

WAGE THEFT PREVENTION FREQUENTLY ASKED QUESTIONS

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This frequently asked questions (FAQ) document applies to Multifamily Division projects. This FAQ is general guidance only and does not replace conferring with your legal counsel on project specific variables. This is a living document with updates happening as needed. Please check back for new questions and updated guidance.

Wage Theft Prevention

[Minnesota Statute 462A.051](#) requires applicants for Minnesota Housing funding to disclose wage theft-related information; this includes any convictions, court judgements, determinations, legal settlements, ongoing investigations or lawsuits involving alleged wage theft violations within the preceding five years. This applies to all multifamily applications submitted after August 1, 2024.

Definitions:

1. Project sponsor: An individual, legal entity, or nonprofit board that exercises control, financial responsibility, and decision-making authority over a housing development.
2. Developer: An individual, legal entity, or nonprofit board that is responsible for the coordination of financing and building of a housing development.
3. Owner: The entity that owns or will own the property.
4. Contractor: The entity with whom there is a contract to perform the duties of general contractor on the project.

Note: These roles can overlap.

Frequently Asked Questions:

1. Which Minnesota Housing funding programs are subject to the Wage Theft Prevention requirements?
 - All multiunit residential housing project funding applications submitted after August 1, 2024, including loans and federal Low-Income Housing Tax Credits (Housing Tax Credits). These requirements apply to all projects regardless of funding award amount.
2. What are the required forms for Wage Theft Prevention compliance?

- [Wage Theft Disclosure Certification Form](#): **Due at application. If the general contract has not been selected at the time of application, an additional disclosure form will be required following the selection of the general contractor (and prior to closing).**
 - [Wage Theft Prevention Verification Form](#): **Initial form due at application. To ensure compliance, an additional verification form will be required at closing.**
3. What are the main requirements for applicants?
- **Submit a [Wage Theft Disclosure Certification Form](#)** at the time of application, disclosing any relevant convictions, judgments, investigations, or legal settlements within the past five years. If contractors and/or subcontractors are added to a project after the date of this verification, an additional verification form will be required with information for all contractors on the project at a future time designated by Minnesota Housing.
 - **Submit a [Wage Theft Prevention Verification Form](#)** at the time of application verifying compliance with Minnesota’s responsible contractor criteria. Due to the frequency of additional or different named contractors or subcontractors from time of application, this form will be required for a second submission prior to closing and receiving funding for all programs except those only receiving housing tax credits.
 - **Designate a Public Information Officer** to handle public inquiries about disclosures.
 - **Provide public access to disclosures** within 14 calendar days upon request.
 - **Maintain and publicly post at the project site a certified contractor list** updated monthly throughout construction, including business details and information regarding number of workers. This list must be available 30 days before the start of construction and must be updated each month, as appropriate, until the end of construction.
 - **Develop a Wage Theft Prevention Plan** if any wage theft occurs, submit it to DLI for approval, and provide the approved plan to Minnesota Housing.
4. What specific information is required on the Wage Theft Disclosure Certification Form?
- Disclosure of violations and alleged violations of specified Minnesota and federal statutes, public information officer designation, and supporting documentation if applicable. This form requires resubmittal if the project’s general contract has not been selected at the time of application or if general contractor changes from time of initial certification.
5. What are the requirements of the Wage Theft Prevention Verification Form?
- The Verification Form requires project sponsors to verify contractor compliance with responsible contractor criteria and creation of a contractor list. This form requires re-verification when new subcontractors are retained after the date of last signed verification.
6. What information must be included in the contractor list?
- The contractor list must include the following information for each contractor and subcontractor: business name, scope of work, Department of Labor and Industry registration number, business name of the entity contracting its services, business

telephone number and email address, and actual or anticipated number of workers on the project.

- This list must be updated monthly throughout the construction period. This list must be posted at the project site in a conspicuous location and made available to members of the public upon request.
7. Who determines if there has been a violation of the wage theft prevention statute and who enforces the requirements?
 - Minnesota Housing determines whether project sponsors are complying with Minn. Stat. 462A.051, subdivision 3-5 through submission of the disclosure form and verification form, and is responsible for denying and withholding funding under Minn. Stat. 462A.051, subd. 8.
 - The Department of Labor and Industry is responsible for reviewing and approving Wage Theft Prevention Plans under Minn. Stat. 462A.051, subd. 7.
 8. What happens if a contractor is found guilty of wage theft on a project funded through Minnesota Housing?
 - The responsible contractor or subcontractor with the finding must correct any wage violations. The project sponsor is responsible for creating a Wage Theft Prevention Plan in conjunction with DLI. This approved plan must be submitted to Minnesota Housing with any subsequent application for funding.
 - A project sponsor is disqualified from receiving financial assistance from or through Minnesota Housing for three (3) years if, within three (3) years of entering into a wage theft prevention plan, any contractor of any tier is found to have failed to pay \$50,000 or more in required wages on a project receiving financial assistance from or through the agency.
 9. If I receive a wage theft complaint, who do I direct the complaint to?
 - You may direct all wage theft complaints to the DLI at 651.284.5075 or dli.laborstandards@state.mn.us.
 10. What is a Wage Theft Prevention Plan?
 - If any contractor or subcontractor of any tier fails to pay statutorily required wages on a project receiving funding from or through the agency, they must submit a Wage Theft Prevention Plan. The Plan must describe detailed measures that the project sponsor and its general contractor have taken to prevent further wage theft on a project. The plan must be submitted to the DLI for review and approval. The DLI may require the project sponsor to amend the plan or adopt policies or protocols in the plan. Once approved by the DLI, the Wage Theft Prevention Plan must be submitted by the project sponsor to the Agency with any subsequent application for funding from the Agency.
 11. Do the Wage Theft Prevention requirements apply to other funders?
 - Applicants should consult the applicable funder and their own legal counsel for direction.

12. Can any other requirements substitute for meeting Wage Theft Prevention obligations?

- No. Compliance with state wage theft requirements is specific and cannot be substituted with other requirements, including Davis-Bacon provisions.

13. Who can answer technical questions related to wage theft and wage theft prevention plans?

- The Minnesota Department of Labor and Industry (DLI) is the primary source for answering technical questions.

14. What do I do if I receive a request for information regarding wage theft for a project?

- Follow the instructions on how to submit information requests found on Minnesota Housing's [Data Requests & Practices](#) webpage.

Revision History

Table 1: Version History

Version	Description	Date
1.0	Initial draft	5/23/25