

(b) This subdivision applies only to loan transactions covered by the federal Truth-in-Lending Act, United States Code, title 15, sections 1601 to 1666j, and any regulations adopted under those sections.

(c) This subdivision does not apply to sales of title insurance, homeowner's insurance, a package homeowner's-automobile insurance product, automobile insurance, or a similar insurance product, required to perfect title to, or protect, property for which a security interest will be taken if the product is required as a condition of the loan.

(d) Nothing in this subdivision prohibits the solicitation or sale of any insurance product by means of mass communication.

#### Sec. 27. EFFECTIVE DATE.

Sections 1 to 26 are effective the day following final enactment.

Presented to the governor May 20, 1993

Signed by the governor May 24, 1993, 5:50 p.m.

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### CHAPTER 344—H.F.No. 1387

*An act relating to employment; requiring Occupational Safety and Health Act compliance by certain independent contractors; requiring certain studies and reports on independent contractors; proposing coding for new law in Minnesota Statutes, chapter 182.*

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

#### Section 1. [182.6521] INDEPENDENT CONTRACTORS.

An independent contractor doing building construction or improvements in the public or private sector must comply with the occupational safety and health standards that apply under this chapter to an employer and its employees. This section applies to an independent contractor however organized including, without limitation, those organized as a partnership, sole proprietorship, or corporation.

#### Sec. 2. STUDY; INDEPENDENT CONTRACTORS.

Subdivision 1. UNEMPLOYMENT COMPENSATION. The department of jobs and training shall study the issue of independent contractors and their compliance with unemployment compensation contribution requirements. The department shall report the results of the study along with recommendations for legislation to the policy committees of the legislature having jurisdiction over unemployment compensation matters by February 1, 1994.

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 2. INCOME TAX WITHHOLDING. The department of revenue shall study the issue of independent contractors and their compliance with income tax withholding laws. The department shall report the results of the study along with recommendations for legislation to the policy committees of the legislature having jurisdiction over taxation matters.

Subd. 3. WORKERS' COMPENSATION. The department of labor and industry shall study the issue of independent contractors and their compliance with workers' compensation laws. The study shall include an estimate of the current cost and a projection of future costs to the special compensation fund of claims made by injured construction trades workers incorrectly classified as independent contractors by their employers. The cost figures shall include the reimbursement by the special compensation fund of medical assistance and general assistance benefits paid for construction trade workers misclassified as independent contractors.

The study shall evaluate the legal use of exclusions from workers' compensation under section 176.041, subdivision 1 by persons engaged in construction activities. The evaluation shall specifically address the impact of the use of the exclusions by persons engaged in construction activities on the workers' compensation system. The department shall consult with representatives of construction employers and construction trade employees in evaluating the impact of the exclusions on employers engaged in the same activity. The study shall include an estimate of the current cost and a projection of future costs to medical assistance and general assistance of work related injuries to persons in construction trades that are excluded from workers' compensation under section 176.041, subdivision 1.

The department of human services shall cooperate with the department of labor and industry in providing information and staff assistance necessary to complete the study. By February 1, 1994, the department of labor and industry shall report the results of the study with recommendations for legislation to the policy committees of the legislature having jurisdiction over workers' compensation, medical assistance and general assistance matters.

### **Sec. 3. EFFECTIVE DATE.**

This act is effective June 1, 1993.

Presented to the governor May 20, 1993

Signed by the governor May 24, 1993, 5:52 p.m.

New language is indicated by underline, deletions by ~~strikeout~~.