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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH  
SESSION

HOUSE FILE No. **1709**

March 5, 2007

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The bill was read for the first time and referred to the Committee on Commerce and Labor

1.1 A bill for an act  
1.2 relating to public employment; providing for offers of settlement prior to  
1.3 arbitration; providing for the assessment of costs in certain cases; amending  
1.4 Minnesota Statutes 2006, section 179A.21, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2006, section 179A.21, is amended by adding a  
1.7 subdivision to read:

1.8 Subd. 4. Offer of settlement. At any time prior to ten days before a grievance  
1.9 arbitration hearing begins, the employer or union may make a written offer of settlement  
1.10 of the grievance. Acceptance of the offer shall be made by delivery of a written notice  
1.11 of acceptance within ten days after receipt of the offer. If an offer made under this  
1.12 section is not accepted within the ten-day period, it is deemed withdrawn. During the  
1.13 ten-day period the offer is irrevocable. Notwithstanding any provision in the collective  
1.14 bargaining agreement between the parties regarding the payment of costs associated  
1.15 with the arbitration hearing, if the final award of the arbitrator is not more favorable  
1.16 to the offeree than the offer, the offeree must pay the full amount of the arbitrator's  
1.17 fees and the offeror's costs and disbursements, including reasonable attorney fees. The  
1.18 fact that an offer is made but not accepted does not preclude a subsequent offer. An  
1.19 offer not accepted is not admissible in the arbitration hearing regarding the grievance or  
1.20 in any other forum, except in a subsequent proceeding regarding postaward disputes  
1.21 arising from the application of the provisions of this subdivision. Disputes arising under  
1.22 this subdivision regarding whether an offer is more favorable than the final award or  
1.23 the amount of costs and disbursements payable may be submitted by either party to  
1.24 the arbitrator rendering the award on the merits of the grievance or to another neutral

- 2.1 arbitrator if that arbitrator is not available. This subdivision applies only to grievances  
2.2 regarding peace officers, as defined by section 626.84, subdivision 1(c), and firefighters,  
2.3 as defined by section 179A.03, subdivision 7, but does not apply to interest arbitration  
2.4 cases conducted under section 179A.16.