



Ordinance No. 2020-040

City of Minneapolis

File No. 2019-00699

Author: Fletcher

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Committee: PECE, POGO

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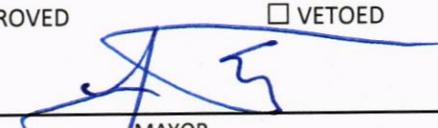
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RECORD OF COUNCIL VOTE				
COUNCIL MEMBER	AYE	NAY	ABSTAIN	ABSENT
Bender	X			
Jenkins	X			
Johnson	X			
Gordon	X			
Reich	X			
Fletcher	X			
Cunningham	X			
Ellison	X			
Goodman	X			
Cano	X			
Schroeder	X			
Palmisano	X			

MAYOR ACTION

APPROVED

VETOED



 MAYOR
 AUG 05 2020

 DATE

Certified an official action of the City Council

ATTEST:



 CITY CLERK

Presented to Mayor: JUL 31 2020

Received from Mayor: AUG 05 2020

Amending Title 2, Chapter 40 of the Minneapolis Code of Ordinances relating to Administration: Workplace Regulations.

The City Council of the City of Minneapolis do ordain as follows:

Section 1. That Chapter 40 of the Minneapolis Code of Ordinances be amended by adding thereto a new Article VI to read as follows:

CHAPTER 40, ARTICLE VI. – FREELANCE WORKER PROTECTIONS

40.700. – Short Title. This Article VI shall be known and may be cited as the Minneapolis Freelance Worker Protections Ordinance.

40.710. – Findings; Purpose. The City Council makes the following findings:

(a) As a home rule charter city, Minneapolis has broad authority through its police powers to enact regulations to further the public health, safety, and general welfare.

(b) The number of individuals who are independent contractors or perform freelance work for some portion of their income is substantial and growing. According to the U.S. Bureau of Labor Statistics, in 2017 there were 10.6 million U.S. workers who reported that they worked as independent contractors, independent consultants, or freelancers as their main or primary job. According to another study, in 2019 there were 57 million U.S. workers who performed freelance work either full or part time, and 35% of U.S. workers performed freelance work for some share of their income.

(c) According to the U.S. Census Bureau, the majority of all business establishments in the United States are “nonemployers,” which are primarily self-employed business owners without paid employees. Many of these nonemployer businesses work as independent contractors. Between 2016 and 2017, the number of nonemployer businesses increased nationally by 3.6% and their receipts increased by 5.6%, adding over \$65 billion to the United States economy. In 2016, there were 403,926 nonemployer small businesses in Minnesota alone.

(d) Further analysis of this Census Bureau data shows that Minneapolis is one of the largest markets nationally for skilled professional, technical, and creative independent workers. In 2017, the Minneapolis metropolitan statistical area was the 13th largest freelance market in the country for skilled independent workers. In 2018, skilled independent workers alone were projected to make up 4.1% of the Minneapolis labor force.

(e) Artists and creative workers are a substantial part of the City’s economy. According to the Minneapolis Creative Index 2018, creative jobs in the City grew by 14.4% between 2006 and 2016. Creative jobs make up 4.9% of all Minneapolis jobs, as compared with 2.9% of all jobs nationally. Additionally, 27% of all creative jobs in Minnesota are located in Minneapolis, making the creative economy of particular importance to the City. Many of the City’s artists and creative workers are independent contractors.

(f) However, independent contractors have far fewer legal and economic protections for their work than employees have.

(g) Nationally, a 2017 Princeton University survey of workers who identify as independent contractors, independent consultants, or freelancers found that 36% of them had not been paid on time at least once in the past year, and 27% of them had not been paid in full for a job or project performed in the last year. Additionally, according to the Freelancer’s Union, 71% of freelancers report facing problems with late payment or non-payment.

(h) In response to a City survey of independent contractors, respondents reported that ninety-two percent (92%) of their contracts completed in Minneapolis in the previous twelve (12) months were contracts with businesses, including app platforms / gig economy companies. Of the independent contractors who responded to the survey, more than thirty-three percent (33%) report having lost income in the last twelve (12) months due to a hiring party’s failure to pay, underpayment, or late payment for work performed, with an average lost income of over seven hundred fifty dollars (\$750) per instance.