



BUILDING AMERICA

THE MERIT SHOP SCORECARD

A Review & Ranking of State Construction Environments

Minnesota

Project Labor Agreements

No state policy, though some local government entities have implemented PLA mandates.

Prevailing Wage

Yes; \$2,500 if the project involves only one trade and \$25,000 if involving more than one trade.

Right to Work

No.

Public-Private Partnerships

Statute authorizes the use of P3s on toll facilities and allows the Minnesota Sports Facilities Authority to enter into P3s associated with the football stadium and associated infrastructure.

Workforce Development Incentives

Current labor supply satisfies 83% of peak labor demand.

State offered \$123,357,659 in grants and incentives for workforce preparation and development in 2019.

Career and Technical Education

86% of CTE high school graduates are placed in colleges or careers.

Minnesota does not recognize NCCER as an approved curriculum for CTE programs.

Job Growth Rate

2.9%.

Industry Overview

OVERALL RANK 41

Project Labor Agreements D

Prevailing Wage F

Right to Work F

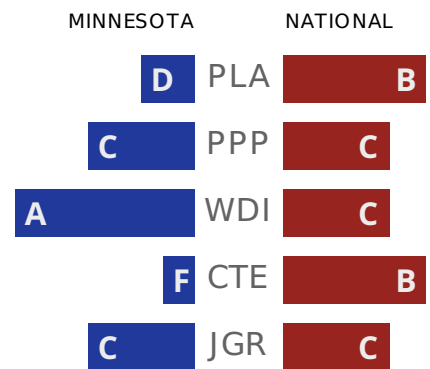
Public-Private Partnerships C

Workforce Development Incentives A

Career & Technical Education F

Job Growth Rate C

Compared to the National Average



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Prompt Pay

Private: Unless the building and construction contract provides otherwise, the owner or other persons making payments under the contract must make progress payments monthly.

Public: Unless the terms of the contract provide otherwise, a public contracting agency shall make progress payments on a public contract for a public improvement monthly as the work progresses.

Subs:

- Private: Prime must pay subs and subs must pay lower tiers within 10 days of receiving payment.

- Public: Prime must pay subs within 10 days of receiving payment, no law for subs to lower tiers.

Interest rates of 1.5% accrues monthly for any unpaid balance after 10 days. Costs and disbursements, including attorneys' fees must also be paid when the contractor or subcontractor prevails in a civil action.

In May 2016, the legislature passed a law authorizing contractors and subcontractors of any tier to stop work in they are not paid within 10 days after an undisputed payment is due. It also limited retainage for all Minnesota projects to 5%.

Immigration/E-Verify Mandate

State contractors with or seeking contracts over \$50,000 must use E-Verify. There is no law for private businesses or state agencies.

Percentage of State GDP From Nonresidential Construction

3.7%.

Incidence Rate

5.1.

Occupational Safety & Health Oversight (State vs. Federal)

State plan covers private workplaces and state and local government workplaces.

Percentage of Union Membership in Private Construction

29.1%.

Marijuana Legalization Status

Legalized for medicinal use, decriminalized for personal use.

Business Facts

Minimum Wage

\$9.65 for large employers, \$8.04 for small employers (under \$500k in annual sales).

Percentage of Pensions Funded	63.3%
Effective Real-Estate Tax Rate	1.15%
Corporate Income Tax Rate(s)	9.80%
State and Local Public Construction Expenditures (in millions)	\$6,421

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