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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 2145

03/10/2025 Authored by Greenman, Agbaje and Virnig The bill was read for the first time and referred to the Committee on Workforce, Labor, and Economic Development Finance and Policy

1.1 A bill for an act
1.2 relating to employment; increasing penalties for employer misrepresentation and
1.3 misconduct; amending Minnesota Statutes 2024, sections 268.184, subdivision 1;
1.4 268B.19.

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

1.6 Section 1. Minnesota Statutes 2024, section 268.184, subdivision 1, is amended to read:

1.7 Subdivision 1. Misrepresentation; administrative penalties. (a) The commissioner
1.8 must penalize an employer if that employer or any employee, officer, or agent of that
1.9 employer made a false statement or representation without a good faith belief as to correctness
1.10 of the statement or representation or knowingly failed to disclose a material fact in order
1.11 to:

1.12 (1) assist an applicant to receive unemployment benefits to which the applicant is not
1.13 entitled;

1.14 (2) prevent or reduce the payment of unemployment benefits to an applicant; or

1.15 (3) avoid or reduce any payment required from an employer under this chapter or section
1.16 116L.20.

1.17 The penalty is the greater of \$500 or ~~50~~ 100 percent of the following resulting from the
1.18 employer's action:

1.19 (i) the amount of any overpaid unemployment benefits to an applicant;

1.20 (ii) the amount of unemployment benefits not paid to an applicant that would otherwise
1.21 have been paid; or

2.1 (iii) the amount of any payment required from the employer under this chapter or section  
2.2 116L.20 that was not paid.

2.3 (b) The commissioner must penalize an employer if that employer failed or refused to  
2.4 honor a subpoena issued under section 268.188. The penalty is \$500 and any costs of  
2.5 enforcing the subpoena, including attorney fees.

2.6 (c) An additional penalty of up to \$10,000 may be imposed for each individual the  
2.7 employer failed to classify, represent, or treat as an employee pursuant to Minnesota Rules,  
2.8 part 3315.0555.

2.9 ~~(e)~~ (d) Penalties under this subdivision and under section 268.047, subdivision 4,  
2.10 paragraph (b), are in addition to any other penalties and subject to the same collection  
2.11 procedures that apply to past due taxes. Penalties must be paid within 30 calendar days of  
2.12 issuance of the determination of penalty and credited to the trust fund.

2.13 ~~(d)~~ (e) The determination of penalty is final unless the employer files an appeal within  
2.14 45 calendar days after the sending of the determination of penalty to the employer by mail  
2.15 or electronic transmission. Proceedings on the appeal are conducted in accordance with  
2.16 section 268.105.

2.17 Sec. 2. Minnesota Statutes 2024, section 268B.19, is amended to read:

2.18 **268B.19 EMPLOYER MISCONDUCT; PENALTY.**

2.19 (a) The commissioner must penalize an employer if that employer or any employee,  
2.20 officer, or agent of that employer is in collusion with any applicant for the purpose of  
2.21 assisting the applicant in receiving benefits fraudulently. The penalty is \$500 or the amount  
2.22 of benefits determined to be overpaid, whichever is greater.

2.23 (b) The commissioner must penalize an employer if that employer or any employee,  
2.24 officer, or agent of that employer:

2.25 (1) made a false statement or representation knowing it to be false;

2.26 (2) made a false statement or representation without a good-faith belief as to the  
2.27 correctness of the statement or representation; or

2.28 (3) knowingly failed to disclose a material fact.

2.29 (c) The penalty is the greater of \$500 or ~~50~~ 100 percent of the following resulting from  
2.30 the employer's action:

2.31 (1) the amount of any overpaid benefits to an applicant;

3.1 (2) the amount of benefits not paid to an applicant that would otherwise have been paid;  
3.2 or

3.3 (3) the amount of any payment required from the employer under this chapter that was  
3.4 not paid.

3.5 (d) An additional penalty of up to \$10,000 may be imposed for each individual the  
3.6 employer failed to classify, represent, or treat as an employee pursuant to Minnesota Rules,  
3.7 part 5200.0221.

3.8 ~~(d)~~ (e) Penalties must be paid within 30 calendar days of issuance of the determination  
3.9 of penalty and credited to the family and medical benefit insurance account.