

**SENATE  
STATE OF MINNESOTA  
NINETY-FIRST SESSION**

**S.F. No. 2508**

(SENATE AUTHORS: PAPPAS)

DATE  
03/14/2019

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Introduction and first reading  
Referred to Judiciary and Public Safety Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to human rights; requiring certain contractors to obtain workforce and  
1.3 equal pay certificates; amending Minnesota Statutes 2018, sections 363A.36,  
1.4 subdivisions 1, 4; 363A.44, subdivision 1.

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

1.6 Section 1. Minnesota Statutes 2018, section 363A.36, subdivision 1, is amended to read:

1.7 Subdivision 1. **Scope of application.** (a) For all contracts for goods and services in  
1.8 excess of \$100,000, no department or agency of the state shall accept any bid or proposal  
1.9 for a contract or agreement from any business having more than 40 full-time employees  
1.10 within this state on a single working day during the previous 12 months, unless the  
1.11 commissioner is in receipt of the business' affirmative action plan for the employment of  
1.12 minority persons, women, and qualified disabled individuals. No department or agency of  
1.13 the state shall execute any such contract or agreement until the affirmative action plan has  
1.14 been approved by the commissioner. Receipt of a certificate of compliance issued by the  
1.15 commissioner shall signify that a firm or business has an affirmative action plan that has  
1.16 been approved by the commissioner. A certificate shall be valid for a period of four years.  
1.17 A municipality as defined in section 466.01, subdivision 1, that receives state money for  
1.18 any reason is encouraged to prepare and implement an affirmative action plan for the  
1.19 employment of minority persons, women, and the qualified disabled and submit the plan  
1.20 to the commissioner.

1.21 (b) This paragraph applies to a contract for goods or services in excess of \$100,000 to  
1.22 be entered into between a department or agency of the state and a business that is not subject  
1.23 to paragraph (a), but that has more than 40 full-time employees on a single working day

2.1 during the previous 12 months in the state where the business has its primary place of  
2.2 business. A department or agency of the state may not execute a contract or agreement with  
2.3 a business covered by this paragraph unless the business has a certificate of compliance  
2.4 issued by the commissioner under paragraph (a) or the business certifies that it is in  
2.5 compliance with federal affirmative action requirements.

2.6 (c) This section does not apply to contracts entered into by the State Board of Investment  
2.7 for investment options under section 356.645.

2.8 (d) The commissioner shall issue a certificate of compliance or notice of denial within  
2.9 15 days of the application submitted by the business or firm.

2.10 (e) The requirements in paragraphs (a) and (b) apply to all contracts or agreements  
2.11 executed by public officers or agencies for goods and services in excess of \$100,000 for  
2.12 projects subject to section 16A.695.

2.13 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
2.14 applies to all applicable contracts or agreements executed on or after that date.

2.15 Sec. 2. Minnesota Statutes 2018, section 363A.36, subdivision 4, is amended to read:

2.16 Subd. 4. **Revocation of contract.** A contract awarded by a department or agency of the  
2.17 state, or any other public officer or agency subject to section 16A.695, may be terminated  
2.18 or abridged by the department or agency, or any other public officer or agency subject to  
2.19 section 16A.695, because of suspension or revocation of a certificate based upon a  
2.20 contractor's failure to implement or make a good faith effort to implement an affirmative  
2.21 action plan approved by the commissioner under this section. If a contract is awarded to a  
2.22 person who does not have a contract compliance certificate required under subdivision 1,  
2.23 the commissioner may void the contract on behalf of the state.

2.24 Sec. 3. Minnesota Statutes 2018, section 363A.44, subdivision 1, is amended to read:

2.25 Subdivision 1. **Scope.** (a) No department, agency of the state, the Metropolitan Council,  
2.26 or an agency subject to section 473.143, subdivision 1, shall execute a contract for goods  
2.27 or services or an agreement for goods or services in excess of \$500,000 with a business that  
2.28 has 40 or more full-time employees in this state or a state where the business has its primary  
2.29 place of business on a single day during the prior 12 months, unless the business has an  
2.30 equal pay certificate or it has certified in writing that it is exempt. A certificate is valid for  
2.31 four years.

3.1 (b) This section does not apply to a business with respect to a specific contract if the  
3.2 commissioner of administration determines that application of this section would cause  
3.3 undue hardship to the contracting entity. This section does not apply to a contract to provide  
3.4 goods and services to individuals under chapters 43A, 62A, 62C, 62D, 62E, 256B, 256I,  
3.5 256L, and 268A, with a business that has a license, certification, registration, provider  
3.6 agreement, or provider enrollment contract that is prerequisite to providing those goods and  
3.7 services. This section does not apply to contracts entered into by the State Board of  
3.8 Investment for investment options under section 352.965, subdivision 4.

3.9 (c) The requirements in paragraph (a) apply to all contracts or agreements executed by  
3.10 public officers or agencies for goods and services in excess of \$500,000 for projects subject  
3.11 to section 16A.695.

3.12 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
3.13 applies to all applicable contracts or agreements executed by public officers or agencies on  
3.14 or after that date.