

S.F. No. 1988 – Wage protection for construction workers

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Section 1. **Examination of records.** [§ 177.27, subd. 1] Authorizes the commissioner of labor and industry to transcribe the books, registers, payrolls, and other records as necessary and to question employees for compliance under section 181.165 (wage protection; construction workers).

Section 2. **Compliance orders.** [§ 177.27, subd. 4] Authorizes the commissioner of labor and industry to issue orders to comply with section 181.165 (wage protection; construction workers). Specifies that a contested case proceeding must then be held in accordance with section 181.165.

Section 3. **Court actions; suits brought by private parties.** [§ 177.27, subd. 8] Allows an employee to bring a civil action for a violation of section 181.165. Specifies that a contractor that has assumed a subcontractor's liability is liable to an employee for the full amount of wages, less any amount the contractor can show was actually paid and for liquidated damages.

Section 4. **District court jurisdiction.** [§ 177.27, subd. 9] Provides that an action brought for a violation of section 181.165 may be filed in district court.

Section 5. **Attorney fees and costs.** [§ 177.27, subd. 10] Specifies that a court order an employer found to have committed a violation of section 181.165 to pay the employee or employees reasonable costs, disbursements, witness fees, and attorney fees.

Section 6. **Wage protection; construction workers.** [§ 181.165] Subdivision 1. **Definitions.** Defines terms for this section regarding wage protection for construction workers. Terms defined are claimant, commissioner, construction contract, contractor, owner, and subcontractor.

Subdivision 2. **Assumption of liability.** Specifies that a contractor entering into a construction contract assumes and is liable for any unpaid wages, fringe benefits, and resulting liquidated damages owed to a claimant or third party. Prohibits a contractor from evading liability under this section either by agreement or other actions.

Subdivision 3. **Enforcement.** Allows an employee to designate a person, organization, or collective bargaining agent authorized to file a complaint with the commissioner or in court to make a wage claim on the claimant's behalf. Allows the attorney general to bring a civil action on behalf of employees.

Subdivision 4. **Payroll records; data.** Requires a subcontractor to provide payroll records and other data for all workers, including independent contractors, providing labor on the project to a requesting contractor or subcontractor. Allows a contractor to withhold payments owed to a subcontractor at any tier for a failure to comply with a request for information. Prohibits a contractor or subcontractor from disclosing an individual's personal identifying information to the general public.

Subdivision 5. **Payments to contractors and subcontractors.** Specifies that this section does not alter any payment obligations to contractors and subcontractors required under the statute governing building and construction contracts unless permitted by this section.

Subdivision 6. **Exemptions.** Provides that nothing in this section diminishes the rights, privileges, or remedies of any employee under any collective bargaining agreement. Allows provisions of this section to be waived by a collective bargaining agreement. Exempts work for which prevailing wage rates apply.

Section 7. **Effective date.** Provides an effective day of August 1, 2023, and applicable to contracts or agreements entered into, renewed, modified, or amended on or after that date.