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State of Minnesota
HOUSE OF REPRESENTATIVES
Unofficial Engrossment
House Engrossment of a Senate File

EIGHTY-NINTH SESSION

S. F. No. 209

Senate Author(s): Tomassoni, Saxhaug and Benson

House Action

03/25/2015 Companion to House File No. 180. (Authors:Garofalo, Isaacson and Hackbarth)

Read First Time and Sent for Comparison

Bills not identical, S.F. substituted on General Register

Read Second Time

05/18/2015 Pursuant to Rule 4.20, re-referred to the Committee on Job Growth and Energy Affordability Policy and Finance

03/08/2016 Adoption of Report: Amended and re-referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to unemployment insurance; providing for extended benefits; reducing
1.3 unemployment insurance taxes; amending Minnesota Statutes 2014, section
1.4 268.051, by adding a subdivision.

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

1.6 ARTICLE 1

1.7 IRON MINING

1.8 Section 1. **IRON ORE MINING INDUSTRY EXTENDED UNEMPLOYMENT**
1.9 **BENEFITS PROGRAM.**

1.10 Subdivision 1. Availability of extended unemployment benefits. Extended
1.11 unemployment benefits are available from the Minnesota unemployment insurance trust
1.12 fund to an applicant who was laid off due to lack of work after March 1, 2015, from an
1.13 iron ore mining industry employer or from an employer that is a supplier of goods or
1.14 services that are directly related to the extraction or processing of iron ore.

1.15 Subd. 2. Eligibility requirements. An applicant is eligible to receive extended
1.16 unemployment benefits under this section for any week through the week ending June 25,
1.17 2017, if:

1.18 (1) the applicant established a benefit account under Minnesota Statutes, section
1.19 268.07, with a majority of the wage credits from an employer described in subdivision 1,
1.20 and has exhausted the maximum amount of regular unemployment benefits available on
1.21 that benefit account; and

1.22 (2) the applicant meets the same requirements that an applicant for regular
1.23 unemployment benefits must meet under Minnesota Statutes, section 268.069, subdivision
1.24 1.

2.1 Subd. 3. **Weekly and maximum amount of extended unemployment benefits.** (a)
2.2 The weekly benefit amount of extended unemployment benefits is the same as the weekly
2.3 benefit amount of regular unemployment benefits on the benefit account established in
2.4 subdivision 2, clause (1).

2.5 (b) The maximum amount of extended unemployment benefits available to an
2.6 applicant under this section is an amount equal to 26 weeks of payment at the applicant's
2.7 weekly extended unemployment benefit amount.

2.8 (c) If an applicant qualifies for a new regular benefit account that meets the
2.9 requirements of subdivision 4, paragraph (b), before the applicant has been paid extended
2.10 unemployment benefits, and that new regular benefit account meets the requirements of
2.11 subdivision 2, clause (1), the applicant's weekly extended unemployment benefit amount
2.12 must be equal to the weekly unemployment benefit amount on the applicant's new regular
2.13 benefit account.

2.14 Subd. 4. **Qualifying for a new regular benefit account.** (a) If, after exhausting
2.15 the maximum amount of regular unemployment benefits available as a result of the
2.16 layoff under subdivision 1, an applicant qualifies for a new regular benefit account under
2.17 Minnesota Statutes, section 268.07, the applicant must apply for and establish that new
2.18 regular benefit account.

2.19 (b) If the applicant's weekly benefit amount under the new regular benefit account is
2.20 equal to or higher than the applicant's weekly extended unemployment benefit amount,
2.21 the applicant must request unemployment benefits under the new regular benefit account.
2.22 An applicant is ineligible for extended unemployment benefits under this section until
2.23 the applicant has exhausted the maximum amount of unemployment benefits available on
2.24 the new regular benefit account.

2.25 (c) If the applicant's weekly unemployment benefit amount on the new regular benefit
2.26 account is less than the applicant's weekly benefit amount of extended unemployment
2.27 benefits, the applicant must request extended unemployment benefits. An applicant is
2.28 ineligible for new regular unemployment benefits until the applicant has exhausted the
2.29 maximum amount of extended unemployment benefits available under this section.

2.30 Subd. 5. **Eligibility for federal Trade Adjustment Assistance Program benefits.**
2.31 An applicant who has applied and been determined eligible for federal Trade Adjustment
2.32 Assistance Program benefits is not eligible for extended unemployment benefits under
2.33 this section.

2.34 Subd. 6. **Effect on employer.** Benefits paid under this section must not be used in
2.35 computing the employer's future tax rate under Minnesota Statutes, section 268.047.

3.1 Subd. 7. **Legislative findings.** (a) The legislature finds that the state greatly benefits
3.2 from the diversification of the state's mineral economy through long-term support of
3.3 mineral exploration, evaluation, environmental research, development, production, and
3.4 commercialization.

3.5 (b) The legislature further finds that maintaining and supporting a trained and
3.6 skillful mining workforce is critical to the long-term health and viability of the state's
3.7 mineral economy.

3.8 (c) The legislature finds that the best way to maintain a trained and skillful mining
3.9 workforce in the state is to make all reasonable efforts to facilitate the continued operation
3.10 of existing mines and the addition of new mines whenever feasible.

3.11 **EFFECTIVE DATE.** This section is effective the day following final enactment
3.12 and is retroactive from August 31, 2015.

3.13 **ARTICLE 2**

3.14 **UNEMPLOYMENT INSURANCE**

3.15 Section 1. Minnesota Statutes 2014, section 268.051, is amended by adding a
3.16 subdivision to read:

3.17 Subd. 2a. **Unemployment insurance tax reform.** (a) If the balance in the trust fund
3.18 on December 31 of any calendar year exceeds the average high cost multiple of 1.0,
3.19 future unemployment taxes payable must be reduced by all amounts above 1.0. The
3.20 amount of tax reduction for any taxpaying employer is the same percentage of the total
3.21 amount above 1.0 as the percentage of taxes paid by the employer for the prior calendar
3.22 year is of the total amount of taxes paid by nonmaximum experience rated employers for
3.23 the prior calendar year.

3.24 (b) This subdivision only applies if the balance in the trust fund on December 31 is
3.25 four percent or more above the average high cost multiple of 1.0.

3.26 (c) For the purposes of this subdivision, "average high cost multiple" has the same
3.27 meaning as given in Code of Federal Regulations, title 20, section 606.3, as amended
3.28 through the effective date of this section.

3.29 (d) This subdivision does not apply to employers that are at the maximum experience
3.30 rating for the calendar year, nor to high experience rating industry employers under
3.31 subdivision 5, paragraph (b). Computations under paragraph (a) are not subject to the
3.32 rounding requirement of section 268.034. The refund provisions of section 268.057,
3.33 subdivision 7, do not apply. Computations under paragraph (a) are based upon taxes paid
3.34 on or before February 15 of the calendar year.

4.1 (e) The unemployment tax reduction under this subdivision applies to taxes paid
4.2 between March 1 and December 15 of the year following the December 31 calculation
4.3 under paragraph (a).

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

4.5 **Sec. 2. 2016 UNEMPLOYMENT INSURANCE TAX REFORM.**

4.6 (a) The provisions in this section apply notwithstanding any law to the contrary.

4.7 (b) Unemployment insurance taxes must be reduced by the amount of money in the
4.8 Minnesota unemployment insurance trust fund as of December 31, 2015, in excess of one
4.9 percent of total wages in covered employment for the calendar year beginning January 1,
4.10 2014. The amount of tax reduction for any taxpaying employer is the same percentage of
4.11 the total amount above one percent as the percentage of taxes paid by the employer for
4.12 the prior calendar year is of the total amount of taxes paid by nonmaximum experience
4.13 rated employers for the prior calendar year.

4.14 (c) This section does not apply to employers that are at the maximum experience
4.15 rating for calendar year 2015, nor to high experience rating industry employers under
4.16 Minnesota Statutes, section 268.051, subdivision 5, paragraph (b). Computations under
4.17 paragraph (b) are not subject to the rounding requirement of Minnesota Statutes, section
4.18 268.034. The refund provisions of Minnesota Statutes, section 268.057, subdivision 7,
4.19 do not apply. Computations under paragraph (b) are based upon taxes paid on or before
4.20 February 15 of the calendar year.

4.21 (d) The unemployment tax reduction under this section applies to taxes paid on or
4.22 after July 1, 2016, and is available until an employer eligible for a tax reduction under
4.23 this section has realized the full value of the reduction under paragraph (b), or June 30,
4.24 2017, whichever comes first.

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

APPENDIX
Article locations in UES0209-1

ARTICLE 1 IRON MINING Page.Ln 1.6
ARTICLE 2 UNEMPLOYMENT INSURANCE Page.Ln 3.13