

**Subject** Wage Protection; Construction Workers

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## Overview

This bill creates wage protection laws for construction workers and allows for investigation by the Department of Labor and Industry as well as private lawsuits when construction workers are not paid by subcontractors or contractors for work on construction projects that are not related to single family homes or duplexes unless the project is for construction on ten or more homes.

## Summary

Section	Description
1	<b>Examination of records.</b> Allows the commissioner of labor and industry to inspect employment records related to wages, hours, and conditions of employment, and places of employment to ensure compliance with the construction worker's wage protection provisions in section 6.
2	<b>Compliance orders.</b> Allows the commissioner of labor and industry to issue compliance orders to enforce the construction worker's wage protection provisions in section 6.
3	<b>Court action.</b> Allows an employee to bring a civil action for unpaid wages and overtime under the construction worker's wage protection provisions in section 6, including a contractor who has assumed a subcontractor's liability to recover unpaid wages, overtime, and liquidated damages in district court.
4	<b>District court jurisdiction.</b> An action under section 3 can be brought in the count where the employer failed to pay the wages.

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5	<p><b>Attorney fees and costs.</b></p> <p>Allows an employee who prevails in a case against an employer for unpaid wages as a construction worker to collect attorney’s fees, court costs, and witness fees.</p>
6	<p><b>Wage protection; construction workers.</b></p> <p><b>Subd. 1. Definitions.</b> Provides definitions related to wage protection for construction workers, including definitions for a claimant, contractor, owner, and subcontractor.</p> <p><b>Subd. 2. Assumption of liability.</b> Provides that a contractor who is overseeing a construction project is liable for unpaid wages and fringe benefits owed to a person claiming unpaid wages or fringe benefits by law or contract by the contractor or any subcontractor for that person’s performance of labor on the construction project.</p> <p><b>Subd. 3. Enforcement.</b> Allows a person who can file a complaint with the commission or a private lawsuit for unpaid construction wages to designate another person, organization, or collective bargaining agent to file the complaint on their behalf. This section also allows the Attorney General to bring an action on behalf of an unpaid construction worker, and this section provides that a contractor is jointly and severally liable for subcontractors for construction worker’s unpaid wages and benefits.</p> <p><b>Subd. 4. Payroll records; data.</b> Requires subcontractors to provide payroll records to a contractor or subcontractor when requested. A contractor or subcontractor can disclose that a construction worker works for them but cannot disclose any personal identifying information publicly unless required by law.</p> <p><b>Subd. 5. Payments to contractors and subcontractors.</b> Provides owners who hire contractors must still pay contractors, and contractors must pay subcontractors, and nothing in this section changes those arrangements.</p> <p><b>Subd. 6. Exemption.</b> Allows a collective bargaining agreement with a bona fide building and construction trade labor organization representing workers on a construction project to waive provisions under this section if done so expressly. Also provides the construction worker’s wage protection provisions under this section do not apply to construction work when prevailing wage applies.</p>
7	<p><b>Effective date.</b></p> <p>Provides that this bill would be effective on August 1, 2023, and would apply to contracts signed, renewed, amended, or modified on or after that date.</p>



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