

1.1 Frazier and Torkelson from the Committee on Ways and Means to which was referred:

1.2 H. F. No. 2441, A bill for an act relating to jobs; establishing a biennial budget for  
1.3 workforce, labor, and economic development; appropriating money for the Department of  
1.4 Employment and Economic Development, Explore Minnesota, Department of Labor and  
1.5 Industry, Workers' Compensation Court of Appeals, and Bureau of Mediation Services;  
1.6 making various policy and technical changes; requiring reports; amending Minnesota Statutes  
1.7 2024, sections 116J.431, subdivision 2; 116J.8733, subdivision 4; 116J.8752, subdivision  
1.8 2; 116L.03, subdivision 2; 116L.04, subdivisions 1, 1a; 116L.05, subdivision 5; 116L.562,  
1.9 subdivisions 1, 3; 116L.98, subdivision 2; 116U.05; 116U.06; 116U.15; 116U.30; 116U.35;  
1.10 177.27, subdivision 5; 181.211, subdivisions 7, 8; 181.988, subdivision 2; 248.07,  
1.11 subdivisions 7, 8; 326B.0981, subdivision 4; 326B.198, subdivisions 2, 3; 326B.31,  
1.12 subdivision 29; 326B.33, subdivision 21; 469.54, subdivision 4; Laws 2023, chapter 53,  
1.13 article 20, section 2, subdivisions 2, as amended, 3, as amended; article 21, section 7, as  
1.14 amended; Laws 2023, chapter 64, article 15, section 30; Laws 2024, chapter 120, article 1,  
1.15 sections 2, subdivision 3; 4; Laws 2024, chapter 127, article 14, section 3; repealing  
1.16 Minnesota Statutes 2024, sections 116L.35; 116L.98, subdivision 7; Laws 2024, chapter  
1.17 120, article 1, section 13.

1.18 Reported the same back with the following amendments:

1.19 Delete everything after the enacting clause and insert:

1.20 "Section 1. **[16C.37] PAYROLL REPORTING PORTAL AND DATABASE.**

1.21 **Subdivision 1. Database and portals.** (a) By October 1, 2027, the commissioner must  
1.22 establish and maintain:

1.23 (1) a database to securely store certified payroll information; and

1.24 (2) a reporting portal accessible on the Internet for contractors to submit certified payroll  
1.25 information to be stored in the database.

1.26 (b) The reporting portal must accept certified payroll forms provided by the commissioner  
1.27 that are fillable and designed to accept electronic signatures. The reporting portal must  
1.28 accept data uploads and electronic data transfers.

2.1 Subd. 2. **Commissioner's duties.** By October 1, 2027, the commissioner must establish  
2.2 processes and requirements for registrations and authorizations under this section.

2.3 Subd. 3. **Project owner registration.** Beginning October 1, 2028, for construction  
2.4 contracts entered into on or after that date, a project owner on a project subject to state  
2.5 prevailing wage requirements must register through the reporting portal as a project owner.  
2.6 A city of the first class or a county with a population greater than 500,000 is not required  
2.7 to register if that city or county:

2.8 (1) administers a program that requires contractors and subcontractors through contracts  
2.9 the city or county awards, irrespective of whether the contract is financed in whole or in  
2.10 part by state funds, to furnish prevailing wage payroll data required under section 177.30;

2.11 (2) collects certified payrolls from covered contractors during the contractor's performance  
2.12 of the contract;

2.13 (3) reviews payroll documents submitted by the contractor to ensure employee wages  
2.14 and benefits conform to the wage determination schedule specified in the contract; and

2.15 (4) refers noncompliance by the contractor to the municipality's prevailing wage  
2.16 compliance authority.

2.17 Subd. 4. **Project registration.** (a) Beginning January 1, 2028, all projects owned by the  
2.18 Metropolitan Council or the state that are subject to state prevailing wage requirements,  
2.19 including but not limited to the requirements under sections 177.41, 177.42, 177.43, and  
2.20 116J.871, subdivisions 2 and 3, must be registered by the project owner through the portal.  
2.21 The database must assign a unique identifying project number for each registered project.

2.22 (b) Work on a project subject to state prevailing wage requirements must not begin until  
2.23 the project is registered in the database through the reporting portal.

2.24 (c) Highway construction projects owned by the Department of Transportation are not  
2.25 subject to the project registration requirements under this subdivision.

2.26 Subd. 5. **Payroll reporting; notice to project owners.** (a) A contractor performing  
2.27 work on a project subject to state prevailing wage requirements, including but not limited  
2.28 to the requirements under sections 177.41, 177.42, 177.43, and 116J.871, subdivisions 2  
2.29 and 3, must report the certified payment information required under sections 177.30,  
2.30 paragraph (a), clause (6), and 177.43, subdivision 3, to the commissioner by entering the  
2.31 required information through the reporting portal.

2.32 (b) The commissioner must notify the project owner when a report is made by a contractor  
2.33 under this section.

3.1 Subd. 6. **Fulfillment of other prevailing wage reporting requirements.** Submission  
3.2 of certified payrolls under this section fulfills the contractor reporting requirements under  
3.3 sections 177.30, paragraph (a), clause (6), and 177.43, subdivision 3, but does not diminish  
3.4 the prevailing wage enforcement authority of the commissioner of labor and industry.

3.5 Subd. 7. **Local governments and project owner opt-in.** Local units of government and  
3.6 project owners may opt in to participation in the reporting portal and database created under  
3.7 this section for the purpose of collecting certified payroll data in compliance with a local  
3.8 prevailing wage ordinance or labor standards policy.

3.9 Subd. 8. **Error correction.** The commissioner must establish a process allowing  
3.10 contractors to correct or amend submitted certified payroll data. The system must clearly  
3.11 identify a corrected submission and maintain version history.

3.12 Subd. 9. **Effect on prevailing wage enforcement and administration.** Nothing in this  
3.13 section diminishes or alters the responsibilities of the commissioner of labor and industry  
3.14 to provide enforcement, training, and outreach under section 177.43.

3.15 Subd. 10. **Access to data unaffected.** Nothing in this section affects the status or  
3.16 classification of data collected or maintained in a database under this section or through  
3.17 fulfillment of prevailing wage requirements or alters access to data through a request for  
3.18 data under section 13.43, subdivision 19.

3.19 Subd. 11. **Stakeholder engagement.** By September 1, 2026, the commissioner must  
3.20 obtain input from stakeholder groups, including but not limited to the commissioner of  
3.21 labor, contractors, contractor associations, minority contractor associations, building and  
3.22 construction trade unions, and local government organizations regarding the features and  
3.23 implementation of the database and portals, types of software that might be used in the  
3.24 database and portals required under this section, and on issues of data integrity and security.

3.25 **EFFECTIVE DATE.** This section is effective July 1, 2026.

3.26 Sec. 2. Minnesota Statutes 2024, section 177.43, subdivision 3, is amended to read:

3.27 Subd. 3. **Contract requirements.** The contract must specifically state the prevailing  
3.28 wage rates, prevailing hours of labor, and hourly basic rates of pay. The contracting authority  
3.29 shall incorporate into its proposals and all contracts the applicable wage determinations for  
3.30 the contract along with contract language provided by the commissioner of labor and industry  
3.31 to notify the contractor and all subcontractors of the applicability of sections 177.41 to  
3.32 177.44, including a statement affirming that it is the sole responsibility of the project owner  
3.33 to ensure that all contractors on the project owner's project comply with the applicable

4.1 prevailing wage reporting requirements under sections 177.30, paragraph (a), clause (6),  
 4.2 and 177.43, subdivision 3. Failure to incorporate the determination or provided contract  
 4.3 language into the contracts shall make the contracting authority liable for making whole  
 4.4 the contractor or subcontractor for any increases in the wages paid, including employment  
 4.5 taxes and reasonable administrative costs based on the appropriate prevailing wage due to  
 4.6 the laborers or mechanics working on the project. The contract must also provide that the  
 4.7 contracting agency shall demand, and the contractor and subcontractor shall furnish to the  
 4.8 contracting agency, copies of any or all payrolls not more than 14 days after the end of each  
 4.9 pay period. The payrolls must contain all the data required by section 177.30. The contracting  
 4.10 authority may examine all records relating to wages paid laborers or mechanics on work to  
 4.11 which sections 177.41 to 177.44 apply.

4.12 **EFFECTIVE DATE.** This section is effective July 1, 2027, and applies to contracts  
 4.13 entered into on or after that date.

4.14 Sec. 3. **APPROPRIATION; PAYROLL REPORTING PORTAL AND DATABASE.**

4.15 \$1,958,000 in fiscal year 2027 is appropriated from the general fund to the commissioner  
 4.16 of administration for informational technology costs and administration of the payroll  
 4.17 reporting portal and database established under Minnesota Statutes, section 16C.37. The  
 4.18 base for this appropriation is \$1,381,000 in fiscal year 2028 and each fiscal year thereafter."

4.19 Delete the title and insert:

4.20 "A bill for an act  
 4.21 relating to state government; establishing a payroll reporting portal and database;  
 4.22 modifying prevailing wage notice requirements; appropriating money; amending  
 4.23 Minnesota Statutes 2024, section 177.43, subdivision 3; proposing coding for new  
 4.24 law in Minnesota Statutes, chapter 16C."

4.25 With the recommendation that when so amended the bill be placed on the General  
 4.26 Register.

4.27 This Committee action taken May 5, 2026

4.28 ....., Co-Chair

4.29 ....., Co-Chair