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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **2380**

March 29, 2007

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The bill was read for the first time and referred to the Committee on Commerce and Labor

1.1 A bill for an act
1.2 relating to labor; regulating state department and local government construction
1.3 contracts; proposing coding for new law in Minnesota Statutes, chapter 177.

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

1.5 Section 1. **[177.45] GOVERNMENT ENTITY REQUIREMENTS.**

1.6 Subdivision 1. Definitions. (a) "Construction contract" as used in this section
1.7 includes, without limitation, any contract for the construction, rehabilitation, alteration,
1.8 conversion, extension, maintenance, or repair of buildings, highways, bridges, tunnels,
1.9 transportation facilities, water or sewage treatment plants, power plants, or other
1.10 improvements to real property.

1.11 (b) "Labor organization" as used in this section has the meaning given in United
1.12 States Code, title 29, section 152(5).

1.13 (c) "Government entity" as used in this section means the state or a county, statutory
1.14 or home rule charter city, town, hospital district, public authority, public corporation,
1.15 public commission, special district, or any other political subdivision. For the purposes of
1.16 this section, "government entity" does not include a school district.

1.17 Subd. 2. Prohibitions. A government entity entering into a construction contract
1.18 must ensure that in its contracts, bid specifications, project agreements, construction
1.19 contracts, or other controlling documents the government entity, or an agent entering a
1.20 construction contract on behalf of a government entity, does not:

1.21 (1) require or prohibit bidders, contractors, subcontractors, or vendors to or from
1.22 entering into or adhering to agreements with one or more labor organizations; or

2.1 (2) otherwise discriminate against bidders, contractors, subcontractors, or vendors
2.2 for becoming, refusing to become, remaining or refusing to remain signatory to, or
2.3 otherwise adhering to agreements with one or more labor organizations.

2.4 Subd. 3. **Contractors and subcontractors.** Nothing in this section prohibits
2.5 contractors or subcontractors from voluntarily entering into agreements described in
2.6 subdivision 2.

2.7 Subd. 4. **Exemptions.** A government entity may exempt a particular project,
2.8 contract, subcontract, grant, or cooperative agreement from the requirements of any or all
2.9 of the provisions of this section, if the government entity finds that special circumstances
2.10 require an exemption in order to avert threat to public health, safety, security, or
2.11 extenuating economic circumstances. However, a finding of "special circumstances" under
2.12 this section may not be based on the possibility or presence of a labor dispute concerning
2.13 the use of contractors, subcontractors, or vendors who are nonsignatories to, or otherwise
2.14 do not adhere to, agreements with one or more labor organizations, or concerning
2.15 employees on the project who are not members of or affiliated with a labor organization.

2.16 Subd. 5. **Future contracts.** With respect to construction contracts which have not
2.17 yet been entered into prior to the effective date of this section, all government entities
2.18 affected must take action, to the extent practical and permitted by law, to conform
2.19 contracts, related bid specifications, project agreements, and other controlling documents
2.20 in order to implement the provisions of this section.

2.21 Subd. 6. **Inconsistent policies.** Government entities shall immediately revoke
2.22 any orders, rules, regulations, guidelines, or policies related to construction contracts
2.23 that are not consistent with this section, or immediately commence revocation action
2.24 pursuant to law.

2.25 Subd. 7. **Intent.** This section is intended to improve the internal management of
2.26 the state and its political subdivisions and to further the objectives of section 16C.02. It
2.27 is not intended to, nor does it, create or limit any additional right to administrative or
2.28 judicial review, or any additional right, whether substantive or procedural, enforceable
2.29 by any party against the state of Minnesota or its political subdivisions, its agencies or
2.30 instrumentalities, its officers or employees, or any other person.