



# The Office of the Minnesota Attorney General

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## Attorney General's Advisory Task Force on Worker Misclassification

*Government Investigation & Enforcement Recommendations – Adopted Feb. 7, 2024*

- To ensure an effective and efficient whole of government approach to misclassification enforcement, the state should create an interagency misclassification enforcement and education partnership made up of Department of Labor and Industry, Department of Revenue, Department of Employment and Economic Development, Department of Commerce and the Attorney General's Office.
- With the goal of strengthening the communication and collaboration amongst the government partner entities, the partnership should:
  - set goals to maximize Minnesota's efforts to detect, investigate, and deter employee misclassification;
  - adopt a statement that the policy of the State of Minnesota is to prevent employers from misclassifying their workers;
  - share data and make referrals amongst the partner entities;
  - serve as the primary point of contact for workers, businesses and the public impacted by misclassification;
  - engage in public outreach and education; and
  - coordinate with other relevant government entities.
- Modify Minnesota's construction independent contractor statute (Minn. Stat. § 181.723) to promote enforcement efficiency, strengthen enforcement authority for Dept. of Labor and Industry, and enhance available remedies and penalties to disincentivize misclassification and systemic noncompliance.
- Update Minnesota's construction misclassification law to provide for individual and successor liability to address the issue of individuals or successor entities avoiding legal liability for violating the law.
- Modify the penalties and enforcement provisions in the misclassification statute (Minn. Stat. § 181.722) to promote enforcement efficiency, strengthen enforcement authority for Dept. of Labor and Industry and enhance available remedies and penalties to disincentivize misclassification and systemic noncompliance.

- Provide a private right of action by employees who have been misclassified.
- Explore strengthening incentives and protections for whistleblowers from misclassification.
- Modify the contractor registration system (326B.701) to:
  - simplify the registration application process by streamlining requirements and making them applicable to all persons required to register;
  - prohibit employers from requiring an individual, who is the person's employee, to register in the contractor registration system; and
  - change the connection between the contractor registration system and the Independent Contractor multi-factor analysis in Minn. Stat. § 181.723, to clarify the relationship and documentation required for an independent contractor relationship in the construction industry to exist.