

181.165 WAGE PROTECTION; CONSTRUCTION WORKERS.

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Claimant" means any person claiming unpaid wages, fringe benefits, penalties, or resulting liquidated damages that are owed as required by law, including any applicable statute, regulation, rule, ordinance, government resolution or policy, contract, or other legal authority.

(c) "Commissioner" refers to the commissioner of labor and industry.

(d) "Construction contract" means a written or oral agreement for the construction, reconstruction, erection, alteration, remodeling, repairing, maintenance, moving, or demolition of any building, structure, or improvement, or relating to the excavation of or development or improvement to land. For purposes of this section, a construction contract shall not include a home improvement contract for the performance of a home improvement between a home improvement contractor and the owner of an owner-occupied dwelling, and a home construction contract for one- or two-family dwelling units except where such contract or contracts results in the construction of more than ten one- or two-family owner-occupied dwellings at one project site annually.

(e) "Contractor" means any person, firm, partnership, corporation, association, company, organization, or other entity, including a construction manager, general or prime contractor, joint venture, or any combination thereof, along with their successors, heirs, and assigns, which enters into a construction contract with an owner. An owner shall be deemed a contractor and liable as such under this section if said owner has entered into a construction contract with more than one contractor or subcontractor on any construction site.

(f) "Owner" means any person, firm, partnership, corporation, association, company, organization, or other entity, or a combination of any thereof, with an ownership interest, whether the interest or estate is in fee, as vendee under a contract to purchase, as lessee or another interest or estate less than fee that causes a building, structure, or improvement, new or existing, to be constructed, reconstructed, erected, altered, remodeled, repaired, maintained, moved, or demolished or that causes land to be excavated or otherwise developed or improved.

(g) "Subcontractor" means any person, firm, partnership, corporation, company, association, organization or other entity, or any combination thereof, that is a party to a contract with a contractor or party to a contract with the contractor's subcontractors at any tier to perform any portion of work within the scope of the contractor's construction contract with the owner, including where the subcontractor has no direct privity of contract with the contractor. When the owner is deemed a contractor, subcontractor also includes the owner's contractors.

Subd. 2. **Assumption of liability.** (a) A contractor entering into a construction contract shall assume and is liable for any unpaid wages, fringe benefits, penalties, and resulting liquidated damages owed to a claimant or third party acting on the claimant's behalf by a subcontractor at any tier acting under, by, or for the contractor or its subcontractors for the claimant's performance of labor.

(b) A contractor or any other person shall not evade or commit any act that negates the requirements of this section. No agreement by an employee or subcontractor to indemnify a contractor or otherwise release or transfer liability assigned to a contractor under this section shall be valid. However, if a contractor has satisfied unpaid wage claims of an employee and incurred fees and costs in doing so, such contractor may

then pursue actual and liquidated damages from any subcontractor who caused the contractor to incur those damages.

(c) A contractor shall not evade liability under this section by claiming that a person is an independent contractor rather than an employee of a subcontractor unless the person meets the criteria required by section 181.723, subdivision 4.

Subd. 3. **Enforcement.** (a) In the case of a complaint filed with the commissioner under section 177.27, subdivision 1, or a private civil action by an employee under section 177.27, subdivision 8, such employee may designate any person, organization, or collective bargaining agent authorized to file a complaint with the commissioner or in court pursuant to this section to make a wage claim on the claimant's behalf.

(b) In the case of an action against a subcontractor, the contractor shall be jointly and severally liable for any unpaid wages, benefits, penalties, and any other remedies available pursuant to this section.

(c) Claims shall be brought consistent with section 541.07, clause (5), for the initiation of such claim under this section in a court of competent jurisdiction or the filing of a complaint with the commissioner or attorney general. The provisions of this section do not diminish, impair, or otherwise infringe on any other right of an employee to bring an action or file a complaint against any employer.

Subd. 4. **Payroll records; data.** (a) Within 15 days of a request by a contractor to a subcontractor, the subcontractor, and any other subcontractors hired under contract to the subcontractor shall provide payroll records, which, at minimum, contain all lawfully required information for all workers providing labor on the project. The payroll records shall contain sufficient information to apprise the contractor or subcontractor of such subcontractor's payment of wages and fringe benefit contributions to a third party on the workers' behalf. Payroll records shall be marked or redacted to an extent only to prevent disclosure of the employee's Social Security number.

(b) Within 15 days of a request of a contractor or a contractor's subcontractor, any subcontractor that performs any portion of work within the scope of the contractor's construction contract with an owner shall provide:

(1) the names of all employees and independent contractors of the subcontractor on the project, including the names of all those designated as independent contractors and, when applicable, the name of the contractor's subcontractor with whom the subcontractor is under contract;

(2) the anticipated contract start date;

(3) the scheduled duration of work;

(4) when applicable, local unions with which such subcontractor is a signatory contractor; and

(5) the name and telephone number of a contact for the subcontractor.

(c) Unless otherwise required by law, a contractor or subcontractor shall not disclose an individual's personal identifying information to the general public, except that the contractor or subcontractor can confirm that the individual works for them and provide the individual's full name.

Subd. 5. **Payments to contractors and subcontractors.** Nothing in this section shall alter the owner's obligation to pay a contractor, or a contractor's obligation to pay a subcontractor as set forth in section 337.10, except as expressly permitted by this section.

Subd. 6. **Exemptions.** (a) Nothing in this section shall be deemed to diminish the rights, privileges, or remedies of any employee under any collective bargaining agreement. This section shall not apply to any contractor or subcontractor that is a signatory to a bona fide collective bargaining agreement with a building and construction trade labor organization that: (1) contains a grievance procedure that may be used to recover unpaid wages on behalf of employees covered by the agreement; and (2) provides for collection of unpaid contributions to fringe benefit trust funds established pursuant to United States Code, title 29, section 186(c)(5)-(6), by or on behalf of such trust funds.

(b) This section does not apply to work for which prevailing wage rates apply under sections 177.41 to 177.44.

History: 2023 c 53 art 10 s 6