

2024 legislative session summary

All legislation is effective July 1, 2024, unless otherwise noted.

Regular session laws

Labor portion of Taxes and State Government Omnibus [HF5247/Ch.127](#) (Gomez/Rest)

Labor Standards and Construction Codes and Licensing Division

Employer misclassification fraud

Labor Standards will receive an additional \$56,000 in fiscal-year (FY) 2025 and an additional \$70,000 each year thereafter for education and training related to employee misclassification. Policy changes include:

- Technical updates to the Department of Labor and Industry (DLI) commissioner's authority in chapter 177.
- New compliance order authority for 181.723, the construction misclassification statute.
- A private right of action for both 181.722, the general misclassification statute, and 181.723.
- Updates to prohibited activities, damages and penalties under 181.722 and 181.723.
- Provision of individual liability for knowingly or repeatedly violating 181.722 or 181.723.
- Updates to the independent contractor test in 181.723, effective March 1, 2025.
- Creation of an Intergovernmental Misclassification Enforcement and Education Partnership, effective May 25, 2024.
- Updates to stop work orders, effective March 1, 2025.
- Clarifies DLI commissioner's access to information and property under 326B.082
- Updates to the construction contractor registration system.

(Article 10)

Labor Standards

Operating increase for Labor Standards

Labor Standards will receive additional one-time funding of \$436,000 in FY 2025 and an additional one-time funding of \$3,000 in FY 2026 from the General Fund. Funds will be available through FY 2027.

Earned sick and safe time (ESST) modifications

Labor Standards will see a cancellation of \$310,000 in rulemaking funding from the General Fund in FY 2024 and a reappropriation of that same funding for FY 2024 with extended availability through FY 2027. ESST rulemaking authority was removed in the 2023 omnibus due to a procedural issue, but the funding remained. This reappropriation of the funding accompanies policy language providing the department with rulemaking authority. Additional policy modifications include:

- Adding bereavement leave as an eligible use of ESST.
- Clarifying the definition of employee.
- Clarifying the rate ESST must be paid at is the “base rate.”
- Clarifying when an employer may require documentation for ESST use.
- Clarifying the increments of time in which ESST can be used.
- Clarifying ESST that has been paid or otherwise disbursed to an employee upon separation does not need to be reinstated upon rehire.
- Clarifying ESST protections apply to all ESST, not just the minimum amount of ESST offered under the law, effective Jan. 1, 2025.
- Allowing family workers in home care budget programs to waive ESST.
- Adding remedies to the ESST statute.
- Amending documentation requirements for ESST leave related to domestic abuse, sexual assault or stalking.
- Instituting new ESST employee notification requirements and removing existing earnings statement requirements.
- Removing the exemption for air carrier employees.
- Instituting an exemption from ESST requirements for certain agricultural employees, paid-on-call firefighters and emergency medical services personnel and elected officials.
- Instituting an exception for the use of ESST for inclement weather for certain emergency services personnel.

(Article 11)

Private sector personnel records

Labor Standards will receive additional funding of \$141,000 in FY 2025 and each year thereafter from the General Fund to inform and educate employers relating to an employee’s right to access their personnel record (Minnesota Statutes section 181.960). The private sector personnel records law is also modified to apply to employers of any size, rather than to employers with 20 or more employees (Article 9, Section 4).

Transportation network companies

Labor Standards will receive additional funding of \$173,000 in FY 2025 and \$123,000 each year thereafter for enforcement, education and outreach related to Sections 181C.02 and 181C.03 of the transportation network company (TNC) law. The law establishes minimum compensation rates and notice and pay transparency requirements that DLI will enforce, effective Dec. 1, 2024. It also allows DLI to share compliance order data with local governments for purposes of revoking a TNC license (Article 17).

Prevailing wage required on Low-Income Housing Tax Credit (LIHTC) projects

Labor Standards will receive additional funding of \$61,000 in FY 2025 and \$61,000 each year thereafter from the Workforce Development Fund for prevailing-wage enforcement. The definition of financial assistance in 116J.871 is amended to include low-income housing tax credits for multifamily housing projects consisting of more than 10 units. This applies to developments selected for tax credit allocations on or after Jan. 1, 2025 (Article 9, Section 1).

Wage theft prevention plans and use of responsible contractors

New requirements for funding provided by Minnesota Housing include the use of responsible contractors and, in cases where wage theft occurs under a project sponsor's watch, requirements that the project sponsor submit a wage theft prevention plan in any subsequent application for the funding. DLI is tasked with reviewing wage theft prevention plans. Effective Aug. 1, 2024 (Article 9, Section 5).

Prevailing-wage requirements on broadband projects

Under this provision, the Department of Employment and Economic Development is directed to "endeavor to award" 50% of broadband grant funding to applicants that meet workforce best practices requirements. One way for applicants to meet workforce best practices requirements is to agree to pay prevailing wage. This provision is effective Jan. 1, 2026 (Article 13, Section 1).

Minnesota Energy Infrastructure and Permitting Act – Prevailing wage

The Public Utilities Commission must require as a condition of permit issuance that the recipient of a site or route permit to construct an energy infrastructure facility must pay no less than the prevailing-wage rate. This provision is effective July 1, 2025 (Article 43, Section 5, subd. 11).

Office of Combative Sports

Combative sports policy and technical

The Office of Combative Sports changes include:

- Adding rulesets for Muay Thai and allowing alternative rulesets for kickboxing.
- Clarifying that, while youth events aren't regulated by the Office of Combative Sports, they must be regulated by a third party.
- Adding basic experience requirements for individuals looking to be licensed as a combatant.
- Amending the event fee calculation to accommodate promoters who pay a flat venue fee but do not sell any tickets.
- Language that more clearly designates health records as private data on individuals.

(Article 5 of HF5247)

Construction Codes and Licensing Division (CCLD)

Residential energy code adoption

Includes \$707,000 in funding in FY 2026 from the Construction Code Fund for changes to the residential energy code. Provisions require the commissioner to adopt each new published edition of the International Energy Conservation Code or a more efficient standard and establishes a target that the 2038 code must achieve a 70% reduction in annual net energy consumption compared to a 2006 baseline. It also requires a report by Jan. 15 of the year following each new code adoption (Article 6, Section 1).

Contractor Recovery Fund cap increase

This change increases the maximum amount a homeowner can receive from the Contractor Recovery Fund (CRF) from \$75,000 to \$100,000. The CRF compensates owners or lessees of residential property in Minnesota who have suffered an actual and direct out-of-pocket loss due to a licensed contractor's fraudulent, deceptive or dishonest practices, conversion of funds, or failure of performance (Article 6, Section 2).

Underground telecommunications infrastructure certification standards

This provision directs the DLI commissioner to consult with the Department of Employment and Economic Development's Office of Broadband Development to approve standards for a safety-qualified underground telecommunications installer certification program. It also directs the commissioner to develop an approval process for training providers and gives the power to suspend or revoke the approval of any training provider under certain conditions. This is effective May 25, 2024, with requirements to use safety-qualified underground telecommunications installers phasing in beginning July 1, 2025 (Article 13).

Single-egress study

CCLD will receive \$225,000 in one-time funding from the General Fund to perform a study of the conditions under which apartment buildings with a single means of egress would achieve life safety outcomes equal to or superior to currently adopted codes. It directs the DLI commissioner to make a report by Dec. 31, 2025 (Article 15, Section 46).

Minnesota OSHA

Blood lead levels rulemaking

Minnesota OSHA Compliance will receive an additional \$279,000 in FY 2025 and \$143,000 in FY 2026 from the Workers' Compensation Fund. This funding will support rulemaking in consultation with the department of health to lower the acceptable blood lead levels above which require mandatory removal of workers from lead exposure and lowering blood lead levels required before a worker is allowed to return to work (Article 9, Section 6).

Labor Policy Omnibus [SF3852/Ch.110](#) (McEwen/Nelson M)

Nursing Home Workforce Standards Board (NHWSB) updates

This provision updates the voting requirements of the NHWSB such that at least two of the five affirmative votes must be cast by the DLI commissioner members or the commissioner's appointees. It also extends the deadline for the NHWSB to adopt rules establishing initial standards for wages for nursing home workers to Nov. 1, 2024. Effective Aug. 1, 2024 (Article 2, Sections 7-8).

Labor Standards

Identities of complainants protected

Minn. Stat., section 13.79, classifies the identities of employees making complaints as private data when the alleged violation is of the Minnesota Fair Labor Standards Act, Minn. Stat., sections 181.75 or 181.9641. This change updates language such that the complainant, who is not necessarily always an employee, would have their identity protected as private data. It also broadens the statutes listed in Minn. Stat., section 13.79, to include these protections for alleged violations of a wider set of laws. Finally, it removes the requirement that data must appear on complaint forms to be considered private data. Effective Aug. 1, 2024 (Article 2, Section 1).

Efficient records production

This provision amends Minn. Stat., section 177.27, subd. 2, to allow DLI to demand records be produced in the time and manner prescribed by the DLI commissioner. Effective Aug. 1, 2024 (Article 2, Section 2).

Recordkeeping requirements

This provision updates the recordkeeping requirements in Minn. Stat., section 177.30, to require employers to keep records of earnings statements for three years. Employers must currently provide earnings statements to employees pursuant to Minn. Stat., section 181.032. Effective Aug. 1, 2024 (Article 2, Section 5).

Child labor

This provision makes several changes and clarifications to child labor laws, Minn. Stat., section 181A:

- clarifying existing penalty structure;
- adding retaliation protections;
- adding liquidated damages for minors working in hazardous occupations; and
- updating compliance order authority and employer liability to align with authority and liability provisions under Minn. Stat. chapter 177.
 - Aligns the amount of time an employer has to object to a compliance order with Minn. Stat., section 177.27 (15 days).
 - Adds that the compliance order becomes final after 15 days if no objection is filed.

Retaliation protections are necessary to ensure employees can file complaints and participate in investigations without fear of retribution from their employer. Adding a liquidated damages provision provides impacted minors with a monetary remedy when employers require them to perform hazardous work in violation of the law and to the detriment of their safety. Effective Aug. 1, 2024 (Article 2, Sections 12-15).

Remedies clarified in compliance order authority

This provision clarifies the remedies the commissioner may order under Labor Standards' compliance order authority. Specifically, this clarifies that when the commissioner issues a compliance order for violations of laws under the division's authority, including those found in the earned sick and safe time law, the Women's Economic Security Act and the Wage Theft Prevention Act, among other laws, the DLI commissioner may order reinstatement and any other appropriate relief. Effective Aug. 1, 2024 (Article 2, Section 4).

Continuation of benefits, parental leave

This provision aligns continuation of benefits language in the pregnancy accommodations and pregnancy and parenting leave sections of the Women’s Economic Security Act with the Paid Leave law. The new language requires an employer to continue group insurance and health care benefits for the employee and any dependents while on a pregnancy or parental leave, provided the employee continues to pay for the employee share of benefits. It also prohibits reducing the length of pregnancy and parental leave provided under Minn. Stat., section 181.941, by any period of paid or unpaid leave taken for prenatal care medical appointments. Effective Aug. 1, 2024 (Article 2, Sections 9-11).

Prevailing-wage project clarification

This provision updates the definition of a prevailing-wage “project” in Minn. Stat., section 177.42, subd. 2, to clarify the scope of work included under the definition. This change clarifies prevailing wage applies to alteration, improvement or restoration of a public building, structure, facility or land intended for use by the public or for the public benefit. The change is meant to help clarify the scope of work that triggers prevailing wage under the current definition, so employers are better informed prevailing wage attaches to their project. Effective Aug. 1, 2024 (Article 2, Section 6).

Compliance order authority

This provision gives the commissioner the authority to issue a compliance order for Minn. Stat., section 181.10, providing that wages must be paid every 15 days and Minn. Stat., section 181.64, prohibiting false statements as inducement to entering employment. Effective Aug. 1, 2024 (Article 2, Section 3).

Minimum wage standardized

This provision updates the minimum wage statute in Minn. Stat., section 177.24, to eliminate the small-employer minimum wage, the youth large-employer minimum wage and the J-1 visa wage for hotels, motels and lodging establishments. In addition, the cap on the annual adjustment of the minimum wage for inflation is increased from 2.5% to 5%. Finally, this provision removes the commissioner’s authority to issue an order that a minimum wage increase not take effect. These minimum wage changes are effective Jan. 1, 2025, except the increase to the cap on the annual adjustment is effective Aug. 1, 2024 (Article 6).

Credit card gratuities

This provision requires that, where a gratuity is received by an employee through a debit, charge, credit card or electronic payment, the full amount of the gratuity must be distributed to the employee the next pay period. It also repeals Minnesota Rules part 5200.0080, subp. 7 related to gratuities included on a charge or credit card. Effective Aug. 1, 2024 (Article 7, Section 1 and 10).

Employer-sponsored meetings poster

This provision requires that the DLI commissioner develop an educational poster providing notice of employees’ rights under Minn. Stat. 181.531. Employers are required to post this poster in a place where employee notices are customarily placed in the workplace. Effective Oct. 1, 2024 (Article 7, Section 3).

CCLD

Electrical cleanup

This provision includes technical changes to the CCLD's electrical statute by removing outdated references to specific chapters of the National Electrical Code and deleting reference to the alarm and communications license as this license type no longer exists. Effective Aug. 1, 2024 (Article 1, Sections 2, 4-5, 7-8).

Electrical license owner exemption

This provision clarifies that the electrical license owner exemption in Minn. Stat., section 326B.33, subdivision 21, paragraph (f), only allows an individual who owns and occupies or will own and occupy a residence upon completion to perform electrical work on that residence without a license if the residential dwelling has a separate electrical utility service not shared with any other dwelling. Effective Aug. 1, 2024 (Article 1, Section 6).

Internet continuing education for elevator constructors

This provision exempts internet continuing education for elevator constructors from the requirement that internet continuing education courses be approved by the International Distance Education Certification Center or the International Association for Continuing Education and Training before the course is submitted for the DLI commissioner's approval. This change allows the commissioner to approve internet continuing education courses from other organizations so more continuing education can be made available to elevator constructors in Minnesota. Effective Aug. 1, 2024 (Article 1, Section 3).

Well contractors able to submit plumbing plans

This provision allows well contractors to submit plumbing plans to be reviewed by DLI, effective May 18, 2024 (Article 1, Sections 1 and 9).

Minnesota OSHA

Occupational Safety and Health Review Board (OSHRB) housekeeping

The OSHRB reviews and decides appeals involving OSHA citations. As a lay board that makes quasi-judicial determinations, OSHRB benefits from closing its public meetings to allow the members to deliberate. This provision amends Minn. Stat., section 182.664, so that it is clear public meetings and hearings can be closed for deliberation of the board members, in accordance with the OSHRB's long-standing practice. In addition, this makes clear that all appeals from OSHRB to the Minnesota Court of Appeals are covered by the Minnesota Administrative Procedure Act (chapter 14), including appeals of OSHRB decisions on petitions to vacate final orders of the commissioner. Effective Aug. 1, 2024. (Article 3, Sections 2-4).

Warehouse worker safety cleanup

This provision updates Minn. Stat., section 182.6526 (the Warehouse Distribution Worker Safety Act), to clarify the general definitions of "employee" and "employer" found in Minn. Stat., section 182.651, apply to the act, in addition to the specific definitions of these terms that are unique to the act. Effective Aug. 1, 2024 (Article 3, Section 1).

Ergonomics technical changes

This provision includes minor changes to the definitions of “warehouse distribution center” and “meatpacking site” in the ergonomics law, Minn. Stat., section 182.677, and clarifying an ergonomics program is required when an employer has employees at a site meeting these definitions. Effective Aug. 1, 2024 (Article 3, Sections 7-8).

Clarify process for assessing OSHA fines

This provision clarifies the process Minnesota OSHA must follow when assessing fines. Minn. Stat., section 182.666, already lists four factors to be considered: 1) appropriateness of the fine with respect to the size of the business of the employer; 2) the gravity of the violation; 3) the good faith of the employer; and 4) the history of previous violations. This proposal does not change any of those factors. Effective Aug. 1, 2024 (Article 3, Section 5).

Sharing of civil investigative data

This provision clarifies the commissioner’s authority to share active and inactive civil investigative data pursuant to section 13.39 with a city or county attorney for purposes of Minnesota OSHA enforcement. Effective Aug. 1, 2024 (Article 3, Section 6).

Surgical smoke evacuation system policies required

Beginning Jan. 1, 2025, health care employers must adopt and implement policies to prevent exposure to surgical smoke by requiring the use of a smoke evacuation system during a surgical procedure likely to generate surgical smoke (Article 7, Section 9).

Apprenticeship Minnesota

Article 4 of Senate File 3852 updates the apprenticeship statute, Minn. Stat. chapter 178, to streamline the law and expand registered apprenticeship in the state. Changes include the following.

- For industries outside of the building and construction trades or any hazardous occupation, change the ratio requirement of apprentices to journeyworkers to 1:1.
- Match the probationary period to federal language, which states the probationary period is not to exceed one year or 25% of the program, whichever is shorter.
- Increase the time allowed for new programs to register an apprentice from 30 to 45 days.
- Align language on protected classes throughout the law.
- Adopt language creating closer alignment to federal requirements for program deregistration.
- Clarifications to how apprentice data is classified.

Effective Aug. 1, 2024.

Miscellaneous labor policy

Restrictive employment covenants void in service contracts

This provision creates Minn. Stat. 181.9881, which provides that no service provider may prohibit a customer from soliciting or hiring an employee of a service provider. This does not apply to workers providing professional business consulting for computer software development in certain situations (Article 2, Section 53).

Oral fluid testing

This provision updates the Drug and Alcohol Testing in the Workplace Act to allow for oral fluid testing in pre-employment and employee drug testing. It includes alternative testing and retesting at no cost to the employee or applicant. Effective Aug. 1, 2024 (Article 7, Sections 4-7 and 52).

Salary ranges required in job postings

As of Jan. 1, 2025, employers that employ 30 or more employees at one or more sites in Minnesota will be required to disclose the starting salary range and other benefits and compensation information in job postings. The salary range may not be open ended (Article 7, Section 42).

Commerce Policy Omnibus [SF4097/Ch.114](#) (Klein/Stephenson)

CCLD

Residential contractor prohibited insurance practices

This provision expands the prohibited activities under Minn. Stat. 326E.66. It provides more detail on the existing prohibition on offering compensation to an insured for providing services, requires agreements authorizing repairs to include itemized costs of services and materials, and prohibits contractors from interpreting insurance policy provisions on behalf of the insured unless they are licensed to do so. DLI continues to have enforcement authority. Effective Aug. 1, 2024 (Article 1, Section 14).

Workers' Compensation

Cap on seizure exemption

This change provides that any claim for compensation owned by an injured employee or dependents is exempt from seizure or sale for the payment of any debt or liability, up to a total amount of \$1 million per claim and subsequent award. Effective Oct. 1, 2024 (Article 3, Section 30).

Workers' Compensation Advisory Council (WCAC) Bill [HF4661/Ch.97](#) (Wolgamott/McEwen)

HF4661 contains 50 sections with amendments to chapter 176, many of which are technical or cleanup provisions. It includes:

- Statutory clarifications and updated references as recommended by the Office of Administrative Hearings;
- technical changes to certain provisions in chapter 176;
- clarifying rulemaking authority for Office of Administrative Hearings and the Workers' Compensation Court of Appeals related to electronic filing, certification of electronic signatures, and interventions;
- describing when employees can be referred to DLI's vocational rehabilitation unit for certain disputes;
- clarifying attorney access to workers' compensation claim documents in DLI's technology system;

- revising the calculation of average weekly wage for short-term agricultural workers, effective for dates of injury on or after Oct. 1, 2024;
- adjusting the maximum dollar limit on workers' compensation attorney fees, effective for dates of injury on or after Oct. 1, 2024;
- amending the calculation of maximum weekly compensation for temporary total disability benefits, effective for dates of injury on or after Oct. 1, 2024;
- describing notice requirements for discontinuation of vocational rehabilitation services, effective Aug. 1, 2024;
- specifying a penalty for charging in excess of statutory allowances for electronic medical records, effective Aug. 1, 2024;
- raising the allowable costs for remodeling awards for permanently and totally disabled employees, effective for dates of injury on or after Oct. 1, 2024;
- updating the penalty amount for violations regarding required notice and payment timelines surrounding the benefit discontinuance process, effective Aug. 1, 2024; and
- changing the time allowed for filing an answer to a claim petition, effective Aug. 1, 2024.