

1.1 Senator ..... moves to amend S.F. No. 1832, in conference committee, as follows:

1.2 On R77, House language, (UES1832-2)

1.3 Page 96, after line 4, insert:

1.4 "Sec. 4. Minnesota Statutes 2024, section 181.725, is amended by adding a subdivision  
1.5 to read:

1.6 Subd. 4b. **Misclassification fraud impact report.** (a) The commissioners of revenue,  
1.7 employment and economic development, and labor and industry must coordinate to conduct  
1.8 an analysis of the costs of misclassification to illustrate how misclassification impacts  
1.9 misclassified workers, government programs, and tax collections.

1.10 (b) By January 15, 2027, and every six years thereafter, subject to available  
1.11 appropriations, the commissioner of labor and industry must report on the analysis performed  
1.12 under paragraph (a) to the chairs and ranking minority members of the legislative committees  
1.13 with jurisdiction over taxes, workforce, and labor. The commissioner of labor and industry  
1.14 may contract with external experts or an independent third party to conduct a study, develop  
1.15 a report, and perform other functions.

1.16 (c) At a minimum, the study and report must provide:

1.17 (1) an estimate of the number of workers experiencing misclassification in Minnesota;

1.18 (2) an estimate of the cost of misclassification to impacted workers;

1.19 (3) an estimate of the prevalence of misclassification by industry; and

1.20 (4) an estimate of the impact to:

1.21 (i) the unemployment insurance trust fund;

1.22 (ii) the family and medical benefit insurance account;

1.23 (iii) state income tax collection;

1.24 (iv) the workers' compensation fund; and

1.25 (v) the workforce development fund.

1.26 (d) Data and information relevant to the required report elements in paragraph (c) must  
1.27 be provided to the commissioner of labor and industry for purposes of the study and report,  
1.28 including but not limited to the following:

1.29 (1) from the Department of Employment and Economic Development, information and  
1.30 data relevant to:

- 2.1 (i) the unemployment insurance trust fund;
- 2.2 (ii) the family and medical benefit insurance account;
- 2.3 (iii) unemployment insurance program audits and findings; and
- 2.4 (iv) the workforce development fund;
- 2.5 (2) from the Department of Revenue, information and data relevant to:
- 2.6 (i) misclassification tax audits and findings;
- 2.7 (ii) income tax collection; and
- 2.8 (iii) 1099 filings; and
- 2.9 (3) from the Department of Labor and Industry, information and data relevant to:
- 2.10 (i) misclassification complaints, investigations, and findings; and
- 2.11 (ii) the workers' compensation fund.
- 2.12 (e) By January 15, 2031, and every six years thereafter, the commissioners of revenue,
- 2.13 employment and economic development, and labor and industry must submit a budget
- 2.14 request to the chairs and ranking minority members of the legislative committees with
- 2.15 jurisdiction over labor outlining the cost to complete a follow-up report under paragraph
- 2.16 (b)."
- 2.17 On R111, House language, (UES1832-2)
- 2.18 Page 105, delete section 15
- 2.19 Renumber the sections in sequence and correct the internal references
- 2.20 Amend the title accordingly