

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 2399

(SENATE AUTHORS: KORAN, Bahr and Drazkowski)

DATE
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Introduction and first reading
Referred to Jobs and Economic Development

OFFICIAL STATUS

- 1.1 A bill for an act
- 1.2 relating to employment; exempting small local government employers from the
- 1.3 Minnesota Paid Leave Law; amending Minnesota Statutes 2024, section 268B.01,
- 1.4 subdivisions 15, 17, 18.
- 1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.6 Section 1. Minnesota Statutes 2024, section 268B.01, subdivision 15, is amended to read:
- 1.7 Subd. 15. **Covered employment.** (a) "Covered employment" means performing services
- 1.8 of whatever nature, unlimited by the relationship of master and servant as known to the
- 1.9 common law, or any other legal relationship performed for wages or under any contract
- 1.10 calling for the performance of services, written or oral, express or implied.
- 1.11 (b) For the purposes of this chapter, covered employment means an employee's entire
- 1.12 employment during a calendar year if:
- 1.13 (1) 50 percent or more of the employment during the calendar year is performed in
- 1.14 Minnesota; or
- 1.15 (2) 50 percent or more of the employment during the calendar year is not performed in
- 1.16 Minnesota or any other single state within the United States, or United States territory or
- 1.17 foreign nation, but some of the employment is performed in Minnesota and the employee's
- 1.18 residence is in Minnesota during 50 percent or more of the calendar year.
- 1.19 (c) "Covered employment" does not include:
- 1.20 (1) a self-employed individual;
- 1.21 (2) an independent contractor; ~~or~~

(3) employment by a seasonal employee, as defined in subdivision 35; or

(4) employment by any municipality or local government entity with 50 employees or fewer as calculated under section 268B.14, subdivision 5b, including but not limited to a county, city, town, school district, Metropolitan Council, Metropolitan Airports Commission, housing and redevelopment authority, port authority, economic development authority, sports facilities authority, board or commission, joint powers board or organization created under section 471.59, destination medical center corporation, municipal corporation, quasimunicipal corporation, charter school, or other political subdivision.

(d) Entities that are excluded under this section may opt in to coverage following a procedure determined by the commissioner. In such cases, services provided by employees are considered covered employment under subdivision 15.

(e) The commissioner may adopt rules in accordance with chapter 14 to:

(1) further define the application of this subdivision; and

(2) establish the criteria for covered employment for individuals that do not meet the criteria in paragraphs (a) and (b), but that perform services as an employee to a Minnesota employer.

Sec. 2. Minnesota Statutes 2024, section 268B.01, subdivision 17, is amended to read:

Subd. 17. **Employee.** (a) "Employee" means an individual who performs services of whatever nature for an employer.

(b) Employee does not include employees of the United States of America, self-employed individuals, or independent contractors.

(c) Employee does not include seasonal employees as defined in subdivision 35.

(d) Employee does not include employees of any municipality or local government entity with 50 employees or fewer as calculated under section 268B.14, subdivision 5b, including but not limited to a county, city, town, school district, Metropolitan Council, Metropolitan Airports Commission, housing and redevelopment authority, port authority, economic development authority, sports facilities authority, board or commission, joint powers board or organization created under section 471.59, destination medical center corporation, municipal corporation, quasimunicipal corporation, charter school, or other political subdivision.

3.1 Sec. 3. Minnesota Statutes 2024, section 268B.01, subdivision 18, is amended to read:

3.2 Subd. 18. **Employer.** (a) "Employer" means:

3.3 (1) any person, type of organization, or entity, including any partnership, association,
3.4 trust, estate, joint stock company, insurance company, limited liability company, or
3.5 corporation, whether domestic or foreign, or the receiver, trustee in bankruptcy, trustee, or
3.6 the legal representative of a deceased person, having any individual in covered employment;

3.7 (2) the state, state agencies, Minnesota State Colleges and Universities, University of
3.8 Minnesota, and other statewide public systems;

3.9 (3) any municipality or local government entity with more than 50 employees as
3.10 calculated under section 268B.14, subdivision 5b, including but not limited to a county,
3.11 city, town, school district, Metropolitan Council, Metropolitan Airports Commission, housing
3.12 and redevelopment authority, port authority, economic development authority, sports facilities
3.13 authority, board or commission, joint powers board or organization created under section
3.14 471.59, destination medical center corporation, municipal corporation, quasimunicipal
3.15 corporation, or other political subdivision. An employer also includes charter schools; and

3.16 (4) the taxpaying employer as described in section 268.046, subdivision 1.

3.17 (b) Employer does not include:

3.18 (1) the United States of America; ~~or~~

3.19 (2) a self-employed individual who has elected and been approved for coverage under
3.20 section 268B.11 with regard to the self-employed individual's own coverage and benefits;
3.21 or

3.22 (3) any municipality or local government entity with 50 employees or fewer as calculated
3.23 under section 268B.14, subdivision 5b, including but not limited to a county, city, town,
3.24 school district, Metropolitan Council, Metropolitan Airports Commission, housing and
3.25 redevelopment authority, port authority, economic development authority, sports facilities
3.26 authority, board or commission, joint powers board or organization created under section
3.27 471.59, destination medical center corporation, municipal corporation, quasimunicipal
3.28 corporation, charter school, or other political subdivision.