



Re: Article 15, Construction Workers Wages in the House Version of the Jobs, Economic Dev. and Labor Omnibus Bill

May 1, 2023

Members of the Omnibus Jobs, Economic Development, Labor and Industry Conference Committee,

On behalf of the housing industry in Minnesota, Housing First Minnesota offers this letter in opposition to Article 15, Construction Workers Wages, contained within the House version of the Omnibus Job, Economic Development, Labor and Industry bill (SF3035).

By way of background, Housing First Minnesota is a trade association of nearly one thousand members (including general contractors and subcontractors) of the housing industry with the mission of homeownership opportunities for all Minnesotans.

Housing affordability is near all-time lows in Minnesota and our supply deficit is among the worst in the country. This language will likely make matters worse for Minnesotans that are looking to achieve the American Dream of homeownership.

This problematic language represents an existential threat to many general contractors who play a crucial role in filling the affordable housing needs in Minnesota. It would compel businesses to audit and review subcontractors' records to confirm payment of wages and **assume liability** for something that is fundamentally out of their control. The language would hold the general contractors and subcontractors that sub-out work as jointly and severally liable.

If adopted, Minnesota will see workforce chaos as general contractors and subcontractors try to work through a new dynamic. This language will hurt Minnesota businesses, especially businesses that are near state-line borders. And ultimately, this language will hurt homebuyers.

For these reasons, we respectfully ask you to **not adopt this provision** of the omnibus bill.

Thank you for your consideration,

A handwritten signature in black ink that reads "Mark Foster". The signature is fluid and cursive.

Mark Foster
Vice President, Legislative & Political Affairs

