

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 1816

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DATE
02/27/2019
03/14/2019

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OFFICIAL STATUS

Introduction and first reading

Referred to Jobs and Economic Growth Finance and Policy

Comm report: To pass as amended and re-refer to Judiciary and Public Safety Finance and Policy

1.1 A bill for an act

1.2 relating to employment; requiring written demand for payment to employer;

1.3 prohibiting wage theft; appropriating money; amending Minnesota Statutes 2018,

1.4 sections 177.27, subdivision 1; 181.03, subdivision 1, by adding subdivisions.

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

1.6 Section 1. Minnesota Statutes 2018, section 177.27, subdivision 1, is amended to read:

1.7 Subdivision 1. **Examination of records.** The commissioner may enter during reasonable

1.8 office hours or upon request and inspect the place of business or employment of any employer

1.9 of employees working in the state, to examine and inspect books, registers, payrolls, and

1.10 other records of any employer that in any way relate to wages, hours, and other conditions

1.11 of employment of any employees. The commissioner may transcribe any or all of the books,

1.12 registers, payrolls, and other records as the commissioner deems necessary or appropriate

1.13 and may question the employees to ascertain compliance with sections 177.21 to 177.435.

1.14 The commissioner may investigate wage claims or complaints by an employee against an

1.15 employer if: (1) the failure to pay a wage may violate Minnesota law or an order or rule of

1.16 the department; and (2) the employee making the wage claim or complaint has provided a

1.17 written demand for payment to the employer at least ten days prior to the commissioner

1.18 initiating an investigation.

1.19 Sec. 2. Minnesota Statutes 2018, section 181.03, subdivision 1, is amended to read:

1.20 Subdivision 1. **Prohibited practices.** ~~An employer may not, directly or indirectly and~~

1.21 ~~with intent to defraud:~~

1.22 (a) No employer shall commit wage theft.

(b) For purposes of this section, wage theft is committed if an employer, with intent to defraud:

(1) fails to pay an employee all wages to which that employee is entitled;

~~(1) cause~~ (2) directly or indirectly causes any employee to give a receipt for wages for a greater amount than that actually paid to the employee for services rendered;

~~(2) (3) directly or indirectly demand~~ demands or ~~receive~~ receives from any employee any rebate or refund from the wages owed the employee under contract of employment with the employer; or

~~(3) in any manner make~~ (4) makes or ~~attempt~~ attempts to make it appear in any manner that the wages paid to any employee were greater than the amount actually paid to the employee; or

(5) retaliates against an employee for asserting rights or remedies under this section, including but not limited to filing a complaint with the Department of Labor and Industry, telling the employer of intention to file a complaint, or making a written demand for payment to the employer as provided under section 177.27, subdivision 1.

Sec. 3. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to read:

Subd. 4. **Enforcement.** The commissioner may enforce this section. The use of an enforcement provision in this section shall not preclude the use of any other enforcement provision provided by law.

Sec. 4. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to read:

Subd. 5. **Effect on other laws.** Nothing in this section shall be construed to limit the application of other state or federal laws.

Sec. 5. **APPROPRIATION.**

\$..... in fiscal year 2020 and \$..... in fiscal year 2021 are appropriated from the general fund to the commissioner of labor and industry to address wage theft. The commissioner must use at least ... percent of the amounts appropriated for grants to community-based groups for the purpose of outreach, education, and technical assistance for employees and employers.