

HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 1476

04/14/2011 Authored by Scott, Hoppe, Holberg, Beard, Kieffer and others
The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

04/27/2011 Adoption of Report: Pass and re-referred to the Committee on Ways and Means
By motion, recalled and re-referred to the Committee on Jobs and Economic Development Finance

05/04/2011 Adoption of Report: Amended and re-referred to the Committee on Ways and Means without further recommendation

04/17/2012 Adoption of Report: Pass as Amended and Read Second Time

1.1 A bill for an act
1.2 relating to labor and employment; adding and modifying prevailing wage
1.3 provisions; appropriating money; amending Minnesota Statutes 2010, section
1.4 177.42, subdivisions 4, 6, by adding a subdivision; proposing coding for new law
1.5 in Minnesota Statutes, chapter 177; repealing Minnesota Rules, part 5200.1020,
1.6 subparts 1, 2, 5.

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

1.8 Section 1. Minnesota Statutes 2010, section 177.42, subdivision 4, is amended to read:

1.9 Subd. 4. **Prevailing hours of labor.** "Prevailing hours of labor" means the hours
1.10 of labor per day and per week worked within the area by a larger number of workers
1.11 of the same class than are employed within the area for any other number of hours per
1.12 day and per week. The prevailing hours of labor may not be more than ~~eight~~ ten hours
1.13 per day or more than 40 hours per week.

1.14 Sec. 2. Minnesota Statutes 2010, section 177.42, subdivision 6, is amended to read:

1.15 Subd. 6. **Prevailing wage rate.** "Prevailing wage rate" means the hourly basic rate
1.16 of pay plus the contribution paid to or for the largest number of workers engaged in the
1.17 same class of labor within the area for medical or hospital care, pensions on retirement
1.18 or death, compensation for injuries or illness resulting from occupational activity, or
1.19 insurance to provide any of the foregoing, for unemployment benefits, life insurance,
1.20 disability and sickness insurance, or accident insurance, for vacation and holiday pay, for
1.21 defraying the costs of apprenticeship or other similar programs, or for other bona fide
1.22 fringe benefits, but only where the contractor or subcontractor is not required by other
1.23 federal, state, or local law to provide any of those benefits, the amount of:

2.1 (1) the rate of contribution irrevocably made by a contractor or subcontractor to a
2.2 trustee or to a third person under a fund, plan, or program; and

2.3 (2) the rate of costs to the contractor or subcontractor that may be reasonably
2.4 anticipated in providing benefits to laborers and mechanics pursuant to an enforceable
2.5 commitment to carry out a financially responsible plan or program which was
2.6 communicated in writing to the laborers and mechanics affected.

2.7 "Prevailing wage rate" includes, for the purposes of section 177.44, rental rates for
2.8 truck hire paid to those who own and operate the truck.

2.9 The prevailing wage rate may not be less than a reasonable and living wage.

2.10 This subdivision applies only to work done in a metropolitan county under section
2.11 473.121, subdivision 4.

2.12 Sec. 3. Minnesota Statutes 2010, section 177.42, is amended by adding a subdivision
2.13 to read:

2.14 Subd. 6a. **Prevailing wage rate; nonmetropolitan county area.** (a) "Prevailing
2.15 wage rate" means the mean hourly compensation paid to workers engaged in the same
2.16 class of labor within the area. The mean hourly compensation includes the hourly basic
2.17 rate plus the contribution for medical or hospital care, pensions on retirement or death,
2.18 compensation for injuries or illness resulting from occupational activity, or insurance to
2.19 provide any of the foregoing, for unemployment benefits, life insurance, disability and
2.20 sickness insurance, or accident insurance, for vacation and holiday pay, for defraying the
2.21 costs of apprenticeship or other similar programs, or for other bona fide fringe benefits,
2.22 but only where the contractor or subcontractor is not required by other federal, state, or
2.23 local law to provide any of those benefits, the amount of:

2.24 (1) the rate of contribution irrevocably made by a contractor or subcontractor to a
2.25 trustee or to a third person under a fund, plan, or program; and

2.26 (2) the rate of costs to the contractor or subcontractor that may be reasonably
2.27 anticipated in providing benefits to laborers and mechanics pursuant to an enforceable
2.28 commitment to carry out a financially responsible plan or program which was
2.29 communicated in writing to the laborers and mechanics affected.

2.30 (b) Prevailing wage rate includes, for the purposes of section 177.44, rental rates for
2.31 truck hire paid to those who own and operate the truck.

2.32 (c) The prevailing wage rate may not be less than a reasonable and living wage.

2.33 (d) This subdivision applies only to work done in a county other than a metropolitan
2.34 county under section 473.121, subdivision 4.

3.1 Sec. 4. **[177.421] PREVAILING WAGE DETERMINATIONS.**

3.2 **Subdivision 1. Highway and heavy construction.** The department shall, at least
3.3 once every two calendar years, determine and certify prevailing wage rates applicable
3.4 to state projects that are similar in nature to public and private highway and heavy
3.5 construction projects where the estimated total cost of completing the project is \$25,000
3.6 or more.

3.7 **Subd. 2. Commercial-type construction.** The department shall, at least once every
3.8 two calendar years, determine and certify prevailing wage rates applicable to state projects
3.9 that are similar in nature to public and private commercial projects where the estimated
3.10 total cost of completing the project is \$2,500 or more.

3.11 **Subd. 3. Survey data.** Each wage survey shall be based upon work performed
3.12 in the 24 months preceding the date the survey is commenced and the resulting wage
3.13 determinations certified following the close of the survey.

3.14 Sec. 5. **APPROPRIATION.**

3.15 \$112,000 is appropriated from the general fund in fiscal year 2013 to the
3.16 commissioner of labor and industry for purposes of this act. This is a onetime
3.17 appropriation.

3.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.19 Sec. 6. **REPEALER.**

3.20 Minnesota Rules, part 5200.1020, subparts 1, 2, and 5, are repealed.

3.21 Sec. 7. **EFFECTIVE DATE.**

3.22 Unless otherwise specified, this act is effective January 1, 2013.

5200.1020 PREVAILING WAGE DETERMINATIONS.

Subpart 1. **Highway and heavy construction.** The department shall, at least once each calendar year, determine and certify prevailing wage rates applicable to state projects which are similar in nature to public and private highway and heavy construction projects where the estimated total cost of completing the project is \$25,000 or more.

5200.1020 PREVAILING WAGE DETERMINATIONS.

Subp. 2. **Commercial type construction.** The department shall, at least once each calendar year, determine and certify prevailing wage rates applicable to state projects which are similar in nature to public and private commercial projects where the estimated total cost of completing the project is \$2,500 or more.

5200.1020 PREVAILING WAGE DETERMINATIONS.

Subp. 5. **Survey data; recent.** Each wage survey shall be based upon work performed in the 12 months preceding the date the survey is commenced and the resulting wage determinations will be certified following the close of the survey.