

HOUSE RESEARCH

Bill Summary

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Overview

Modifies the criteria for independent contractor status in the trucking industry under the unemployment compensation program.

Section

- 1 Trucking industry independent contractors.** Changes the factors that have to be met for persons in the trucking industry in order to be an independent contractor for unemployment compensation purposes. The three factors that must be met include:
 - an individual must be substantially free from control or direction in the performance of their services;
 - the services provided must be outside the usual course of business of the enterprise for which the services are performed, or the service is performed outside of all the places of business of the enterprise for whom the service is provided; and
 - the individual is customarily engaged in an independently established trade, occupation, profession, or business where the individual is not often unemployed when the relationship with a particular enterprise ends.
- 2 Department audits.** Directs the commissioners of employment and economic development, labor and industry and revenue to:
 - increase information sharing among the agencies about independent contractor classifications;
 - conduct sufficient audits of trucking industry employers to find out if there are patterns of improper classifications of independent contractors;
 - audit enterprises found by courts or regulators in other areas to have improperly classified persons as independent contractors; and

- develop a system for requesting an employee status determination from the departments. The departments are directed to maintain confidentiality regarding the requests. Employers may not retaliate against a worker who requests employee status verification. Employee status verifications may be appealed by the individual requesting the information.