contract with certified employment and training service providers that can effectively coordinate federal, state, and local employment and training services; that can maximize use of available federal and other nonstate funds; and that have demonstrated the ability to achieve effective results in serving public assistance clients as well as other unemployed people.

Subd. 3. Enforcement. The local service units shall provide for the enforcement of employment and training requirements for appropriate recipients of public assistance,

and must include provisions for enforcing the requirements in any contracts with providers under subdivisions 1 and 2.

Subd. 4. **Location of staff.** (a) In establishing a contract, the county shall agree to colocate, where feasible, income maintenance and social service staff as necessary to accept applications and determine eligibility, monitor ongoing client eligibility, and authorize services and grants available under programs administered by the county or local service unit that are related to employment and training or the client's successful participation in employment and training activities.

(b) The commissioner shall colocate, where feasible, sufficient staff to make the services provided through the department of economic security and the programs it administers or supervises available to clients being served by the local service unit or the contract agency.

(c) The commissioner has emergency and permanent rulemaking authority to implement this section and shall establish the circumstances under which the requirements for colocation may be waived.

Subd. 5. [Repealed, 1999 c 159 s 154]

History: *1Sp1985 c 9 art 2 s 103; 1Sp1985 c 14 art 9 s 67; 1987 c 403 art 3 s 55-57; 1987 c 403 art 2 s 143; 1989 c 282 art 5 s 126; 1990 c 568 art 4 s 74-76; 1993 c 306 s 17; 1994 c 483 s 1; 1997 c 85 art 4 s 31; 1999 c 159 s 123*

268.872 STATE FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS.

Subdivision 1. **Available money.** The commissioner and local service units are not required to provide employment and training services that exceed the levels permitted by available federal, state, and local funds subject to the requirements or limitations of each program.

Subd. 2. **Maintenance of effort.** A local service unit shall certify to the commissioner that it has not reduced funds from other federal, state, and county sources which would, in the absence of this section, have been available for employment and training services and child care services and related administrative costs.

Subd. 3. [Repealed, 1990 c 568 art 4 s 85]

History: *1Sp1985 c 14 art 9 s 68*

268.88 LOCAL SERVICE UNIT PLANS.

(a) By April 15, 1999, and by April 15 of each second year thereafter, local service units shall prepare and submit to the commissioner a plan that covers the next two state fiscal years. At least 30 days prior to submission of the plan, the local service unit shall solicit comments from the public on the contents of the proposed plan. The commissioner shall notify each local service unit within 60 days of receipt of its plan that the plan has been approved or disapproved. The plan must include:

(1) a statement of objectives for the employment and training services the local service unit administers;

(2) the establishment of job placement and job retention goals, the establishment of public assistance caseload reduction goals, and the strategies and programs that will be used to achieve these goals;

(3) a statement of whether the goals from the preceding year were met and an explanation if the local service unit failed to meet the goals;

(4) the amount proposed to be allocated to each employment and training service;

(5) the proposed types of employment and training services the local service unit plans to utilize;

(6) a description of how the local service unit will use funds provided under chapter 256J to meet the requirements of that chapter. The description must include what services will be provided, per service expenditures, an estimate of how many employment and training slots the local service unit will provide, how many dollars the

local service unit will provide per slot per provider, how many participants per slot, an estimate of the ratio of participants per job counselor, and proposed uses for any residual funds not included in slot allocations to providers;

(7) a report on the use of wage subsidies, grant diversions, community investment programs, and other services administered under this chapter;

(8) a performance review of the employment and training service providers delivering employment and training services for the local service unit;

(9) a copy of any contract between the local service unit and an employment and training service provider including expected outcomes and service levels for public assistance clients;

(10) a copy of any other agreements between educational institutions, family support services, and child care providers; and

(11) a description of how the local service unit ensures compliance with section 256J.06, requiring community involvement in the administration of MFIP-S.

(b) In counties with a city of the first class, the county and the city shall develop and submit a joint plan. The plan may not be submitted until agreed to by both the city and the county. The plan must provide for the direct allocation of employment and training money to the city and the county unless waived by either. If the county and the city cannot concur on a plan, the commissioner shall resolve their dispute. In counties in which a federally recognized Indian tribe is operating an employment and training program under an agreement with the commissioner of human services, the plan must provide that the county will coordinate its employment and training programs, including developing a system for referrals, sanctions, and the provision of supporting services such as access to child care funds and transportation with programs operated by the Indian tribe. The plan may not be given final approval by the commissioner until the tribal unit and county have submitted written agreement on these provisions in the plan. If the county and Indian tribe cannot agree on these provisions, the local service unit shall notify the commissioner of economic security and the commissioners of economic security and human services shall resolve the dispute.

(c) The commissioner may withhold the distribution of employment and training money from a local service unit that does not submit a plan to the commissioner by the date set by this section, and shall withhold the distribution of employment and training money from a local service unit whose plan has been disapproved by the commissioner until an acceptable amended plan has been submitted.

(d) Beginning April 15, 1992, and by April 15 of each second year thereafter, local service units must prepare and submit to the commissioner an interim year plan update that deals with performance in that state fiscal year and changes anticipated for the second year of the biennium. The update must include information about employment and training programs addressed in the local service unit's two-year plan and shall be completed in accordance with criteria established by the commissioner.

History: *1Sp1985 c 14 art 9 s 69; 1987 c 403 art 2 s 144; art 3 s 58; 1989 c 282 art 5 s 127; 1990 c 568 art 4 s 77; 1994 c 483 s 1; 1998 c 407 art 6 s 110*

268.881 INDIAN TRIBE PLANS.

(a) The commissioner, in consultation with the commissioner of human services, shall review and comment on Indian tribe plans submitted to the commissioner for provision of employment and training services. Beginning April 15, 1991, and by April 15 of each second year thereafter, the Indian tribe shall prepare and submit to the commissioner a plan that covers the next two state fiscal years. Beginning April 15, 1992, and by April 15 of each second year thereafter, the Indian tribe shall prepare and submit to the commissioner an interim year plan update that deals with performance during the past state fiscal year and that covers changes anticipated for the second year of the biennium. The commissioner shall notify the Indian tribe of approval or disapproval of the plans and updates for existing programs within 60 days of submission.

(b) A plan for a new tribal program must be submitted at least 45 days before the program is to commence. The commissioner shall approve or disapprove the plan for new programs within 30 days of receipt.

(c) The tribal plan and update must contain information that has been established by the commissioner and the commissioner of human services for the tribal employment and training service program.

(d) The commissioner may recommend to the commissioner of human services withholding the distribution of employment and training money from a tribe whose plan or update is disapproved by the commissioner or a tribe that does not submit a plan or update by the date established in this section.

History: 1989 c 282 art 5 s 128; 1990 c 568 art 4 s 78

268.89 JOBS TRAINING PARTNERSHIP ACT; ADMINISTRATION.

Subdivision 1. **Coordination of state and federal programs.** The commissioner shall act as the governor's agent in administering the federal Jobs Training Partnership Act. To the extent permitted under federal regulation, this program must be administered in conjunction with a comprehensive state employment and training strategy and its resources used in coordination with state programs and to further state objectives.

Subd. 2. **Biennial plan.** The commissioner shall recommend to the governor the priorities, performance standards, and special projects.

Subd. 3. **Other plans.** Strong consideration for income maintenance recipients must be included in the goals, objectives, and criteria of the governor's coordination and special services plan under section 121 of the Jobs Training Partnership Act, United States Code, title 29, section 1531. Local service delivery area plans and job service plans must describe methods of complying with the coordination criteria under the governor's coordination and special services plan as required under United States Code, title 29, sections 49g and 1514.

History: 1Sp1985 c 14 art 9 s 70; 1987 c 403 art 2 s 145

268.90 COMMUNITY INVESTMENT PROGRAMS.

Subdivision 1. **Purpose; requirements.** Community investment programs provide temporary employment to people who are experiencing prolonged unemployment and economic hardship. Community investment programs consist of one or more projects. Community investment programs must be beneficial to the state and the communities in which they are located and must provide program participants with training and work experience that will enhance their employability. The projects must include activities that:

- (1) expand or improve services, including education, health, social services, recreation, and safety;
- (2) improve or maintain natural resources, including rivers, streams and lakes, forest lands and roads, and soil conservation;
- (3) make permanent improvements to lands and buildings; or
- (4) weatherize public buildings and private residential dwellings.

Community investment programs may not include job placements that replace work that was part or all of the duties or responsibilities of an authorized public employee position established as of January 1, 1985.

Community investment programs that include other sources of money or authorized programs may provide employment for the groups eligible for the included programs under the terms and conditions of those programs. These programs include the Minnesota conservation corps, Minnesota summer youth program, county emergency jobs program, and the jobs training partnership act.

Subd. 2. **Employment conditions.** (a) An eligible nonprofit or public employer may not terminate, lay off, or reduce the regular working hours of an employee for the purpose of hiring an individual with money available under this program. An eligible

employer may not hire an individual with money available through this program if any other person is on layoff from the same or a substantially equivalent job.

(b) Community investment program participants are employees of the project employer within the meaning of workers' compensation laws, personal income tax, and the Federal Insurance Contribution Act, but not retirement or civil service laws.

(c) Each project and job must comply with all applicable affirmative action, fair labor, health, safety, and environmental standards.

(d) Individuals employed under the community investment program must be paid a wage at the same wage rates as work site or employees doing comparable work in that locality, unless otherwise specified in law.

(e) All employees are limited to 32 hours or four days a week, so that they can continue to seek full-time private sector employment, unless otherwise specified in law.

(f) The commissioner shall establish, by rule, the terms and conditions governing the participation of appropriate public assistance recipients. The rules must, at a minimum, establish the procedures by which the minimum and maximum number of work hours and maximum allowable travel distances are determined, the amounts and methods by which work expenses will be paid, and the manner in which support services will be provided. The rules must also provide for periodic reviews of clients continuing employment in community investment programs.

(g) Participation in a community investment program by a recipient of Minnesota family investment program assistance or general assistance is voluntary.

Subd. 3. Commissioner of economic security. The commissioner shall:

(1) make rules governing plan content, criteria for approval, and administrative standards;

(2) refer community investment program administrators to the appropriate state agency for technical assistance in developing and administering community investment programs;

(3) establish the method by which community investment programs will be approved or disapproved through the community investment program plan and the annual update component of the county plan;

(4) review and comment on community investment program plans;

(5) institute ongoing methods to monitor and evaluate community investment programs; and

(6) consult with the commissioner of human services on the approval of county plans for community investment programs relating to the participation of public assistance recipients.

Subd. 4. County boards of commissioners. The county boards of commissioners shall:

(1) be encouraged to establish community investment programs that are administered jointly according to section 471.59, or through multicounty human service boards under chapter 402;

(2) develop community investment programs in consultation with the exclusive representatives of their employees;

(3) plan community investment programs by involving nonprofit organizations and other governmental units, community action agencies, community-based organizations, local union representatives, and representatives of client groups;

(4) submit to the commissioner a community investment program plan identifying the program funding source and amount, before the initiation of a community investment program, for approval according to standards established by the commissioner;

(5) plan community investment projects that, whenever possible, utilize existing programs that are administered under contract by nonprofit organizations and govern-

mental units, including departments and agencies of cities, counties, towns, school districts, state and federal agencies, park reserve districts, and other special districts;

(6) include in their local service unit plans an annual update to their community investment program plans for approval according to standards established by the commissioner;

(7) submit reports and meet administrative standards established by the commissioner;

(8) monitor the performance of entities under contract to administer individual community investment projects;

(9) enter into contracts with other governmental and private bodies to jointly fund or jointly administer approvable projects when agreements expand the resources available, the scope of people employed, or further recognized public purposes; and

(10) be encouraged to enter into contracts with businesses or individuals for eligible projects under subdivision 1 and charge a fee for the completion of a project.

Subd. 5. State financial participation. The statutorily established state rates of financial participation or available state appropriations or grants are not affected by their incorporation into a community investment program.

History: 1Sp1985 c 14 art 9 s 71; 1990 c 568 art 4 s 79-81; 1994 c 483 s 1; 1997 c 7 art 5 s 35; 1997 c 85 art 4 s 32; 1999 c 159 s 124

268.91 Subdivision 1. [Renumbered 256H.01]

Subd. 2. [Renumbered 256H.02]

Subd. 3. [Renumbered 256H.03]

Subd. 3a. [Renumbered 256H.04]

Subd. 3b. [Renumbered 256H.05]

Subd. 3c. [Renumbered 256H.06]

Subd. 3d. [Renumbered 256H.07]

Subd. 3e. [Renumbered 256H.08]

Subd. 3f. [Renumbered 256H.09]

Subd. 4. [Renumbered 256H.10]

Subd. 5. [Renumbered 256H.11]

Subd. 6. [Renumbered 256H.12]

Subd. 6a. [Renumbered 256H.13]

Subd. 7. [Renumbered 256H.14]

Subd. 8. [Renumbered 256H.15]

Subd. 9. [Renumbered 256H.16]

Subd. 10. [Renumbered 256H.17]

Subd. 11. [Renumbered 256H.18]

Subd. 12. [Renumbered 256H.19]

268.911 [Renumbered 256H.20]

HEAD START PROGRAM

268.912 [Renumbered 119A.50]

268.913 Subdivision 1. [Renumbered 119A.51 subd 1]

Subd. 2. [Renumbered 119A.51 subd 2]

Subd. 3. [Renumbered 119A.51 subd 3]

Subd. 4. [Renumbered 119A.51 subd 4]

Subd. 5. [Repealed, 1997 c 162 art 1 s 19]

Subd. 6. [Renumbered 119A.51 subd 5]

268.914 Subdivision 1. [Renumbered 119A.52]

Subd. 2. [Repealed, 1993 c 369 s 146]

268.915 [Renumbered 119A.53]

268.916 [Renumbered 119A.54]

268.9165 AUTHORITY TO WAIVE REQUIREMENTS DURING DISASTER PERIODS.

The commissioner of children, families, and learning may waive requirements under sections 119A.50 to 119A.53, for up to nine months after the disaster, for Head Start grantees in areas where a federal disaster has been declared under United States Code, title 42, section 5121, et seq., or the governor has exercised authority under chapter 12. The commissioner shall notify the chairs of the senate family and early childhood education budget division, the senate education finance committee, the house family and early childhood education finance division, the house education committee, and the house ways and means committee ten days before the effective date of any waiver granted under this section.

History: *1Sp1995 c 3 art 16 s 13; 1997 c 203 art 1 s 15; 1Sp1997 c 5 s 46; 1998 c 383 s 37; 1999 c 86 art 1 s 62*

268.917 [Repealed, 1998 c 273 s 15]

268.918 HOMELESS YOUTH FACILITIES.

The commissioner may make grants to state agencies and political subdivisions to construct or rehabilitate facilities to provide services to homeless or at-risk youth. The facilities must be owned by the state or a political subdivision, but may be leased under section 16A.695 to organizations that operate the programs. The commissioner shall prescribe the terms and conditions of the leases. The commissioner shall give priority to grants that involve collaboration among sponsors of programs. At least 25 percent of the amounts appropriated for these grants must be used in conjunction with the youth employment and training programs operated by the commissioner. Eligible programs must consult with appropriate labor organizations to deliver education and training.

History: *1996 c 463 s 44*

268.92 [Repealed, 1998 c 273 s 15]

268.95 INDIVIDUAL ENTERPRISE.

Subdivision 1. **Coordination.** The commissioner may coordinate state activities related to self-employment enterprises, including home-based businesses, individual self-employment initiatives, and collective and cooperative efforts involving individual entrepreneurs.

Subd. 2. **Marketing.** The commissioner may undertake activities to expand the marketing of goods or services produced by the state's independent entrepreneurs.

Subd. 3. **Technical assistance.** The commissioner may provide or arrange for the provision of information, technical assistance, and support as necessary to help individuals determine whether they wish to become self-employed, to obtain needed training, to develop business plans and financing, and to sustain the initiatives.

Subd. 4. **Pilot program.** The commissioner shall develop a pilot program, in cooperation with the commissioners of trade and economic development and human services, to enable low-income persons to start or expand self-employment opportunities or home-based businesses that are designed to make the individual entrepreneurs economically independent. The commissioner of human services shall seek necessary

waivers from federal regulations to allow recipients of the Minnesota family investment program assistance to participate and retain eligibility while establishing a business.

Subd. 5. Study. The commissioner shall study the needs of individual entrepreneurs and beginning businesses and recommend to the governor how state programs and resources can provide further assistance.

History: *1Sp1985 c 14 art 9 s 73; 1987 c 312 art 1 s 26 subd 2; 1997 c 85 art 4 s 34; 1999 c 159 s 125*

268.96 DISPLACED HOMEMAKER PROGRAMS.

The commissioner of economic security may enter into arrangements with existing private or nonprofit organizations and agencies with experience in dealing with displaced homemakers to provide counseling and training services. The commissioner shall assist displaced homemakers in applying for appropriate welfare programs and shall take welfare allowances received into account in setting the stipend level. Income received as a stipend under these programs shall be totally disregarded for purposes of determining eligibility for and the amount of a general assistance grant.

History: *1973 c 254; 1977 c 428 s 8; 1977 c 430 s 25; 1Sp1985 c 14 art 9 s 75; 1994 c 483 s 1*

HOSPITALITY HOST PROGRAM

268.971 HOSPITALITY HOST PROGRAM.

Subdivision 1. Establishment. A hospitality host older worker tourism program is established in the department of economic security to assist economically disadvantaged older workers to gain employment in the promotion of the tourism industry in Minnesota and to become self-sufficient. The objectives of the program are to:

- (1) assist in the diversification of industry in rural areas by stimulating and promoting tourism;
- (2) create full-time and part-time employment for low-income persons 55 years old or older;
- (3) raise the income of older persons living in poverty; and
- (4) promote tourism in selected local areas throughout the state, thereby improving local economies.

Subd. 2. Definitions. (a) **Scope.** As used in this section, the terms defined in this section have the meanings given them.

(b) **Commissioner.** "Commissioner" means the commissioner of the department of economic security.

(c) **Older worker.** "Older worker" means an economically disadvantaged person 55 years or older.

(d) **Economically disadvantaged.** "Economically disadvantaged" means a person having an income of 125 percent or less of the federal poverty income guidelines. In determining income, the federal Job Training Partnership Act definition of family and family income will prevail.

(e) **Program.** "Program" means the hospitality host older worker program created in subdivision 1.

(f) **Coordinating agency.** "Coordinating agency" means the Arrowhead economic opportunity agency.

Subd. 3. Distribution and use of state money. Money allocated to the coordinating agency by the commissioner must be used for activities consistent with the objectives of the program including, but not limited to: outreach, selection of eligible participants, program sites, individual work sites, classroom training, on-the-job training opportunities, and program marketing. Program funds shall be used to provide training-related costs to enrollees during orientation and classroom training segments. Program funds

shall be used to subsidize up to 50 percent of enrollee wages during contracted on-the-job training periods with the employer being responsible for the remainder. Salaries upon employment shall be at least the state or federal minimum wage, whichever is higher.

Subd. 4. **Responsibilities of coordinating agency.** The commissioner shall enter into written agreement with the coordinating agency for the design, delivery, and general administration of the program. The commissioner shall set program goals and objectives and monitor the program.

Subd. 5. **Reports.** The coordinating agency shall submit an annual report to the commissioner one year from the effective date of Laws 1989, chapter 282, and annually thereafter. In addition, the coordinating agency shall submit to the commissioner such other reports as required to document the status and progress of the program. The annual report must include: information on the number and types of jobs created; status of program sites; wages paid program participants; types of services provided by programs; the retention of program participants; and other information to assess the progress and status of the program.

History: 1989 c 282 art 2 s 176; 1994 c 483 s 1

PLANT CLOSINGS AND DISLOCATED WORKERS

268.975 DEFINITIONS.

Subdivision 1. **Terms.** For the purposes of sections 268.975 to 268.98, the following terms have the meanings given them.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of economic security.

Subd. 3. **Dislocated worker.** "Dislocated worker" means an individual who is a resident of Minnesota at the time employment ceased or was working in the state at the time employment ceased and:

(1) has been terminated or who has received a notice of termination from public or private sector employment, is eligible for or has exhausted entitlement to unemployment benefits, and is unlikely to return to the previous industry or occupation;

(2) has been terminated or has received a notice of termination of employment as a result of any plant closing or any substantial layoff at a plant, facility, or enterprise;

(3) has been long-term unemployed and has limited opportunities for employment or reemployment in the same or a similar occupation in the area in which the individual resides, including older individuals who may have substantial barriers to employment by reason of age;

(4) has been self-employed, including farmers and ranchers, and is unemployed as a result of general economic conditions in the community in which the individual resides or because of natural disasters, subject to rules to be adopted by the commissioner; or

(5) has been self-employed as a farmer or rancher and, even though that employment has not ceased, has experienced a significant reduction in income due to inadequate crop or livestock prices, crop failures, or significant loss in crop yields due to pests, disease, adverse weather, or other natural phenomenon. This clause expires July 31, 2003.

Subd. 3a. **Additional dislocated worker.** "Additional dislocated worker" means an individual who was a full-time homemaker for a substantial number of years and derived the substantial share of support from:

(1) a spouse and no longer receives such support due to the death, divorce, permanent disability of, or permanent separation from the spouse; or

(2) public assistance on account of dependents in the home and no longer receives such support.

An additional dislocated worker must have resided in Minnesota at the time the support ceased.

Subd. 4. **Eligible organization.** "Eligible organization" means a local government unit, nonprofit organization, community action agency, business organization or association, or labor organization.

Subd. 5. **Local government unit.** "Local government unit" means a statutory or home rule charter city, county, or town.

Subd. 6. **Plant closing.** "Plant closing" means the announced or actual permanent shutdown of a single site of employment, or one or more facilities or operating units within a single site of employment.

Subd. 7. **Prefeasibility study grant.** "Prefeasibility study grant" means the grant awarded under section 268.978.

Subd. 8. **Substantial layoff.** "Substantial layoff" means a permanent reduction in the work force, which is not a result of a plant closing, and which results in an employment loss at a single site of employment during any 30-day period for at least 50 employees excluding those employees that work less than 20 hours a week.

Subd. 9. **Substate grantee.** "Substate grantee" means the agency or organization designated to administer at the local level federal dislocated worker programs pursuant to the federal Job Training Partnership Act, United States Code, title 29, section 1501, et seq.

Subd. 10. **Worker adjustment services.** "Worker adjustment services" means the array of employment and training services designed to assist dislocated workers make the transition to new employment, including basic readjustment assistance, training assistance, and support services.

Subd. 11. **Basic readjustment assistance.** "Basic readjustment assistance" means employment transition services that include, but are not limited to: development of individual readjustment plans for participants; outreach and intake; early readjustment; job or career counseling; testing; orientation; assessment, including evaluation of educational attainment and participant interests and aptitudes; determination of occupational skills; provision of occupational information; job placement assistance; labor market information; job clubs; job search; job development; prelayoff assistance; relocation assistance; and programs conducted in cooperation with employers or labor organizations to provide early intervention in the event of plant closings or substantial layoffs.

Subd. 12. **Training assistance.** "Training assistance" means services that will enable a dislocated worker to become reemployed by retraining for a new occupation or industry, enhancing current skills, or relocating to employ existing skills. Training services include, but are not limited to: classroom training; occupational skill training; on-the-job training; out-of-area job search; relocation; basic and remedial education; literacy and English for training non-English speakers; entrepreneurial training; and other appropriate training activities directly related to appropriate employment opportunities in the local labor market.

Subd. 13. **Support services.** "Support services" means assistance provided to dislocated workers to enable their participation in an employment transition and training program. Services include, but are not limited to: family care assistance, including child care; commuting assistance; housing and rental assistance; counseling assistance, including personal and financial; health care; emergency health assistance; emergency financial assistance; work-related tools and clothing; and other appropriate support services that enable a person to participate in an employment and training program.

History: 1986 c 444; 1989 c 282 art 2 s 177; 1991 c 292 art 3 s 35,36; 1993 c 369 s 91-100; 1994 c 483 s 1; 1994 c 488 s 8; 1999 c 107 s 66; 2000 c 343 s 4; 2000 c 481 s 1

268.9755 [Repealed, 1995 c 131 s 3]

268.976 EARLY WARNING SYSTEM.

Subdivision 1. **Early warning indicators.** The commissioner, in cooperation with the commissioners of revenue and trade and economic development, shall establish and oversee an early warning system to identify industries and businesses likely to experience large losses in employment including a plant closing or a substantial layoff, by collecting and analyzing information which may include, but not be limited to, products and markets experiencing declining growth rates, companies and industries subject to competition from production in low wage counties, changes in ownership, layoff and employment patterns, payments of unemployment contributions, and state tax payments. The commissioner may request the assistance of businesses, business organizations, and trade associations in identifying businesses, industries, and specific establishments that are likely to experience large losses in employment. The commissioner may request information and other assistance from other state agencies for the purposes of this subdivision.

Subd. 2. **Notice.** (a) The commissioner shall encourage those business establishments considering a decision to effect a plant closing, substantial layoff, or relocation of operations located in this state to give notice of that decision as early as possible to the commissioner, the employees of the affected establishment, any employee organization representing the employees, and the local government unit in which the affected establishment is located. This notice shall be in addition to any notice required under the Worker Adjustment and Retraining Notification Act, United States Code, title 29, section 2101.

(b) Notwithstanding section 268.975, subdivision 6, for purposes of this section, "plant closing" means the announced or actual permanent or temporary shutdown of a single site of employment, or one or more facilities or operating units within a single site of employment, if the shutdown results in an employment loss at the single site of employment during any 30-day period for 50 or more employees excluding employees who work less than 20 hours per week.

Subd. 3. **Employer responsibility.** An employer providing notice of a plant closing, substantial layoff, or relocation of operations under the Worker Adjustment and Retraining Notification Act, United States Code, title 29, section 2101, or under subdivision 2 must report to the commissioner the names, addresses, and occupations of the employees who will be or have been terminated.

History: 1989 c 282 art 2 s 178; 1993 c 369 s 102; 1994 c 488 s 8; 1999 c 107 s 66; 2000 c 343 s 4

268.977 [Repealed, 1993 c 369 s 146]

268.9771 RAPID AND EXPEDITIOUS RESPONSE.

Subdivision 1. **Responsibility.** The commissioner shall respond quickly and effectively to announced or actual plant closings and substantial layoffs. Affected workers and employers, as well as appropriate business organizations or associations, labor organizations, substate grantees, state and local government units, and community organizations shall be assisted by the commissioner through either rapid response activities or expeditious response activities as described in this section to respond effectively to a plant closing or mass layoff.

Subd. 2. **Coverage.** Rapid response is to be provided by the commissioner where permanent plant closings or substantial layoffs affect at least 50 workers over a 30-day period as evidenced by actual separation from employment or by advance notification of a closing or layoff. Expeditious response is to be provided by worker adjustment services plan grantees in coordination with rapid response activities or where permanent plant closings and substantial layoffs are not otherwise covered by rapid response.

Subd. 3. **Coordination.** The commissioner and expeditious response grantees shall coordinate their respective rapid response and expeditious response activities. The roles and responsibilities of each shall be detailed in written agreements and address on-site contact with employer and employee representatives when notified of a plant closing or

substantial layoff. The activities include formation of a community task force, collecting and disseminating information related to economic dislocation and available services to dislocated workers, providing basic readjustment assistance services to workers affected by a plant closure or substantial layoff, conducting a needs assessment survey of workers, and developing a plan of action responsive to the worker adjustment services needs of affected workers.

Subd. 4. **Rapid response activities.** The commissioner shall be responsible for implementing the following rapid response activities:

(1) establishing on-site contact with employer and employee representatives within a short period of time after becoming aware of a current or projected plant closing or substantial layoff in order to:

(i) provide information on and facilitate access to available public programs and services; and

(ii) provide emergency assistance adapted to the particular closure or layoff;

(2) promoting the formation of a labor-management committee by providing:

(i) immediate assistance in the establishment of the labor-management committee;

(ii) technical advice and information on sources of assistance, and liaison with other public and private services and programs; and

(iii) assistance in the selection of worker representatives in the event no union is present;

(3) collecting and disseminating information related to economic dislocation, including potential closings or layoffs, and all available resources with the state for dislocated workers;

(4) providing or obtaining appropriate financial and technical advice and liaison with economic development agencies and other organizations to assist in effort to avert dislocations;

(5) disseminating information throughout the state on the availability of services and activities carried out by the dislocated worker unit;

(6) assisting the local community in developing its own coordinated response to a plant closing or substantial layoff and access to state economic development assistance; and

(7) promoting the use of prefeasibility study grants under section 268.978.

Subd. 5. **Expeditious response activities.** Grantees designated to provide worker adjustment services through worker adjustment services plans shall be responsible for implementing the following expeditious response activities:

(1) establishing on-site contact with employer and employee representatives, not otherwise covered under rapid response, within a short period of time after becoming aware of a current or projected plant closing or mass layoff in order to provide information on available public programs and services;

(2) obtaining appropriate financial and technical advice and liaison with local economic development agencies and other organizations to assist in efforts to avert dislocations;

(3) disseminating information on the availability of services and activities carried out by the grantee through its worker adjustment services plan;

(4) providing basic readjustment assistance services for up to 90 days following the initial on-site meeting with the employer and employee representatives;

(5) assisting the local community in the development of its own coordinated response to the closure or layoff and access to economic development assistance;

(6) facilitating the formation of a community task force, if appropriate, to formulate a service plan to assist affected dislocated workers from plant closings and mass layoffs;

(7) conducting surveys of workers, if appropriate, affected by plant closings or layoffs to identify worker characteristics and worker adjustment service needs; and

(8) facilitating access to available public or private programs and services, including the development of proposals to provide access to additional resources to assist workers affected by plant closings and substantial layoffs.

History: 1993 c 369 s 103

268.978 PREFEASIBILITY STUDIES.

Subdivision 1. Prefeasibility study grants. (a) The commissioner may make grants for up to \$15,000 to eligible organizations to provide an initial assessment of the feasibility of alternatives to plant closings or substantial layoffs. The alternatives may include employee ownership, other new ownership, new products or production processes, or public financial or technical assistance to keep a plant open. Two or more eligible organizations may jointly apply for a grant under this section.

(b) Interested organizations shall apply to the commissioner for the grants. As part of the application process, applicants must provide a statement of need for a grant, information relating to the work force at the plant, the area's unemployment rate, the community's and surrounding area's labor market characteristics, information of efforts to coordinate the community's response to the plant closing or substantial layoff, a timetable of the prefeasibility study, a description of the organization applying for the grant, a description of the qualifications of persons conducting the study, and other information required by the commissioner.

(c) The commissioner shall respond to the applicant within five working days of receiving the organization's application. The commissioner shall inform each organization that applied for but did not receive a grant the reasons for the grant not being awarded. The commissioner may request further information from those organizations that did not receive a grant, and the organization may reapply for the grant.

Subd. 2. Prefeasibility study. (a) The prefeasibility study must explore the current and potential viability, profitability, and productivity of the plant that may close or experience a substantial layoff and alternative uses for the plant. The study is not intended to be a major examination of each possible alternative but rather is meant to quickly determine if further action or examination is feasible and should be fully explored.

(b) The prefeasibility study must contain:

(1) a description of the plant's present products, production techniques, management structure, and history;

(2) a brief discussion of the feasibility of the various alternatives for ownership, production technique, and products;

(3) an estimate of the financing required to keep the plant open and the potential sources of that financing;

(4) a description of the employer's, employees', and community's efforts to maintain the operation of the plant; and

(5) other information the commissioner may require.

Subd. 3. [Repealed, 1993 c 369 s 146]

History: 1989 c 282 art 2 s 180; 1993 c 369 s 104

268.9781 WORKER ADJUSTMENT SERVICES PLANS.

Subdivision 1. Worker adjustment services plans. The commissioner shall establish and fund worker adjustment services plans that are designed to assist dislocated workers in their transition to new employment. Authorized grantees shall submit a worker adjustment services plan biennially, with an annual update, in a form and manner prescribed by the commissioner. The worker adjustment services plan shall include information required in substate plans established under the federal Job Training Partnership Act, United States Code, title 29, section 1501, et seq. and a

detailed description of expeditious response activities to be implemented under the plan.

Subd. 2. **Grantees.** Entities authorized to submit a worker adjustment services plan include substate grantees and up to six additional eligible organizations. Criteria for selecting the six authorized nonsubstate grantee eligible organizations shall be established by the commissioner, in consultation with the workforce development council. The criteria include, but are not limited to:

- (1) the capacity to deliver worker adjustment services;
- (2) an identifiable constituency from which eligible dislocated workers may be drawn;
- (3) a demonstration of a good faith effort to establish coordination agreements with substate grantees in whose geographic area the organization would be operating;
- (4) the capability to coordinate delivery of worker adjustment services with other appropriate programs and agencies, including educational institutions, employment service, human service agencies, and economic development agencies; and
- (5) sufficient administrative controls to ensure fiscal accountability.

Subd. 3. **Coverage.** (a) Persons eligible to receive worker adjustment services under this section include dislocated workers as defined in section 268.975, subdivision 3.

(b) Worker adjustment services available under this section shall also be available to additional dislocated workers as defined in section 268.975, subdivision 3a, when they can be provided without adversely affecting delivery of services to all dislocated workers.

Subd. 4. **Substate grantee funding.** (a) Funds allocated to substate grantees under section 268.022 for expeditious response activities and worker adjustment services under this section shall be allocated as follows:

(1) one-half of available funds shall be allocated to substate grantees based on an allocation formula prescribed by the commissioner, in consultation with the workforce development council; and

(2) one-half of available funds shall be allocated based on need as demonstrated to the commissioner in consultation with the workforce development council.

(b) The formula for allocating substate grantee funds must utilize the most appropriate information available to the commissioner to distribute funds in order to address the state's worker adjustment assistance needs. Information for the formula allocation may include, but is not limited to:

- (1) insured unemployment data;
- (2) dislocated worker special assessment receipts data;
- (3) small plant closing data;
- (4) declining industries data;
- (5) farmer-rancher economic hardship data; and
- (6) long-term unemployment data.

(c) The commissioner shall establish a uniform procedure for reallocating substate grantee funds. The criteria for reallocating funds from substate grantees not expending their allocations consistent with their worker adjustment services plans to other substate grantees shall be developed by the commissioner in consultation with the workforce development council.

History: 1993 c 369 s 105; 1995 c 131 s 2; 1Sp1995 c 3 art 4 s 30

268.9782 DISLOCATION EVENT SERVICES GRANTS.

Subdivision 1. **Dislocation event services grants.** The commissioner shall establish and fund dislocation event services grants designed to provide worker adjustment services to workers displaced as a result of larger plant closings and substantial layoffs. Grantees shall apply for a dislocation event services grant by submitting a proposal to

the commissioner in a form and manner prescribed by the commissioner. The application must describe the demonstrated need for intervention, including the need for retraining, the workers to be served, the coordination of available local resources, the services to be provided, and the budget plan.

Subd. 2. **Grantees.** (a) Entities authorized to submit dislocation event services grants include substate grantees and other eligible organizations. Nonsubstate grantees shall demonstrate they meet criteria established by the commissioner, in consultation with the workforce development council. The criteria include, but are not limited to:

- (1) the capacity to deliver worker adjustment services;
- (2) an ability to coordinate its activities with substate grantees in whose geographic area the organization will be operating;
- (3) the capability to coordinate delivery of worker adjustment services with other appropriate programs and agencies, including educational institutions, employment service, human service agencies, and economic development agencies; and
- (4) sufficient administrative controls to ensure fiscal accountability.

(b) For purposes of this section, the state job service may apply directly to the commissioner for a dislocation event services grant only if the effect of a plant closing or substantial layoff is statewide or results in the termination from employment of employees of the state of Minnesota.

Subd. 3. **Coverage.** Persons who may receive worker adjustment services under this section are limited to dislocated workers affected by plant closings and substantial layoffs involving at least 50 workers from a single employer.

Subd. 4. **Funding.** The commissioner, in consultation with the workforce development council, may establish an emergency funding process for dislocation event services grants. No more than 20 percent of the estimated budget of the proposed grant may be awarded through this procedure. The grantee shall submit a formal dislocation event services grant application within 90 days of the initial award of emergency funding.

History: 1993 c 369 s 106; 1995 c 131 s 2; 1Sp1995 c 3 art 4 s 30

268.9783 RETRAINING AND TARGETED TRAINING GRANTS.

Subdivision 1. **Established.** The commissioner may make grants to substate grantees or other eligible organizations designed to provide for the employment of dislocated workers or targeted training assistance to workers at risk of dislocation. The focus of the grants must be on the provision of skill-based training required by the worker's employer or prospective employer. The grants must be developed to meet the worker training needs of employers individually or together. Two or more organizations may jointly apply for a grant.

Subd. 2. **Retraining grants.** An organization interested in applying for a grant to retrain workers who are at risk of becoming dislocated workers must apply to the commissioner. As part of the application process, an applicant must provide:

- (1) a statement of need that identifies the causes contributing to the workers being at risk of dislocation, the prospects for reemployment of the workers in the employer's industry or the worker's occupation, and the employer's past record of permanently laying off workers;
- (2) a description of the current skill level of the workers targeted for training and the skills needed by the workers to significantly reduce their vulnerability to becoming displaced from employment;
- (3) a description of the actions and investments made and planned by the employer to avert or minimize worker dislocation, including the adoption of high performance workplace and worker participation systems and practices;
- (4) a training plan that details who will receive training, the type and scope of training assistance to be provided to workers, the providers of the training, and any impact on worker wages;

- (5) evidence that the proposal has the support and involvement of labor; and
- (6) any other relevant information the commissioner requires in the grant application.

Subd. 3. **Targeted training grants.** An organization interested in applying for a grant to target training for dislocated workers being hired by an employer must apply to the commissioner. As part of the application process, applicants must provide:

- (1) a statement of need;
- (2) a description of local labor market characteristics, including the area's unemployment rate, types of workers available to be employed in terms of occupation, and the local availability of workers in the industry of the employer or employers;
- (3) a description of the actions and investments made and planned by the employer or employers to create and retain jobs, including past employment history, wages paid for the same or similar work, and whether high performance workplace and worker participation systems and practices have been adopted;
- (4) a description of the type of work to be performed, the work-related skills needed, projected wages, and the target group of workers requiring the training assistance;
- (5) a training plan that details who will receive training, the type and scope of training assistance to be provided workers, and the providers of the training;
- (6) evidence that the proposal has the support and involvement of labor; and
- (7) any other relevant information the commissioner requires in the grant application.

Subd. 4. **Criteria.** The criteria used to award targeted training grants must include the severity of need, the target group of workers, training assistance, worker wages, utilization of resources, cost-effectiveness, grantee management capability, and other considerations adopted by the commissioner.

Subd. 5. **Coverage.** Persons eligible to receive retraining assistance under this section include workers at risk of dislocation from employment and dislocated workers as defined in section 268.975, subdivision 3. Workers are considered to be at risk of dislocation as evidenced by a pattern of worker layoffs from an employer, a pattern of substantial layoffs or plant closures in the same or related industry, or where worker skills needed by the employer have become obsolete due to advances in technology.

Subd. 6. **Funding.** The commissioner may award retraining and targeted training grants, if approved by the workforce development council, through a request for proposal process if:

- (1) employers benefiting from a retraining and targeted training grant provide a match of at least one for one that may be in the form of funding, equipment, staff, instructors, and work release time for workers enrolled in training;
- (2) employers benefiting from a retraining and targeted training grant to retrain workers at risk of dislocation maintain their past rate of expenditure from other sources for that training during the grant period; and
- (3) employers benefiting from a retraining and targeted training grant to train new workers do not have workers in layoff status, unless it can be documented the layoff is temporary or seasonal.

Subd. 7. **Limitation.** No more than five percent of the amount available under section 268.022, subdivision 2, paragraph (e), may be used for the grants authorized under this section. The funds must be used from the allocation under section 268.022, subdivision 2, paragraph (e), clause (2).

Subd. 8. [Repealed, 1996 c 452 s 40; 1996 c 460 art 2 s 3]

History: 1994 c 632 art 4 s 68; 1995 c 131 s 2; 1Sp1995 c 3 art 4 s 30

268.979 DISLOCATED WORKER COORDINATION.

The commissioner shall coordinate the actions taken by state agencies and public post-secondary educational institutions to respond to or address the specific needs of dislocated workers and to provide services to dislocated workers including education and retraining. The commissioner shall also assist local government units, community groups, business associations or organizations, labor organizations, and others in coordinating their efforts in providing services to dislocated workers.

History: 1989 c 282 art 2 s 181

268.98 PERFORMANCE STANDARDS, REPORTING, COST LIMITATIONS.

Subdivision 1. Performance standards. The commissioner shall establish performance standards for the programs and activities administered or funded under sections 268.975 to 268.98. The commissioner may use, when appropriate, existing federal performance standards or, if the commissioner determines that the federal standards are inadequate or not suitable, may formulate new performance standards to ensure that the programs and activities of the dislocated worker program are effectively administered.

The commissioner shall, at a minimum, establish performance standards which appropriately gauge the program's effectiveness at achieving the following objectives:

- (1) placement of dislocated workers in employment;
- (2) replacing lost income resulting from worker dislocation from employment;
- (3) early intervention with workers shortly after becoming displaced from employment; and
- (4) retraining of workers from one occupation or industry to another.

The standards shall be applied to plans or grants authorized under sections 268.9781, 268.9782, and 268.9783 and for other activities the commissioner considers appropriate.

Subd. 2. Reports. (a) Grantees receiving funds under sections 268.9771, 268.978, 268.9781, and 268.9782 shall report to the commissioner information on program participants, activities funded, and utilization of funds in a form and manner prescribed by the commissioner.

(b) The commissioner shall report quarterly to the workforce development council information on prefeasibility study grants awarded, rapid response and expeditious response activities, worker adjustment services plans, and dislocation event services grants. Specific information to be reported shall be by agreement between the commissioner and the workforce development council.

Subd. 3. Cost limitations. (a) For purposes of sections 268.9781 and 268.9782, funds allocated to a grantee are subject to the following limitations:

- (1) a maximum of 15 percent for administration in a worker adjustment services plan and ten percent in a dislocation event services grant;
- (2) a minimum of 50 percent for provision of training assistance;
- (3) a maximum of 15 percent may be allocated for support services, as defined in section 268.975, subdivision 13; except, that if the commissioner finds it essential for a specific grant or plan the maximum that may be allocated for support services is 20 percent; and
- (4) the balance used for provision of basic readjustment assistance.

(b) A waiver of the cost limitation on providing training assistance may be requested. The waiver may not permit less than 30 percent of the funds be spent on training assistance.

(c) The commissioner shall prescribe the form and manner for submission of an application for a waiver under paragraph (b). Criteria for granting a waiver shall be established by the commissioner in consultation with the workforce development council.

History: 1989 c 282 art 2 s 182; 1991 c 292 art 3 s 38; 1993 c 369 s 107; 1994 c 632 art 4 s 69; 1995 c 131 s 2; 1Sp1995 c 3 art 4 s 30; 1996 c 339 s 8; 1999 c 223 art 2 s 39; 2000 c 488 art 2 s 19