

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-NINTH SESSION**

**S.F. No. 3509**

(SENATE AUTHORS: **DZIEDZIC and Marty**)

DATE	D-PG	OFFICIAL STATUS
04/11/2016	5800	Introduction and first reading Referred to Taxes
04/14/2016	5817	Author added Marty

A bill for an act

relating to taxation; income and corporate franchise; establishing a qualified cultural competency plan credit and grant; appropriating money; amending Minnesota Statutes 2014, section 363A.03, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 290; 363A.

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

Section 1. **[290.0693] QUALIFIED CULTURAL COMPETENCY PLAN CREDIT.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions apply.

(b) "Nameless application review process" has the meaning given in section 363A.03, subdivision 24a.

(c) "Qualified cultural competency plan" has the meaning given in section 363A.03, subdivision 35a.

(d) "Qualified employer" means an employer who has implemented a qualified cultural competency plan registered with the commissioner of human services and is not eligible to receive a grant under the qualified cultural competency plan grant program in section 363A.50.

Subd. 2. **Credit allowed.** (a) A qualified employer who is required to file a return under section 289A.08, subdivision 1, 2, or 3, is allowed a credit against the tax due under this chapter equal to \$100 per employee, up to \$40,000 per taxable year. The number of employees equals the average number of full-time equivalent employees employed by the qualified employer in the 12 months immediately preceding registration with the commissioner of human rights.

(b) For a nonresident or part-year resident, the credit must be allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph (e).

2.1 Subd. 3. **Registration requirement.** (a) An employer must register with the  
2.2 commissioner of human rights to become a qualified employer. The registration must be  
2.3 in a form and manner prescribed by the commissioner of human rights in consultation  
2.4 with the commissioner of revenue.

2.5 (b) The commissioner of human rights must implement procedures to verify the  
2.6 information in an employer's registration to become a qualified employer and to monitor a  
2.7 qualified employer's compliance in maintaining a nameless application review process.

2.8 (c) A qualified employer must annually renew its registration with the commissioner  
2.9 of human rights. An employer that ceases to be a qualified employer at any time during a  
2.10 taxable year must not claim the credit under this section.

2.11 **EFFECTIVE DATE.** This section is effective for taxable years beginning after  
2.12 December 31, 2016.

2.13 Sec. 2. Minnesota Statutes 2014, section 363A.03, is amended by adding a subdivision  
2.14 to read:

2.15 Subd. 24a. **Nameless application review process.** "Nameless application review  
2.16 process" means a system or process that:

2.17 (1) removes the name of job applicants prior to review of the applicant's application  
2.18 or request for interview, whether submitted in writing or online; and

2.19 (2) prevents any person reviewing job applications or requests for interview from  
2.20 knowing the name of the applicant prior to or during review of the applicant's job  
2.21 application or request for interview.

2.22 **EFFECTIVE DATE.** This section is effective January 1, 2017.

2.23 Sec. 3. Minnesota Statutes 2014, section 363A.03, is amended by adding a subdivision  
2.24 to read:

2.25 Subd. 35a. **Qualified cultural competency plan.** "Qualified cultural competency  
2.26 plan" means a plan to increase the cultural competence of personnel, policies, and  
2.27 practices in order to foster a workplace environment that attracts and retains a diverse  
2.28 workforce. The plan must include efforts to create inclusive environments and address  
2.29 racial disparities through the use of a nameless application process, adopting "ban the  
2.30 box" practices, training personnel to increase their understanding of and work in ways  
2.31 that reflect a commitment to diversity and inclusion, and other actions identified through  
2.32 the planning process.

2.33 **EFFECTIVE DATE.** This section is effective January 1, 2017.

3.1       Sec. 4. **[363A.50] QUALIFIED CULTURAL COMPETENCY PLAN GRANT**  
3.2 **PROGRAM.**

3.3       Subdivision 1. **Establishment.** The commissioner of human rights shall establish a  
3.4 program to award a grant to a qualified employer for implementing a qualified cultural  
3.5 competency plan.

3.6       Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have  
3.7 the meanings given.

3.8       (b) "Labor union" means an organization that has a current federal determination  
3.9 letter stating the labor union qualifies as an exempt organization under section 501(c)(5)  
3.10 of the Internal Revenue Code and is exempt from tax under section 501(a) of the Internal  
3.11 Revenue Code.

3.12       (c) "Local government" means statutory or home rule charter cities, counties, and  
3.13 townships; special districts as defined under Minnesota Statutes, section 6.465; any  
3.14 instrumentality of a statutory or home rule charter city, county, or township as defined in  
3.15 Minnesota Statutes, section 471.59; and any joint powers board or organization created  
3.16 under Minnesota Statutes, section 471.59.

3.17       (d) "Nonprofit organization" means an organization that has a current federal  
3.18 determination letter stating that the nonprofit organization qualifies as an exempt  
3.19 organization under section 501(c)(3) of the Internal Revenue Code and is exempt from tax  
3.20 under section 501(a) of the Internal Revenue Code.

3.21       (e) "Qualified cultural competency plan" and "nameless application review process"  
3.22 have the meanings given in Minnesota Statutes, section 363A.03.

3.23       (f) "Qualified employer" means a labor union, local government, or nonprofit  
3.24 organization that has implemented a qualified cultural competency plan registered with the  
3.25 commissioner of human services and is not eligible to receive a credit under the qualified  
3.26 cultural competency plan credit program in section 290.0693.

3.27       Subd. 3. **Registration requirement.** (a) A labor union, local government, or  
3.28 nonprofit organization must register with the commissioner of human rights to become  
3.29 a qualified employer. The registration must be in a form and manner prescribed by the  
3.30 commissioner of human rights.

3.31       (b) The commissioner of human rights must implement procedures to verify the  
3.32 information in a labor union's, local government's, or nonprofit organization's registration  
3.33 to become a qualified employer and to monitor a qualified employer's compliance in  
3.34 maintaining a nameless application review process.

4.1 (c) A qualified employer must annually renew its registration with the commissioner  
4.2 of human rights. A labor union, local government, or nonprofit organization that ceases to  
4.3 be a qualified employer is not eligible for the grant under this section.

4.4 Subd. 4. **Application.** The commissioner of human rights must develop forms and  
4.5 procedures for soliciting and reviewing applications for grants under this section. At a  
4.6 minimum, the application must include...

4.7 Subd. 5. **Payment and calculation of grant.** (a) The grant authorized under this  
4.8 section is equal to:

4.9 (1) for qualified employers with ten to 40 employees, \$5,000;

4.10 (2) for qualified employers with 41 to 100 employees, \$5,000 plus \$100 for each  
4.11 employee; or

4.12 (3) for qualified employers with 101 or more employees, \$11,000 plus \$100 for each  
4.13 employee, not to exceed \$40,000.

4.14 (b) The commissioner of human rights shall pay the grant to the treasurer or  
4.15 designated treasurer of each qualified employer by July 15 of the calendar year following  
4.16 the year in which the qualified cultural competency plan grant was awarded.

4.17 **EFFECTIVE DATE.** This section is effective January 1, 2017.

4.18 Sec. 5. **APPROPRIATION.**

4.19 \$..... in fiscal year 2017 is appropriated to the commissioner of human rights to  
4.20 administer the qualified cultural competency plan grant program in section 4.