

CHAPTER 83—H.F.No. 966

An act relating to employment; modifying provisions governing payment of wages; including the state in the definition of employer for certain purposes; amending Minnesota Statutes 1996, sections 181.02; 181.03; 181.063; 181.10; 181.13; 181.14; and 181.171, by adding a subdivision.

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

Section 1. Minnesota Statutes 1996, section 181.02, is amended to read:

181.02 SALARY OR WAGES NOT TO BE PAID BY NONNEGOTIABLE INSTRUMENTS.

It shall be unlawful for any ~~person, firm, or corporation~~ an employer, other than a public service ~~corporations~~ corporation, to issue to any employee in lieu of or in payment of any salary or wages earned by such the employee a nonnegotiable time check or order.

Sec. 2. Minnesota Statutes 1996, section 181.03, is amended to read:

181.03 CERTAIN ACTS RELATING TO PAYMENT OF WAGES UNLAWFUL.

A ~~person, firm, corporation, or association~~ An employer may not, directly or indirectly and with intent to defraud,:

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

(2) directly or indirectly demand or receive from any employee any rebate or refund from the wages to which owed the employee is entitled under contract of employment with such the employer; or

(3) in any manner make or attempt to make it appear that the wages paid to any employee were greater than the amount actually paid to the employee.

Sec. 3. Minnesota Statutes 1996, section 181.063, is amended to read:

181.063 ASSIGNMENT OF WAGES, PUBLIC EMPLOYEES.

Any officer or employee of a county, town, city, or school district, or the state, or any department thereof, has the same right to sell, assign, or transfer salary or wages as is ~~now~~ possessed by any officer or person employed by any corporation, firm, or person.

Sec. 4. Minnesota Statutes 1996, section 181.10, is amended to read:

181.10 WAGES PAID EVERY 15 DAYS.

Every ~~person, firm, corporation, or association~~ employer employing any person to labor or perform service on any project of a transitory nature, such as the construction, paving, repair, or maintenance of roads or highways, sewers or ditches, clearing land, or the production of forest products or any other work which that requires the employee to change the employee's place of abode, shall pay the wages or earnings of such the person at intervals of not more than 15 days, and ~~payments thereof shall be made at the place of employment or in close proximity thereto~~ to the place of employment.

Sec. 5. Minnesota Statutes 1996, section 181.13, is amended to read:

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

181.13 PENALTY FOR FAILURE TO PAY WAGES PROMPTLY.

(a) ~~When any person, firm, company, association, or corporation~~ employer employing labor within this state discharges a ~~servant or an~~ employee, the wages or commissions actually earned and unpaid at the time of the discharge ~~shall become~~ are immediately due and payable upon demand of the employee. If the employee's earned wages and commissions are not paid within 24 hours after such demand, whether the employment was by the day, hour, week, month, or piece or by commissions, the employer is in default. The discharged employee may charge and collect the amount of the employee's average daily earnings at the rate agreed upon in the contract of employment, for ~~such period, not exceeding each day up to 15 days, after the expiration of the 24 hours,~~ as that the employer is in default, until full payment or other settlement, satisfactory to the discharged employee, is made. In the case of a public employer where approval of expenditures by a governing board is required, the 24-hour period for payment ~~shall~~ does not commence until the date of the first regular or special meeting of the governing board following discharge of the employee.

(b) The wages and commissions must be paid at the usual place of payment unless the employee requests that the wages and commissions be sent through the mails. If, in accordance with a request by the employee, the employee's wages and commissions are sent to the employee through the mail, the wages and commissions ~~shall be deemed to have been~~ are paid as of the date of their postmark ~~for the purposes of this section.~~

Sec. 6. Minnesota Statutes 1996, section 181.14, is amended to read:

181.14 NOTICE TO BE GIVEN PAYMENT TO EMPLOYEES WHO QUIT OR RESIGN; SETTLEMENT OF DISPUTES.

Subdivision 1. PROMPT PAYMENT REQUIRED. When any such employee, ~~not having a contract for a definite period of service, quits or resigns employment,~~ the wages or commissions earned and unpaid at the time the employee quits or resigns shall become due and payable within five days thereafter. ~~Any employer failing or refusing to pay such be paid in full not later than the first regularly scheduled payday following the employee's final day of employment, unless an employee is subject to a collective bargaining agreement with a different provision. If the first regularly scheduled payday is less than five calendar days following the employee's final day of employment, full payment may be delayed until the second regularly scheduled payday but shall not exceed a total of 20 calendar days following the employee's final day of employment.~~

Subd. 2. NONPROMPT PAYMENT. Wages or commissions, ~~after they become due, not paid within the required time period shall become immediately payable upon the demand of the employee.~~ If the employee's earned wages or commissions are not paid within 24 hours after the demand, the employer shall be liable to the employee from the date of the demand for an additional sum equal to the amount of the employee's average daily earnings provided in the contract of employment, for every day, not exceeding 15 days in all, until such payment or other settlement satisfactory to the employee is made. If any employee having such a contract gives not less than five days' written notice to the employer of intention to quit, the wages or commissions of the employee giving notice may be demanded and shall become due 24 hours after the employee quits or resigns, and the penalty herein provided shall apply from the date of demand.

Subd. 3. SETTLEMENT OF DISPUTES. If the employer disputes the amount of wages or commissions claimed by the employee under the provisions of this section or

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section 181.13, and the employer makes a legal tender of the amount which the employer in good faith claims to be due, the employer shall not be liable for any sum greater than the amount so tendered and interest thereon at the legal rate, unless, in an action brought in a court having jurisdiction, the employee recovers a greater sum than the amount so tendered with interest thereon; and if, in the suit, the employee fails to recover a greater sum than that so tendered, with interest, the employee shall pay the cost of the suit, otherwise the cost shall be paid by the employer.

Subd. 4. EMPLOYEES ENTRUSTED WITH MONEY OR PROPERTY. In cases where the discharged or quitting employee was, during employment, entrusted with the collection, disbursement, or handling of money or property, the employer shall have ten secular calendar days after the termination of the employment to audit and adjust the accounts of the employee before the employee's wages or commissions shall become due and payable be paid as provided in this section, and the penalty herein provided shall apply in such case only from the date of demand made after the expiration of the period allowed for audit and adjustment payment of the employee's wages or commissions. If, upon such audit and adjustment of the accounts of the employee, it is found that any money or property entrusted to the employee by the employer has not been properly accounted for or paid over to the employer, as provided by the terms of the contract of employment, the employee shall not be entitled to the benefit of sections 181.13 to 181.17, but the claim for unpaid wages or commissions of such employee, if any, shall be disposed of as provided by existing law.

Subd. 5. PLACE OF PAYMENT. Wages and commissions paid under this section shall be paid at the usual place of payment unless the employee requests that the wages and commissions be sent to the employee through the mails. If, in accordance with a request by the employee, the employee's wages and commissions are sent to the employee through the mail, the wages and commissions shall be deemed to have been paid as of the date of their postmark for the purposes of this section.

Sec. 7. Minnesota Statutes 1996, section 181.171, is amended by adding a subdivision to read:

Subd. 4. EMPLOYER; DEFINITION. "Employer" means any person having one or more employees in Minnesota and includes the state and any political subdivision of the state. This definition applies to this section and sections 181.02, 181.03, 181.031, 181.032, 181.06, 181.063, 181.10, 181.101, 181.13, 181.14, and 181.16.

Presented to the governor May 1, 1997

Signed by the governor May 2, 1997, 3:16 p.m.

CHAPTER 84—H.F.No. 807

An act relating to taxation; making policy changes to income and withholding taxes, property taxes, mortgage registry and deed taxes, sales and use taxes, MinnesotaCare taxes, and tax collections; providing civil penalties; amending Minnesota Statutes 1996, sections 8.30; 60A.15, subdivision 1; 270.02, subdivision 3; 270.063; 270.10, subdivisions 1 and 5; 270.101, subdivisions 2, 3, and

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