



January 19, 2018

SENATE BILL No. 166

DIGEST OF SB 166 (Updated January 17, 2018 12:19 pm - DI 102)

Citations Affected: IC 6-8.1; IC 22-1; IC 22-3; IC 22-4.

Synopsis: Reporting on worker misclassification. Requires the state department of revenue (DOR), the state department of labor (DOL), the worker's compensation board of Indiana (WCB), and the department of workforce development (DWD) to report before November 1 of each year for three years, beginning November 1, 2018, to the interim study committee on employment and labor for the immediately preceding state fiscal year certain information. Requires DOR, WCB, and DWD to report: (1) the number of employers that each department or the board determined during the immediately preceding state fiscal year improperly classified at least one worker as an independent contractor; (2) the total number of improperly classified workers employed by those employers; (3) the department's or board's estimate of the revenue not collected or the additional costs to the state that the department or board attributes to the improperly classified workers; and (4) the amount of the penalties and interest assessed against those employers by each department or the board, and the amount of the penalties and interest assessed that has been collected. Requires DOL to report: (1) the number of reports of suspected worker misclassification received through DOL's tip web page; and (2) the number of those reports referred to other state departments or agencies.

Effective: July 1, 2018.

**Niezgodski, Kruse, Walker, Melton,
Tallian**

January 3, 2018, read first time and referred to Committee on Pensions and Labor.
January 18, 2018, amended, reported favorably — Do Pass.

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January 19, 2018

Second Regular Session 120th General Assembly (2018)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2017 Regular Session of the General Assembly.

SENATE BILL No. 166

A BILL FOR AN ACT to amend the Indiana Code concerning labor and safety.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-8.1-3-21.3 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2018]: **Sec. 21.3. (a) The department shall**
4 **report before November 1 of each year to the interim study**
5 **committee on employment and labor (established under**
6 **IC 2-5-1.3-4) for the immediately preceding state fiscal year:**
7 (1) **the number of employers that the department determined**
8 **during the immediately preceding state fiscal year improperly**
9 **classified at least one (1) worker as an independent**
10 **contractor;**
11 (2) **the total number of improperly classified workers**
12 **employed by the employers listed in subdivision (1);**
13 (3) **an estimate of the revenue not collected by the state that**
14 **the department attributes to the improperly classified**
15 **workers; and**
16 (4) **the amount of the penalties and interest assessed against**
17 **the employers listed in subdivision (1) by the department, and**

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- 1 the amount of the penalties and interest assessed that has been
2 collected.
- 3 **(b) This section expires December 31, 2020.**
- 4 SECTION 2. IC 22-1-1-23 IS ADDED TO THE INDIANA CODE
5 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
6 1, 2018]: **Sec. 23. (a) The department of labor shall report before
7 November 1 of each year to the interim study committee on
8 employment and labor (established under IC 2-5-1.3-4) for the
9 immediately preceding state fiscal year:**
- 10 (1) the number of reports of suspected worker
11 misclassification received through the department of labor's
12 tip web page; and
- 13 (2) the number of reports described in subdivision (1) referred
14 to other state departments or agencies.
- 15 **(b) This section expires December 31, 2020.**
- 16 SECTION 3. IC 22-3-1-6 IS ADDED TO THE INDIANA CODE
17 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
18 1, 2018]: **Sec. 6. (a) The worker's compensation board of Indiana
19 shall report before November 1 of each year to the interim study
20 committee on employment and labor (established under
21 IC 2-5-1.3-4) for the immediately preceding state fiscal year:**
- 22 (1) the number of employers that the worker's compensation
23 board of Indiana determined during the immediately
24 preceding state fiscal year improperly classified at least one
25 (1) worker as an independent contractor;
- 26 (2) the total number of improperly classified workers
27 employed by the employers listed in subdivision (1);
- 28 (3) an estimate of the additional costs to the state that the
29 board attributes to the improperly classified workers; and
- 30 (4) the amount of the penalties and interest assessed against
31 the employers listed in subdivision (1) by the worker's
32 compensation board of Indiana, and the amount of the
33 penalties and interest assessed that has been collected.
- 34 **(b) This section expires December 31, 2020.**
- 35 SECTION 4. IC 22-4-19-16 IS ADDED TO THE INDIANA CODE
36 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
37 1, 2018]: **Sec. 16. (a) The department shall report before November
38 1 of each year to the interim study committee on employment and
39 labor (established under IC 2-5-1.3-4) for the immediately
40 preceding state fiscal year:**
- 41 (1) the number of employers that the department determined
42 during the immediately preceding state fiscal year improperly



- 1 **classified at least one (1) worker as an independent**
- 2 **contractor;**
- 3 **(2) the total number of improperly classified workers**
- 4 **employed by the employers listed in subdivision (1);**
- 5 **(3) an estimate of the additional costs to the state that the**
- 6 **department attributes to the improperly classified workers;**
- 7 **and**
- 8 **(4) the amount of the penalties and interest assessed against**
- 9 **the employers listed in subdivision (1) by the department, and**
- 10 **the amount of the penalties and interest assessed that has been**
- 11 **collected.**
- 12 **(b) This section expires December 31, 2020.**



COMMITTEE REPORT

Madam President: The Senate Committee on Pensions and Labor, to which was referred Senate Bill No. 166, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, delete lines 10 through 22, begin a new line block indented and insert:

**"(1) the number of reports of suspected worker misclassification received through the department of labor's tip web page; and
(2) the number of reports described in subdivision (1) referred to other state departments or agencies."**

and when so amended that said bill do pass.

(Reference is to SB 166 as introduced.)

BOOTS, Chairperson

Committee Vote: Yeas 8, Nays 0.

