

H.F. No. 1345, as introduced 84th Legislative Session (2005-2006) Posted on Feb 24, 2005

- 1.1 A bill for an act
- 1.2 relating to employment; requiring reporting of job
- 1.3 movement throughout Minnesota prompted by business
- 1.4 subsidies; requiring reporting under the state
- 1.5 dislocated worker program and the unemployment
- 1.6 insurance program about the termination and
- 1.7 outsourcing of employment; amending Minnesota Statutes
- 1.8 2004, sections 116J.994, subdivisions 7, 9; 116L.17,
- 1.9 subdivision 2; 268.044, subdivision 1.
- 1.10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.11 Section 1. Minnesota Statutes 2004, section 116J.994,
- 1.12 subdivision 7, is amended to read:
- 1.13 Subd. 7. [REPORTS BY RECIPIENTS TO GRANTORS.] (a) A
- 1.14 business subsidy grantor must monitor the progress by the
- 1.15 recipient in achieving agreement goals.
- 1.16 (b) A recipient must provide information regarding goals
- 1.17 and results for two years after the benefit date or until the
- 1.18 goals are met, whichever is later. If the goals are not met,
- 1.19 the recipient must continue to provide information on the
- 1.20 subsidy until the subsidy is repaid. The information must be
- 1.21 filed on forms developed by the commissioner in cooperation with
- 1.22 representatives of local government. Copies of the completed
- 1.23 forms must be sent to the local government agency that provided
- 1.24 the subsidy or to the commissioner if the grantor is a state
- 1.25 agency. If the Iron Range Resources and Rehabilitation Board is
- 1.26 the grantor, the copies must be sent to the board. The report
- 1.27 must include:
 - 2.1 (1) the type, public purpose, and amount of subsidies and
 - 2.2 type of district, if the subsidy is tax increment financing;
 - 2.3 (2) the hourly wage of each job created with separate bands
 - 2.4 of wages;
 - 2.5 (3) the sum of the hourly wages and cost of health
 - 2.6 insurance provided by the employer with separate bands of wages;
 - 2.7 (4) the date the job and wage goals will be reached;
 - 2.8 (5) a statement of goals identified in the subsidy
 - 2.9 agreement and an update on achievement of those goals;
 - 2.10 (6) the location of the recipient prior to receiving the
 - 2.11 business subsidy;
 - 2.12 (7) the number of employees who ceased to be employed by
 - 2.13 the recipient when the recipient relocated to become eligible
 - 2.14 for the business subsidy;
 - 2.15 (8) why the recipient did not complete the project outlined
 - 2.16 in the subsidy agreement at their previous location, if the
 - 2.17 recipient was previously located at another site in Minnesota;
 - 2.18 ~~(8)~~ (9) the name and address of the parent corporation of
 - 2.19 the recipient, if any;
 - 2.20 ~~(9)~~ (10) a list of all financial assistance by all grantors
 - 2.21 for the project; and
 - 2.22 ~~(10)~~ (11) other information the commissioner may request.
- 2.23 A report must be filed no later than March 1 of each year for
- 2.24 the previous year. The local agency and the Iron Range
- 2.25 Resources and Rehabilitation Board must forward copies of the
- 2.26 reports received by recipients to the commissioner by April 1.
- 2.27 (c) Financial assistance that is excluded from the

2.28 definition of "business subsidy" by section 116J.993,
2.29 subdivision 3, clauses (4), (5), (8), and (16), is subject to
2.30 the reporting requirements of this subdivision, except that the
2.31 report of the recipient must include instead:
2.32 (1) the type, public purpose, and amount of the financial
2.33 assistance, and type of district if the assistance is tax
2.34 increment financing;
2.35 (2) progress towards meeting goals stated in the assistance
2.36 agreement and the public purpose of the assistance;
3.1 (3) if the agreement includes job creation, the hourly wage
3.2 of each job created with separate bands of wages;
3.3 (4) if the agreement includes job creation, the sum of the
3.4 hourly wages and cost of health insurance provided by the
3.5 employer with separate bands of wages;
3.6 (5) the location of the recipient prior to receiving the
3.7 assistance; and
3.8 (6) other information the grantor requests.
3.9 (d) If the recipient does not submit its report, the local
3.10 government agency must mail the recipient a warning within one
3.11 week of the required filing date. If, after 14 days of the
3.12 postmarked date of the warning, the recipient fails to provide a
3.13 report, the recipient must pay to the grantor a penalty of \$100
3.14 for each subsequent day until the report is filed. The maximum
3.15 penalty shall not exceed \$1,000.
3.16 Sec. 2. Minnesota Statutes 2004, section 116J.994,
3.17 subdivision 9, is amended to read:
3.18 Subd. 9. [COMPILATION AND SUMMARY REPORT.] The Department
3.19 of Employment and Economic Development must publish a
3.20 compilation and summary of the results of the reports for the
3.21 previous two calendar years by December 1 of 2004 and every
3.22 other year thereafter. The reports of the government agencies
3.23 to the department and the compilation and summary report of the
3.24 department must be made available to the public.
3.25 The commissioner must coordinate the production of reports
3.26 so that useful comparisons across time periods and across
3.27 grantors can be made. The commissioner may add other
3.28 information to the report as the commissioner deems necessary to
3.29 evaluate business subsidies. Among the information in the
3.30 summary and compilation report, the commissioner must include:
3.31 (1) total amount of subsidies awarded in each development
3.32 region of the state;
3.33 (2) distribution of business subsidy amounts by size of the
3.34 business subsidy;
3.35 (3) distribution of business subsidy amounts by time
3.36 category;
4.1 (4) distribution of subsidies by type and by public
4.2 purpose;
4.3 (5) percent of all business subsidies that reached their
4.4 goals;
4.5 (6) percent of business subsidies that did not reach their
4.6 goals by two years from the benefit date;
4.7 (7) total dollar amount of business subsidies that did not
4.8 meet their goals after two years from the benefit date;
4.9 (8) percent of subsidies that did not meet their goals and
4.10 that did not receive repayment;
4.11 (9) list of recipients that have failed to meet the terms

4.12 of a subsidy agreement in the past five years and have not
4.13 satisfied their repayment obligations;
4.14 (10) number of part-time and full-time jobs within separate
4.15 bands of wages for the entire state and for each development
4.16 region of the state; and
4.17 (11) benefits paid within separate bands of wages for the
4.18 entire state and for each development region of the state; and
4.19 (12) number of employees in the entire state and in each
4.20 development region of the state who ceased to be employed
4.21 because their employers relocated to become eligible for a
4.22 business subsidy.
4.23 Sec. 3. Minnesota Statutes 2004, section 116L.17,
4.24 subdivision 2, is amended to read:
4.25 Subd. 2. [GRANTS.] The board shall make grants to
4.26 workforce service areas or other eligible organizations to
4.27 provide services to dislocated workers as follows:
4.28 (a) The board shall allocate funds available for the
4.29 purposes of this section in its discretion to respond to
4.30 substantial layoffs and plant closings.
4.31 (b) The board shall regularly allocate funds to provide
4.32 services to individual dislocated workers or small groups. The
4.33 initial allocation for this purpose must be 50 percent of the
4.34 deposits and transfers into the workforce development fund, less
4.35 any collection costs paid out of the fund and any amounts
4.36 appropriated by the legislature from the workforce development
5.1 fund for programs other than the state dislocated worker program.
5.2 (c) Following the initial allocation, the board may
5.3 consider additional allocations to provide services to
5.4 individual dislocated workers. The board's decision to allocate
5.5 additional funds shall be based on relevant economic indicators
5.6 including: the number of substantial layoffs to date, notices
5.7 of substantial layoffs for the remainder of the fiscal year,
5.8 evidence of declining industries, the number of permanently
5.9 separated individuals applying for unemployment benefits by
5.10 workforce service area, and the number of individuals exhausting
5.11 unemployment benefits by workforce service area. The board must
5.12 also consider expenditures of allocations to workforce service
5.13 areas under paragraph (b) made during the first two quarters of
5.14 the fiscal year and federal resources that have been or are
5.15 likely to be allocated to Minnesota for the purposes of serving
5.16 dislocated workers affected by substantial layoffs or plant
5.17 closings.
5.18 (d) The board may, in its discretion, allocate funds
5.19 carried forward from previous years under subdivision 9 for
5.20 large, small, or individual layoffs.
5.21 (e) Each workforce service area or other eligible
5.22 organization receiving a grant from the board shall prepare and
5.23 submit an annual report to the board by February 15 of each
5.24 year, beginning in 2007. The report shall state whether each
5.25 dislocated worker receiving services pursuant to a grant from
5.26 the board during the previous calendar year was dislocated
5.27 because the worker's former employer outsourced the worker's
5.28 former job to employees located outside the state of Minnesota.
5.29 The report shall also state whether a worker's former employer
5.30 terminated the worker in anticipation of or in response to a
5.31 loss of business attributable to outsourcing. For any

5.32 dislocated worker whose dislocation is attributable to
5.33 outsourcing, the report shall indicate to where the employment
5.34 has been outsourced.
5.35 Sec. 4. Minnesota Statutes 2004, section 268.044,
5.36 subdivision 1, is amended to read:
6.1 Subdivision 1. [WAGE DETAIL REPORT.] (a) Each employer
6.2 that has employees in covered employment shall submit a
6.3 quarterly wage and employment detail report by electronic
6.4 transmission, in a format prescribed by the commissioner. The
6.5 report shall include for each employee in covered employment,
6.6 the employee's name, Social Security number, the total wages
6.7 paid to the employee, and total number of paid hours worked.
6.8 For employees exempt from the definition of employee in section
6.9 177.23, subdivision 7, clause (6), the employer shall report 40
6.10 hours worked for each week any duties were performed by a
6.11 full-time employee and shall report a reasonable estimate of the
6.12 hours worked for each week duties were performed by a part-time
6.13 employee. In addition, the wage and employment detail report
6.14 shall include the number of employees employed on the 12th day
6.15 of each calendar month and, if required by the commissioner, the
6.16 report shall be broken down by business location and type of
6.17 employment. Beginning in 2007, the wage and employment detail
6.18 report shall also include the number of employees who have begun
6.19 employment with the employer during the calendar quarter and the
6.20 number of employees who have left employment with the employer
6.21 during the calendar quarter. If employees have left employment
6.22 with the employer during the calendar quarter, the report shall
6.23 specify the number of jobs that have been or will be outsourced
6.24 to employees outside the state of Minnesota and the locations to
6.25 which the jobs have been or will be outsourced. The report
6.26 shall also specify the number of jobs terminated by an employer
6.27 in anticipation of or in response to a loss of business
6.28 attributable to outsourcing. If the information required is not
6.29 submitted in a manner and format prescribed by the commissioner,
6.30 it shall not be considered a wage and employment detail report.
6.31 The report is due and must be received by the commissioner on or
6.32 before the last day of the month following the end of the
6.33 calendar quarter. The commissioner may delay the due date on a
6.34 specific calendar quarter in the event the department is unable
6.35 to accept wage and employment detail reports electronically.
6.36 (b) The employer may report the wages paid to the next
7.1 lower whole dollar amount.
7.2 (c) An employer need not include the name of the employee
7.3 or other required information on the wage and employment detail
7.4 report if disclosure is specifically exempted from being
7.5 reported by federal law.
7.6 (d) A wage and employment detail report must be submitted
7.7 for each calendar quarter even though no wages were paid, unless
7.8 the employer has notified the commissioner, under section
7.9 268.042, subdivision 1, paragraph (c), of termination of
7.10 business.
7.11 Sec. 5. [REVISOR'S INSTRUCTION.]
7.12 The revisor of statutes shall change the phrase "wage
7.13 detail report" or similar phrases to "wage and employment detail
7.14 report" or similar phrases wherever they appear in Minnesota
7.15 Statutes and Minnesota Rules when referring to those reports

7.16 required under Minnesota Statutes, section 268.044. The revisor
7.17 shall also make grammatical changes related to the changes in
7.18 terms.