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HOUSE FILE NO. 1685

FIRST COMMITTEE ENGROSSMENT

March 12, 2009

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The bill was read for the first time and referred to the Committee on Commerce and Labor

Referred by Chair to Labor and Consumer Protection Division.

April 3, 2009

Returned to the Committee on Commerce and Labor as Amended.

1.1 A bill for an act
1.2 relating to employment; regulating the deduction from wages of unreimbursed
1.3 expenses; amending Minnesota Statutes 2008, section 177.24, subdivisions 4, 5.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2008, section 177.24, subdivision 4, is amended to read:

1.6 Subd. 4. **Unreimbursed expenses deducted.** Deductions, direct or indirect, from
1.7 wages or gratuities not authorized by this subdivision may only be taken as authorized
1.8 by sections 177.28, subdivision 3, 181.06, and 181.79. Deductions, direct or indirect, for
1.9 up to the full cost of the uniform or equipment as listed below, may not exceed \$50 or,
1.10 if a motor vehicle dealer licensed under section 168.27 furnishes uniforms or clothing
1.11 described in clause (1) on an ongoing basis, may not exceed the lesser of 50 percent
1.12 of the dealer's reasonable expense or \$25 per month, including nonhome maintenance.

1.13 No deductions, direct or indirect, may be made for the items listed below which when
1.14 subtracted from wages would reduce the wages below the minimum wage:

1.15 (1) purchased or rented uniforms or specially designed clothing required by the
1.16 employer, by the nature of the employment, or by statute as a condition of employment,
1.17 which is not generally appropriate for use except in that employment;

1.18 (2) purchased or rented equipment used in employment, except tools of a trade, a
1.19 motor vehicle, or any other equipment which may be used outside the employment;

1.20 (3) consumable supplies required in the course of that employment;

1.21 (4) travel expenses in the course of employment except those incurred in traveling to
1.22 and from the employee's residence and place of employment.

1.23 Sec. 2. Minnesota Statutes 2008, section 177.24, subdivision 5, is amended to read:

2.1 Subd. 5. **Expense reimbursement.** An employer, at the termination of an
2.2 employee's employment, must reimburse the full amount deducted, directly or indirectly,
2.3 for any of the items listed in subdivision 4, except for a motor vehicle dealer's rental
2.4 and maintenance deduction for uniforms or clothing. When reimbursement is made,
2.5 the employer may require the employee to surrender any existing items for which the
2.6 employer provided reimbursement.