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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 1649

03/20/2013 Authored by Clark

The bill was read for the first time and referred to the Committee on Labor, Workplace and Regulated Industries

1.1 A bill for an act
1.2 relating to public contracts; authorizing the state, Minnesota State Colleges and
1.3 Universities, the University of Minnesota, and cities to adopt a program requiring
1.4 certain hiring practices in construction and services contracts; amending
1.5 Minnesota Statutes 2012, section 136F.581, by adding a subdivision; proposing
1.6 coding for new law in Minnesota Statutes, chapters 16C; 137; 471.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. **[16C.092] HIRING REQUIREMENTS IN CERTAIN PROCUREMENT**
1.9 **CONTRACTS.**

1.10 The commissioner may adopt rules under section 16C.03, that require persons
1.11 or entities that contract with the state for construction or services contracts to employ
1.12 a minimum number or percentage of low-income persons or former offenders in the
1.13 performance of the contract and for the duration of the contract unless the employee is
1.14 terminated for cause. At a minimum, the rules must state the type of contracts covered,
1.15 the minimum dollar amount of the contract to which the hiring requirement applies, a
1.16 definition of "low-income" if the policy applies to hiring of low-income persons, how the
1.17 required number or percentage of persons employed may be calculated, and the extent
1.18 to which the rules may be met by existing employees of the contractor or new hires by
1.19 the contractor. The rules may provide for penalties to be imposed on the contractor for
1.20 failure to comply with the hiring requirements of the policy including, but not limited to,
1.21 civil penalties and restrictions on future contractual agreements with the contractor. This
1.22 section does not apply to contracts between the state and an exclusive representative of
1.23 state employees. For the purposes of this section, "former offender" means an individual
1.24 who is not currently incarcerated but who has previously been convicted of a felony,
1.25 regardless of whether the individual is currently under correctional supervision.

2.1 Sec. 2. Minnesota Statutes 2012, section 136F.581, is amended by adding a subdivision
2.2 to read:

2.3 Subd. 6. **Hiring requirements in certain procurement contracts.** The board may
2.4 develop policies and procedures consistent with this section that require persons or entities
2.5 that contract with the board or the colleges and universities for construction or services
2.6 contracts to employ a minimum number or percentage of low-income persons or former
2.7 offenders in the performance of the contract and for the duration of the contract unless the
2.8 employee is terminated for cause. At a minimum, the policies and procedures must state
2.9 the type of contracts covered, the minimum dollar amount of the contract to which the
2.10 hiring requirement applies, a definition of "low-income" if the policies and procedures
2.11 apply to hiring of low-income persons, how the required number or percentage of persons
2.12 employed may be calculated, and the extent to which the requirements may be met by
2.13 existing employees of the contractor or new hires by the contractor. The policies and
2.14 procedures may provide for penalties to be imposed on the contractor for failure to comply
2.15 with the hiring requirements of the policies and procedures including, but not limited to,
2.16 civil penalties and restrictions on future contractual agreements between the university and
2.17 the contractor. This section does not apply to contracts between the board and the colleges
2.18 and universities and an exclusive representative of their employees. For the purposes of
2.19 this section, "former offender" means an individual who is not currently incarcerated but
2.20 who has previously been convicted of a felony, regardless of whether the individual is
2.21 currently under correctional supervision.

2.22 Sec. 3. **[137.375] HIRING REQUIREMENTS IN CERTAIN PROCUREMENT**
2.23 **CONTRACTS.**

2.24 The Regents of the University of Minnesota may adopt a policy that persons
2.25 or entities that contract with the university for construction or services contracts be
2.26 required to employ a minimum number or percentage of low-income persons or former
2.27 offenders in the performance of the contract and for the duration of the contract unless
2.28 the employee is terminated for cause. The regents shall establish procurement rules to
2.29 govern the program authorized by this section. At a minimum, the rules must state the
2.30 type of contracts covered, the minimum dollar amount of the contract to which the hiring
2.31 requirement applies, a definition of "low-income" if the ordinance applies to hiring of
2.32 low-income persons, how the required number or percentage of persons employed may be
2.33 calculated, and the extent to which the requirements may be met by existing employees
2.34 of the contractor or new hires by the contractor. The rules may provide for penalties to
2.35 be imposed on the contractor for failure to comply with the hiring requirements of the

rules including, but not limited to, civil penalties and restrictions on future contractual agreements between the university and the contractor. This section does not apply to contracts between the university and an exclusive representative of university employees. For the purposes of this section, "former offender" means an individual who is not currently incarcerated but who has previously been convicted of a felony, regardless of whether the individual is currently under correctional supervision.

Sec. 4. **[471.347] HIRING REQUIREMENTS AUTHORIZED IN CITY CONTRACTS.**

A statutory or home rule charter city may provide by ordinance that persons or entities that contract with the city for construction or services contracts be required to employ a minimum number or percentage of city residents, low-income city residents, or former offenders in the performance of the contract and for the duration of the contract unless the employee is terminated for cause. At a minimum, the ordinance must state the type of contracts covered, the minimum dollar amount of the contract to which the hiring requirement applies, a definition of "low-income" if the ordinance applies to hiring of low-income city residents, how the required number or percentage of persons employed may be calculated, and the extent to which the requirements may be met by existing employees of the contractor or new hires by the contractor. The ordinance may provide for penalties to be imposed on the contractor for failure to comply with the hiring requirements of the city ordinance including, but not limited to, civil penalties and restrictions on future contractual agreements between the city and the contractor. This section does not apply to contracts between the city and an exclusive representative of city employees. For the purposes of this section, "former offender" means an individual who is not currently incarcerated but who has previously been convicted of a felony, regardless of whether the individual is currently under correctional supervision.