

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 2373  
**Version:** As Introduced

**DATE:** February 28, 2014

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**Subject:** Pay equity compliance for state contractors

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### Overview

Provides that a state agency may not accept a bid or proposal for a contract for goods or services in excess of \$500,000 from a business having more than 40 full-time employees in Minnesota unless the Commissioner of Human Rights has approved the business's plan to establish equitable compensation relationships for its employees within the state and has issued the business a certificate of pay equity compliance.

#### Section

- 1 Certificates of compliance (data practices).** Inserts a cross-reference in the data practices act, stating that access to data relating to pay equity certificates of compliance is governed by other sections of this bill.
- 2 Certificate of pay equity compliance.** Provides that a state agency may not accept a bid or proposal for a contract for goods or services in excess of \$500,000 from a business having more than 40 full-time employees in Minnesota unless the Commissioner of Human Rights has approved the business's plan to establish equitable compensation relationships for its employees within the state and has issued the business a certificate of pay equity compliance.

“Equitable compensation relationships” has the meaning given in current Minnesota Statutes, section 471.991, where it is defined to mean that the compensation for female-dominated classes is not consistently below the compensation for male-dominated classes of comparable work value.

Provides that this section does not apply to construction projects governed by the prevailing wage laws in current Minnesota Statutes, sections 177.43 and 177.44.

## Section

### **3 Certificate of pay equity compliance.**

**Subd. 1. Compliance; good faith effort.** Requires the Commissioner of Human Rights to approve a plan and issue a certificate of pay equity compliance if a business demonstrates it is in compliance with equitable compensation relationship standards or is making a good faith effort to achieve compliance with those standards. Provides that a certificate of compliance is valid for two years.

Provides that the standards for determining equitable compensation relationships for a business are the same as the standards in the current local government pay equity law (sections 471.991 to 471.997) and rules adopted under those sections.

Provides that a business that is not in compliance is making a good faith effort to achieve compliance if the commissioner has approved a plan and a date for achieving compliance.

**Subd. 2. Filing fee.** Provides a \$75 fee for each certificate of compliance and appropriates the proceeds to the Commissioner of Human Rights for the costs of administering this section.

**Subd. 3. Revocation of certificate.** Specifies grounds for revoking a certificate of compliance.

**Subd. 4. Revocation of contract.** Provides that a contract may be terminated if a certificate of compliance is suspended or revoked.

**Subd. 5. Technical assistance.** Requires the commissioner to provide technical assistance to a contractor whose certificate of compliance is suspended.

**Subd. 6. Access to data.** Provides that data submitted for purposes of obtaining a certificate of compliance is not public.

**4 Certificate of compliance; temporary provisions.** Provides temporary criteria that apply until July 1, 2015, for purposes of determining that a business is making a good faith effort to achieve compliance.

**5 Report.** Requires the Commissioner of Human Rights to report to the legislature by January 31, 2015, on implementation of this law.