



2023 Legislative Policies





2023 State Legislative Session Highlights:

- The 2023 session begins January 3. Adjournment date is May 22.
- The Legislature will focus on adopting a biennial budget, making decisions on how to allocate a \$17.6B surplus, enacting a Capital Investments Bill and various other policy initiatives.
- Minnesota is now under one party (Democrat) control of the legislature and all constitutional offices.
- With one party control, it is likely that several initiatives will be enacted into law that have been controversial or have stalled in prior sessions (e.g. legalization of recreational marijuana).

ADVOCACY

(AGC Sponsored or Endorsed Legislation)

General Obligation Bonds for Transportation and Utility Infrastructure Projects

AGC supports a significant level of General Obligation bonding for local system bridge construction, the Local Road Improvement Program, and maximum PFA bonding dollars to leverage water infrastructure projects. A Capital Investments Bill was not enacted in 2022, making it likely one will be considered in 2023.

Comprehensive Transportation Funding

AGC will heavily advocate for funding for transportation infrastructure -roads, bridges, and transit- that provide increased, stable, and dedicated funding to address unmet needs across the state. New and current state leaders have voiced their commitment to investing in the state's infrastructure. AGC will work with other groups to amplify our collective voice in support of a transportation package that includes various funding options, and the appropriation of the necessary dollars to match and leverage the maximum amount of federal Infrastructure Investment and Jobs Act (IIJA) resources.

Wage Theft Clarifications

A new wage theft law passed in the 2019 legislative session instituted several new compliance measures to ensure proper payment to employees. AGC will advocate to clarify the statute with regards to initial notification for seasonal employees and ways to provide timely notice when an employee shifts projects or equipment. AGC supports certain measures to codify current interpretations and practice by the Department of Labor and Industry. AGC will continue to oppose expansion of wage theft initiatives that shift risk on to general contractors and/or significantly increase administrative burdens.

Work Zone Safety

AGC will continue to advocate for a comprehensive approach to address safety for construction workers and the traveling public in a work zone. AGC will explore options to provide funding that improves safety and addresses workforce mental health concerns, particularly if funds can enhance the application of technology to prevent work zone accidents.



Worker Safety and Underground Damage Prevention

AGC supports legislation that prioritizes worker safety, the general public, and utility infrastructure safety. Highway, commercial building, and utility contractors have been facing mounting problems with improperly marked locates, timeliness of locating utility lines, and decreased participation by utility operators to attend required meetings for upcoming construction projects. Specifically, AGC supports amending the excavation notice system laws (Chapter 216D) to add worker and contractor protections, improve the quality of utility mapping, and allow for contractor recourse when they face downtime due to negligence by a utility. AGC is also working with the MN Office of Pipeline Safety and other interested parties to educate members on rights and responsibilities under current law.

SUPPORTIVE INVOLVEMENT

(Initiatives from Other Sources/Organizations)

Building Jobs Coalition (BJC) - Construction Market Stimulus Initiatives

The Building Jobs Coalition recommends the State continue to use its bonding capacity to invest in asset preservation, pre-design and architectural services, infrastructure, and transportation. Infrastructure investment drives short-term growth by boosting demand for construction, employment, and long-term growth by increasing the potential supply capacity of our economy. Efforts will also continue to emphasize workforce development.

Permit Streamlining & Environmental Regulations

AGC will evaluate opportunities to streamline permit processes and reduce regulatory burdens for the utility infrastructure, vertical, and transportation construction sectors. AGC will track and be a resource regarding any “Buy Clean” initiatives, which require certain materials be used in public construction projects. Any new standards must be fully vetted to consider the impacts to all actors in the construction supply chain and project delivery.

Technology Adoption in Public Procurement

The COVID-19 pandemic has put the spotlight on the need for increased public health safety measures, including utilizing technology for meeting requirements in public procurement processes. Several state agencies have addressed state requirements and standards that impeded the issuance of surety and bond authorizations during the COVID-19 pandemic. However, there are still outstanding questions if departmental guidance will continue post-pandemic or if further clarifications are needed regarding several aspects affecting the construction industry. It is in the interest of policymakers, regulators, and those in the construction industry to protect taxpayer funds and the downstream parties that depend on surety guarantees of performance and payment. The use of digital technology such as electronic signatures also creates efficiencies for all parties. AGC of MN will work with others to make many of these changes permanent via legislation or other means, advocating for widespread adoption of electronic signatures for surety bonds at the state level.



Construction Materials Price Adjustment Tools and Economic Recovery Appropriations

AGC will identify and support initiatives that apply a variety of Economic Price Adjustments (EPAs) to publicly funded contracts at all levels of government. EPAs are supported and used regularly at the federal level in contracting. They provide a more balanced and shared risk model protecting public owners from large bid contingencies and contractors from unforeseen price escalation in unsteady markets. Examples of EPAs include but are not limited to using materials price indexes to flatten out the volatility of market swings in material costs.

AGC will also support efforts to establish fund(s) and seek appropriation(s) that may be used to offset contractor costs for materials price escalation that were incurred during the 2022 construction season. An unprecedented unstable market allowed for extreme cost increases in construction materials prices that could not be anticipated at time of bidding. Contractors should not be expected to incur the scale of these costs increases essentially subsidizing public assets while putting their businesses at risk. Approaches that require full justification of cost increases that occurred during a set period of time would be fundamental to this initiative.

Immigration and Workforce Development Initiative(s)

AGC supports legislative action that would result in issuing state identification cards, driver licenses or other identification (ID) initiatives that provide more stability for immigrant populations and communities. A strong, regulated and fully supported immigration policy is essential to providing necessary workforce solutions for the construction industry and the state's economy.

Legalization of Recreational Marijuana/Cannabis

AGC recognizes that recreational use of cannabis may become law. We will actively track these developments offering industry-relevant worker and workplace safety and operational information including voicing concerns centered around possible adverse impacts to the construction industry.

MONITOR & ENGAGE

(Initiatives from Other Sources/Organizations)

Industry Behavioral Health

Contractors, associations, industry service providers, unions, and project owners must work together to address the mental health and suicide crisis in construction occupations. AGC recognizes that project delivery schedules are being shortened in many cases, causing corresponding impacts to work hours. In the heavy civil market, and at times, commercial building market, work under live traffic puts constant pressure on workers. These realities must be considered as part of solutions by contractors and owners alike to determine effective mental health strategies for those in the industry.



Labor Relations Issues/Proposals

AGC will continue to monitor closely any proposals that may change prevailing wage law, project labor agreements, safety requirements, workplace requirements, wage theft initiatives, employee misclassification, etc.

- 4-10s at Straight Time: AGC will explore opportunities to change state prevailing wage law and provide overtime after 40 hours and allow (4) ten- hour days paid at straight time rates.

Contract Procurement Issues

Initiatives to change public contract procurement processes are perennial at the Capitol. AGC will continue to engage and represent the interests of all contractors with any proposal that changes current public procurement laws.

Equipment “Right to Repair” Legislation

AGC will evaluate proposals that seek to allow consumers or independent distributors to repair and modify their own electronic devices and equipment. AGC will review potential impacts for contractors as it pertains to heavy equipment and encourage groups working on a legislative agreement to prioritize safety as well as continuing education for technicians.

Sales Tax Exemption for Building Materials

AGC will track legislative adjustments and will dialog with the MN Department of Revenue regarding clarifying provisions related to the sales tax exemption for construction materials and/or support legislation exempting construction materials from sales tax.

Workforce Hiring Goal Changes & State Administrative Procedures Act

AGC will continue looking for opportunities to enact changes that would require the Minnesota Department of Human Rights to be bound by provisions of the State Administrative Procedures Act when setting workforce participation goals on publicly funded projects. Specifically, this would require public hearing and public comment opportunity when changes to the goals are proposed.

Duty to Defend

AGC will continue to monitor and engage as necessary to preserve the existing construction contract insurance provision requiring insurance to cover the defense costs of vicarious liability claims against upper tier subcontractors, general contractors, and project owners.

Other

AGC will monitor and engage in any other items of interest to the industry that may arise.