

## SF2149 - 0 - Labor and Industry Policy and Technical Changes

Chief Author: **Jennifer McEwen**  
 Committee: **Labor**  
 Date Completed: **3/13/2025 10:08:37 AM**  
 Lead Agency: **Labor and Industry Dept**  
 Other Agencies:  
     Administrative Hearings      Supreme Court

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.  
 Reductions shown in the parentheses.

State Cost (Savings)		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
State Total						
Total		-	-	-	-	-
Biennial Total				-		-

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
		FY2025	FY2026	FY2027	FY2028	FY2029
Total		-	-	-	-	-

**Lead LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Karl Palm      **Date:** 3/13/2025 10:08:37 AM  
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**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
Dollars in Thousands		<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>				-		-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>				-		-
<b>2 - Revenues, Transfers In*</b>						
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>				-		-

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 Committee: **Labor**  
 Date Completed: **3/13/2025 10:08:37 AM**  
 Agency: **Labor and Industry Dept**

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Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
Total		-	-	-	-	-
Biennial Total				-		-

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
		FY2025	FY2026	FY2027	FY2028	FY2029
Total		-	-	-	-	-

## LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Karl Palm      **Date:** 3/13/2025 10:08:05 AM  
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**State Cost (Savings) Calculation Details**

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\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
<b>Dollars in Thousands</b>		<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>				-		-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>				-		-
<b>2 - Revenues, Transfers In*</b>						
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>				-		-

**Bill Description**

SF2149 is Labor and Industry's Policy Bill.

Sections 1 & 7 removes the subminimum wage for individuals with disabilities.

Section 2 establishes authority to apply for temporary restraining order for businesses to cease certain activities while DLI completes an investigation.

Sections 3-6 Construction Codes and Licensing technical provisions.

**Assumptions**

Section 1 & 7 DLI currently confirms employees are paid the correct minimum wage when appropriate during investigations. The elimination of the subminimum wage does not change the review process. There is no fiscal impact.

Section 2 adds an additional tool to the toolkit that Labor Standards Division will use in their existing work enforcing labor laws in Minnesota. There is no fiscal impact.

Sections 3-6 are technical corrections and have no fiscal impact.

**Expenditure and/or Revenue Formula**

NA

**Long-Term Fiscal Considerations**

NA

**Local Fiscal Impact**

NA

**References/Sources**

NA

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## SF2149 - 0 - Labor and Industry Policy and Technical Changes

Chief Author: **Jennifer McEwen**  
 Committee: **Labor**  
 Date Completed: **3/13/2025 10:08:37 AM**  
 Agency: **Administrative Hearings**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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Total		-	-	-	-	-
Biennial Total				-		-

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
		FY2025	FY2026	FY2027	FY2028	FY2029
Total		-	-	-	-	-

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Shannon Zila    **Date:** 3/7/2025 1:54:10 PM  
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### State Cost (Savings) Calculation Details

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Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Total		-	-	-	-	-
Biennial Total				-		-

### Bill Description

SF2149 contains Department of Labor and Industry (DLI) policy changes and technical changes including repealing Minnesota Rules, parts 5200.0030; and 5200.0040.

### Assumptions

The Office of Administrative Hearings (OAH) in consultation with Minnesota Management and Budget (MMB) assesses agencies the cost of services rendered to them. All agencies shall include in their budgets provisions for such assessments.

OAH has used DLI's assumption that no costs associated with rulemaking or contested cases under chapter 14 would be incurred as a result of SF2149 so there is no fiscal impact to OAH.

OAH currently bills ALJ time for rulemaking at the MMB-approved billable rate of \$270 per hour (see Minn. Stat. § 16A.126, subd. 1 (2023)).

### Expenditure and/or Revenue Formula

### Long-Term Fiscal Considerations

### Local Fiscal Impact

### References/Sources

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## SF2149 - 0 - Labor and Industry Policy and Technical Changes

Chief Author: **Jennifer McEwen**  
 Committee: **Labor**  
 Date Completed: **3/13/2025 10:08:37 AM**  
 Agency: **Supreme Court**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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Biennial Total				-		-

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
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Total		-	-	-	-	-

## LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Susan Nelson    **Date:** 3/10/2025 1:45:08 PM  
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### State Cost (Savings) Calculation Details

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<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>				-		-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>				-		-
<b>2 - Revenues, Transfers In*</b>						
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>				-		-

### Bill Description

SF2149-0 (the "bill") amends Minn. Stat. § 177.24 of the Minnesota Fair Labor Standards Act by adding a subdivision prohibiting employers from hiring any new employees with a disability at a wage that is less than the highest applicable minimum wage on or after August 1, 2026, regardless of whether the employer holds a special certificate from the Department of Labor. On or after August 1, 2028, an employer must not pay an employee with a disability less than the highest applicable minimum wage.

The bill amends Minn. Stat. § 177.27, subd. 5 to allow the commissioner of the Department of Labor and Industry to apply in the district court where an employer resides or where the commissioner maintains an office for an order enjoining and restraining violations of any statute or rule listed in Minn. Stat. § 177.27, subd. 4.

Section 5 amends Minn. Stat. § 326B.33, subd. 21(e) to clarify electrical utilities that sell electric service to or for the public at retail or an independent contractor performing work on behalf of such utility are not required to hold a license under sections 326B.31 to 326B.399.

The bill repeals Minn. Stat. § 177.28, subd. 5 ("Power to Make Rules") and Minnesota Rules, parts 5200.0030; and 5200.0040 ("Subminimum Wage Rates for Workers with Disabilities").

### Assumptions

Currently, an employee can bring a private cause of action under Minn. Stat. § 177.27, subd. 8 for alleged violations of sections 177.21 to 177.44 and 181.165.

The average number of actions filed by employees based on the alleged failure of an employer to pay minimum wage is unknown and cannot reasonably be estimated.

It is unknown how many actions related to minimum wage payments to employees with a disability will be brought by or on behalf of employees as a result of this bill. It is assumed that it will not be more than what is currently filed under sections 177.27 and 181.171.

The civil filing fee and county law library fee will be paid by the employee if brought as a private action or by the commissioner if an action is brought pursuant to Minn. Stat. § 177.27, subd. 5. As the number of cases is unknown and cannot be reasonably estimated, the estimated impact on total filing fees received by the Minnesota Judicial Branch cannot be estimated. It is assumed that there will not be a significant increase in filings or filing fee revenue.

The commissioner may file actions in district court for an order enjoining and restraining violations of any statute or rule listed in Minn. Stat. § 177.27, subd. 4, in addition to actions for the enforcement of orders issued under subd. 4. It is assumed that the commissioner will consolidate all potential claims and requests for relief in one action on behalf of an

employee or group of employees as opposed to multiple case filings and that the average total number of cases filed with the courts will not be impacted by the bill.

It is assumed that this bill will not result in an increase in the number of judges or staff needed to process the cases.

**Expenditure and/or Revenue Formula**

It is assumed this bill will not have a significant fiscal impact to the Judicial Branch.

**Long-Term Fiscal Considerations**

None

**Local Fiscal Impact**

**References/Sources**

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