MN HOUSE RESEARCH

Subject	Employee misclassification
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Overview

This bill requires a biennial misclassification fraud impact report and appropriates money for this report.

Summary

Section	Description
1	**Misclassification fraud impact report.** Requires the commissioners of revenue, employment and economic development, and labor and industry to conduct a biennial analysis of the impact of employee misclassification on workers, government programs, and tax collections. Directs the commissioner of labor and industry to submit a report to the legislature on this analysis every two years beginning on January 15, 2027. Allows for contracts with a third party for this work. Stipulates details the report must include and what information must be shared between agencies.
2	**Appropriation; misclassification fraud impact report.** Makes a blank appropriation in fiscal year 2026 from the workforce development fund to the commissioner of labor and industry for this report, available until the end of fiscal year 2027, with base funding in an unspecified amount. Allows the commissioner to enter into interagency agreements to cover the costs other agencies incur for this report.