



# 2026

## Legislative Policies





# ADVOCACY

## (AGC Sponsored or Endorsed Legislation)

### **Capital Investment - General Obligation Bonds for Transportation, Building, and Utility Infrastructure Projects**

AGC recognizes the need to invest in infrastructure to maintain and support critical systems, including a significant level of General Obligation bonding for local system bridge construction, the Local Road Improvement Program, and maximum Public Facility Authority bonding dollars to leverage water infrastructure projects. Additional capital funding is needed to build and construct projects that received design appropriations in prior years and to maximize federal matching dollars for key regional projects.

### **Comprehensive Transportation Funding**

AGC is a strong advocate for increased, stable, and dedicated funding for transportation infrastructure - roads, bridges, and transit- to address unmet needs across the state. AGC will continue to coordinate with partner organizations to amplify support for a comprehensive transportation package and defend against any proposals to roll back transportation funding streams, including the full dedication of the auto parts sales tax. AGC will work with the Legislature and state agencies to deploy federal funding efficiently and ensure timely project delivery.

### **Prompt Payment Program to Small Business Enterprises**

Project owners pay prime contractors after scopes of work are completed and approved, or pay late. For a subcontractor who performs work early in that scope, the subcontractor must wait for the rest of the work to be completed, the owner to pay the prime, the prime to pay upper-tier subcontractors, and those upper-tier subcontractors to pay their subcontractors until the money reaches the subcontractor who performed the work. Meanwhile, the subcontractor must pay for its supplies and labor when ordered and delivered, and labor wages when the work is performed. The time between receiving payments and making payments creates a cash flow challenge that hinders many small, minority, and start-up businesses. AGC has developed and supports a special program for approved small businesses to have their work approved earlier and receive direct, partial payments from owners in a timely manner.

### **Wage Theft Clarifications**

Wage theft laws passed in 2019 and 2023 instituted many new compliance measures to ensure proper payment to employees. AGC will advocate clarifying the statute regarding 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 practices by the Department of Labor and Industry of the 2019 law. AGC believes that there should be safe harbors when a contractor demonstrates that it worked to prevent wage theft and was caught unaware and will continue to oppose the expansion of wage theft initiatives that shift risk onto general contractors, significantly increase administrative burdens, and/or put disproportionate and unfair hardships on good actors in the industry. Only a contractor's intentional or deliberate disregard of a violation of the Wage Theft Act should make a contractor liable under the Responsible Contractor Act.



### **Work Zone Safety**

AGC will continue to advocate for a comprehensive approach to address safety for construction workers and the traveling public work zones. AGC will explore options to provide funding for programs, technology, and staffing that improve physical safety for all and consider worker well-being.

### **Worker Safety and Underground Damage Prevention**

AGC supports excavation law changes that prioritize worker safety, the public, and utility infrastructure safety. AGC supports continued improvements to the excavation notice system laws (Chapter 216D) to add worker and contractor protections, require electronic positive response on the 811 notification center, enhance enforcement efforts for non-compliance, improve the quality of utility mapping, and allow for contractor recourse when they face downtime due to negligence by a utility. AGC seeks to ensure that underground facility safety and damage prevention is a shared responsibility of utility owners, locators, and contractors.



## **SUPPORTIVE INVOLVEMENT**

### **(Initiatives from Other Sources/Organizations)**

#### **Building Jobs Coalition (BJC) – Construction Market Stimulus Initiatives**

The Building Jobs Coalition, which AGC co-leads, 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. AGC supports incentives to boost local economies, preserve property tax bases, and repurpose vacant spaces for much-needed housing and other uses. These incentives include Conversion of Underutilization Building credit and Historic Tax Credit, among others.

#### **Permit Streamlining**

AGC will evaluate opportunities to streamline permit processes and reduce regulatory burdens for the utility infrastructure, vertical, transportation, and data center construction sectors.

#### **Environmental Laws, Climate and Energy Policies**

The MN construction industry must actively participate in the policymaking process to ensure firms and the workforce grow and succeed. AGC supports a comprehensive strategy to maximize public and private investments, particularly through maximizing Inflation Reduction Act initiatives, that make infrastructure more resilient to disasters while allowing for flexibility on a project-based level. AGC will track and be a resource regarding any “Buy Clean” initiatives, which require certain materials to be used in public construction projects. Any new standards must be fully vetted to consider the impact to all actors in the construction supply chain and project delivery. AGC supports incentives to modernize current construction equipment.

### **Workforce Development Initiatives**

#### **Pre-Apprenticeships and Apprenticeships**

AGC supports increased funding for pre-apprenticeship programs and Career Technical Education (CTE) programs that receive public funding to foster diversity and inclusion, prepare individuals to enter the construction workforce, and increase access by removing barriers for funding for apprenticeship programs.

#### **Immigration**

AGC supports legislative action that results in issuing 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.

#### **Drug-Free Workplaces**

AGC supports employers’ ability to maintain safe, drug-free workplaces, including the current safety-sensitive exemption in the current cannabis law.



# 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 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.



### **Contractual Issues**

AGC will monitor and engage as necessary on various contractual matters brought into public policymaking such as indemnification, retainage, and prompt payment; and that public contractual terms are fair and consistent with industry standards.

### **Other**

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

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