

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 4576

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DATE	D-PG	OFFICIAL STATUS
03/18/2026	6813	Introduction and first reading Referred to Labor
03/23/2026	6920	Author added McEwen
04/07/2026	7210a	Comm report: To pass as amended and re-refer to State and Local Government

1.1 A bill for an act

1.2 relating to employment; requiring notice and a transitional employment period for

1.3 employees displaced by artificial intelligence; imposing penalties; requiring a

1.4 report; proposing coding for new law in Minnesota Statutes, chapter 181.

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

1.6 Section 1. [181.9937] SAFEGUARDING HUMAN INTELLIGENCE AND

1.7 EMPLOYMENT IN LABOR DISPLACEMENT.

1.8 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have

1.9 the meanings given.

1.10 (b) "Artificial intelligence" means an engineered or machine-based system that varies

1.11 in the system's level of autonomy and that can, for explicit or implicit objectives, infer from

1.12 the input the system receives how to generate outputs that can influence physical or virtual

1.13 environments.

1.14 (c) "Covered employer" means any employer who employs the equivalent of 50 or more

1.15 full-time employees within the state of Minnesota.

1.16 (d) "Employment loss" includes any termination, layoff exceeding six months, reduction

1.17 in work hours of 50 percent or more during each month of any six-month period, or

1.18 conversion of a human-performed function to an automated function.

1.19 (e) "Technological displacement" means the elimination of employment positions, or a

1.20 reduction in hours equivalent to ten percent or more of total unit or department-equivalent

1.21 workforce time within any 12-month period, caused in whole or in substantial part by the

2.1 introduction or expanded use of an artificial intelligence system or other automated
2.2 technology.

2.3 Subd. 2. **Notice of technological displacement.** (a) A covered employer must provide
2.4 a minimum of 90 days advance written notice prior to any technological displacement
2.5 affecting (1) ten or more employees, or (2) ten percent of the employer's unit or
2.6 department-equivalent workforce, whichever is less.

2.7 (b) Notice under paragraph (a) must be provided to:

2.8 (1) all affected employees and any employee organization representing the affected
2.9 employees; and

2.10 (2) the commissioner of labor and industry.

2.11 (c) A notice under paragraph (a) must include a description of:

2.12 (1) the functions to be automated;

2.13 (2) the number, classification, and location of affected employees;

2.14 (3) the anticipated date of technological displacement;

2.15 (4) any available retraining or reassignment programs; and

2.16 (5) the identity of any vendor or contractor supplying the artificial intelligence system.

2.17 (d) The commissioner must develop notice templates for use by covered employers to
2.18 provide the notice of technological displacement required under this subdivision.

2.19 Subd. 3. **Transitional employment period.** (a) Each employee affected by a
2.20 technological displacement is entitled to a transitional employment period of 90 days from
2.21 the date notice was provided under subdivision 2, during which the covered employer must
2.22 offer each affected employee:

2.23 (1) continued employment or equivalent wages; and

2.24 (2) participation, at the employer's expense, in a recognized retraining or reskilling
2.25 program approved by the commissioner of labor and industry.

2.26 (b) A covered employer must not discharge an employee during that employee's
2.27 transitional employment period except for just cause.

2.28 (c) A covered employer is exempt from the requirements in subdivisions 2 and 3 if the
2.29 displaced worker transitions to a position with the same or similar benefits and compensation.

3.1 Subd. 4. **Incentive eligibility.** (a) Any covered employer that fails to comply with the
3.2 requirements of this section is ineligible for state grants, loans, or tax incentives for five
3.3 years following the finding of a violation.

3.4 (b) The commissioner of labor and industry must make public a list of covered employers
3.5 the commissioner has found to have violated this section.

3.6 Subd. 5. **Enforcement.** (a) This section may be enforced by the commissioner of labor
3.7 and industry or the attorney general under section 8.31.

3.8 (b) In addition to other remedies available by law or equity, a covered employer that
3.9 violates subdivision 2:

3.10 (1) is liable to each affected employee for up to 90 days of back pay and benefits; and

3.11 (2) may be assessed a civil penalty of up to \$10,000 for each willful violation to be
3.12 deposited in the workforce development fund.

3.13 (c) In determining the penalty amount for a violation, the commissioner must consider
3.14 the size of the employer and the severity of the violation.

3.15 Subd. 6. **Report.** By February 15, 2028, and each February 15 thereafter, the
3.16 commissioner must report to the chairs and ranking minority members of the legislative
3.17 committees having jurisdiction over labor on the number of covered employers that met the
3.18 technological displacement notice threshold under subdivision 2. The report must also
3.19 include summary data information including the number of workers and worker
3.20 classifications affected.

3.21 **EFFECTIVE DATE.** This section is effective January 1, 2027.