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State of Minnesota  
HOUSE OF REPRESENTATIVES  
NINETIETH SESSION

H. F. No. 4285

03/29/2018 Authored by McDonald, Swedzinski, Davids and Nash  
The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

1.1 A bill for an act  
1.2 relating to employment; requiring prompt payment of wages to independent  
1.3 contractors; providing civil penalties; proposing coding for new law in Minnesota  
1.4 Statutes, chapter 181.

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

1.6 Section 1. **[181.146] UNLAWFUL PAYMENT TO INDEPENDENT CONTRACTOR.**

1.7 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms  
1.8 have the meanings given unless expressly stated.

1.9 (b) "Independent contractor" means a person who performs services for another person  
1.10 or business under an express or implied agreement and who is not subject to the other  
1.11 person's or business's control of, or right to control, the manner and means of performing  
1.12 the services.

1.13 (c) "Hiring party" means a person or business who retains an independent contractor to  
1.14 provide a service.

1.15 Subd. 2. Unlawful payment practices. Except as otherwise provided by law, the  
1.16 contracted compensation amount must be paid to the independent contractor either:

1.17 (1) on or before the date the compensation is due under the terms of the contract; or

1.18 (2) if the contract does not specify when the hiring party must pay the contracted  
1.19 compensation or the mechanism by which the date will be determined, no later than 30 days  
1.20 after the completion of the independent contractor's services under the contract.

1.21 Subd. 3. Penalty for untimely payment. If the hiring party fails to pay the independent  
1.22 contractor the contracted compensation amount by the date required under subdivision 2,

2.1 the hiring party is liable to the independent contractor, in addition to the contracted amount,  
2.2 for a penalty for each day, not exceeding 15 days, which the employer is late in making full  
2.3 payment or satisfactory settlement to the independent contractor of the contracted amount.  
2.4 The daily penalty shall be in the amount equal to 1/15 of the independent contractor's  
2.5 contracted amount which remains unpaid at the time that the penalty is assessed.

2.6 Subd. 4. **Civil action; damages; attorney fees.** An independent contractor may bring  
2.7 a civil action seeking redress for violations of this section directly to district court. A hiring  
2.8 party who is found to have violated this section is liable to the aggrieved party for the civil  
2.9 penalties or damages, including compensatory damages and other appropriate relief including  
2.10 but not limited to injunctive relief. An action brought under this subdivision may be filed  
2.11 in the district court of the county where the violation is alleged to have been committed,  
2.12 where the respondent resides or has a principal place of business, or any other court of  
2.13 competent jurisdiction. The court shall order a hiring party who is found to have committed  
2.14 a violation to pay to the aggrieved party reasonable costs, disbursements, witness fees, and  
2.15 attorney fees.