

FOR IMMEDIATE RELEASE

Builders Association of Minnesota Files Federal Injunction to Halt Implementation of Misclassification Bill

[St. Paul, MN] – February 13, 2025 – The Builders Association of Minnesota (BAM) today announced it has filed a federal court injunction to prevent the implementation of the recently passed misclassification bill, which deals with independent contractor status for construction businesses. The organization argues that the legislation, set to take effect on March 1, 2025, contains provisions that are overly broad, vague, and violate procedural due process, the 8th Amendment and 14th Amendment of the U.S. Constitution, and the National Labor Relations Act.

The Builders Association of Minnesota (BAM), is a statewide organization with 50 years of service to the residential construction industry. BAM represents a diverse membership of home builders, remodelers, and developers, along with a broad network of supporting professionals, including subcontractors, suppliers, realtors, and financial institutions.

The organization believes that the amended law upends the construction industry in Minnesota by presuming that all workers on a construction project automatically qualify as employees instead of independent contractors unless a strict, yet vague 14-factor test is met.

"The 14-factor test is not only vague, but it also conflicts with common industry standards. In other words, the test invites the innocent or inadvertent misclassifications and then punishes for those misclassifications." This bill is a clear overreach that will harm homebuyers and increase the costs of new homes for all Minnesotans. "We are taking legal action to protect the rights of the state's construction industry and homebuyers to ensure that this harmful legislation does not take effect," said Dale Juntunen, President of the Builders Association of Minnesota.

The lawsuit was filed in the US District Court for the District of Minnesota in Minneapolis, Minnesota.

BAM is seeking a preliminary injunction to immediately halt the implementation of the bill while the court considers the merits of the case. The organization is confident that the court will recognize the flaws in the legislation and rule in its favor.

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