

STATE OF MINNESOTA  
COUNTY OF RAMSEY

DISTRICT COURT  
SECOND JUDICIAL DISTRICT  
CASE TYPE: OTHER

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MINNESOTA CHAPTER OF ASSOCIATED BUILDERS AND CONTRACTORS, INC., BUILDERS ASSOCIATION OF MINNESOTA, NATIONAL FEDERATION OF INDEPENDENT BUSINESS, and J&M CONSULTING, LLC,

Court File No. \_\_\_\_\_

**COMPLAINT**

Plaintiffs,

v.

NICOLE BLISSENBACH, *in her official capacity as the Commissioner of the Minnesota Department of Labor and Industry* and KEITH ELLISON, *in his official capacity as the Attorney General of Minnesota*,

Defendants.

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Plaintiffs Minnesota Chapter of Associated Builders & Contractors (“MNABC”), Builders Association of Minnesota (“BAM”), National Federation of Independent Business (“NFIB” who with MNABC and BAM are collectively the “Associations”), and J&M Consulting, LLC (“JMC”) sue Nicole Blissenbach and Keith Ellison, each in their official capacities, and seek declaratory and injunctive relief, as they further allege below:

**INTRODUCTION**

1. Twenty-six years ago, the Minnesota Supreme Court in *Associated Builders and Contractors v. Ventura* declared unconstitutional a prevailing wage provision in an omnibus tax bill because the provision was not germane to the omnibus tax bill’s subject and the bill’s title did not provide sufficient notice that the bill included any prevailing wage provision. 610 N.W.2d 293 (Minn. 2000). The Minnesota Supreme Court, however, did not declare the entire omnibus tax bill

as unconstitutional; instead, severing the prevailing wage provision from the omnibus tax bill. *Id.* at 307.

2. Even before *Ventura*, the Minnesota Supreme Court repeatedly warned the Minnesota Legislature to stop enacting omnibus bills because these bills violate the Single Subject and Title Clause. *Associated Builders and Contractors v. Carlson*, 590 N.W.2d 130, 135 (Minn. 1999) (“These warnings recognize, as do we, the strain placed upon the public and legislature by these burdensome, voluminous catchall bills . . . Nevertheless, we conclude that in this case legislative proponents of this provision have overstepped the bounds imposed by the constitution.”); *State ex rel. Mattson v. Kiedrowski*, 391 N.W.2d 777, 784–85 (Minn. 1986) (Yetka, J., concurring specially) (first warning to legislature that “garbage” or “Christmas tree” bills that include totally unrelated subjects will not be tolerated under Minn. Const. art. IV, § 17); *Blanch v. Suburban Hennepin Regional Park Dist.*, 449 N.W.2d 150, 155 (Minn. 1989) (Yetka, J., concurring specially) (“legislature hereafter has full notice of the consequences of overstepping constitutional limitations in its drafting of omnibus bills”).

3. The Minnesota Legislature failed to heed the Minnesota Supreme Court’s repeated warnings. During the 93rd Legislative Session, the Minnesota Legislature violated the Minnesota Constitution when it passed the 1,400-plus page Omnibus Bill, H.F. No. 5247 (the “Jumbo Omnibus”). The Legislature passed the Jumbo Omnibus minutes before midnight on Sunday, May 19, 2024. Legislators and the public were given no time for review or debate—and some legislators were unable even to see the Jumbo Omnibus. In the Legislature’s rush to push through the Jumbo Omnibus before the expiration of the legislative session, it violated the Minnesota Constitution’s Single Subject and Title Clause. Buried within the Jumbo Omnibus is an amendment to Minn. Stat. § 181.723 (the “Statute”), which upended the entire Minnesota construction industry by

imposing a strict yet vague fourteen-factor test on who qualifies as an independent contractor versus employee. Accordingly, the Court should: (1) declare that the Statute is not germane to any of Jumbo Omnibus's subjects; (2) the Jumbo Omnibus's title does not give sufficient notice that employee versus independent contractor classification in the construction industry is part of the Jumbo Omnibus; (3) sever the Statute from the Jumbo Omnibus; and (4) permanently enjoin Defendants from enforcing the Statute against the Associations' members.

4. The Statute fully took effect on March 1, 2025.<sup>1</sup> The Statute provides an all inclusive fourteen-factor test for classifying employees versus independent contractors in the construction industry. Failure to meet a *single* one of the 14-factor test can result in the Department of Labor and Industry ("DOLI") finding that an employer has misclassified an employee as an independent contractor. The Statute then similarly provides new penalties for such misclassification, specifically: (1) compensatory damages to the misclassified individuals; (2) a penalty of up to \$10,000 for each individual the employer allegedly misclassified; (3) a penalty of up to \$10,000 for each violation of the relevant subdivision; (4) a penalty of \$1,000 for any employer who delays, obstructs, or otherwise fails to cooperate with the DOLI's investigation, each *day* of delay constitutes a separate violation; and (5) criminal penalties on the employer who misclassified the individual.<sup>2</sup>

5. The Jumbo Omnibus embraces more than one subject, as shown by its title, reprinted below without edits:

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<sup>1</sup> The Statute's fourteen-factor test took effect on March 1, 2025, the other parts of the Statute took effect on July 1, 2024. H.F. 5247 (2023–2024).

<sup>2</sup> See Minn. Stat. § 326B.081, subd. 3 (including the Statute under the definition of "applicable law") and § 326B.082, subd. 16 (stating a person who violates an applicable law is a guilty of a misdemeanor).

A bill for an act

relating to the operation and financing of state government; modifying trunk highway bonds, transportation policy, combative sports, construction codes and licensing, the Bureau of Mediation Services, the Public Employee Labor Relations Act, employee misclassification, earned sick and safe time, University of Minnesota collective bargaining, broadband and pipeline safety, housing policy, and transportation network companies; expediting rental assistance; establishing registration for transfer care specialists; establishing licensure for behavior analysts; establishing licensure for veterinary technicians and a veterinary institutional license; modifying provisions of veterinary supervision; modifying specialty dentist licensure and dental assistant licensure by credentials; removing additional collaboration requirements for physician assistants to provide certain psychiatric treatment; modifying social worker provisional licensure; establishing guest licensure for marriage and family therapists; modifying pharmacy provisions for certain reporting requirements and change of ownership or relocation; modifying higher education policy provisions; amending the definition of trigger activator; increasing penalties for transferring firearms to certain persons who are ineligible to possess firearms; amending agriculture policy provisions; establishing and modifying agriculture programs; providing broadband appropriation transfer authority; requiring an application for federal broadband aid; adding and modifying provisions governing energy policy; establishing the Minnesota Energy Infrastructure Permitting Act; modifying provisions related to disability services, aging services, substance use disorder treatment services, priority admissions to state-operated programs and civil commitment, and Direct Care and Treatment; modifying provisions related to licensing of assisted living facilities; modifying provisions governing the Department of Human Services, human services health care policy, health care finance, and licensing policy; modifying provisions governing the Department of Health, health policy, health insurance, and health care; modifying provisions governing pharmacy practice and behavioral health; establishing an Office of Emergency Medical Services and making conforming changes; modifying individual income taxes, minerals taxes, tax-forfeited property, and miscellaneous tax provisions; modifying state employee compensation; modifying paid leave provisions; imposing penalties; authorizing administrative rulemaking; making technical changes; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 3.7371, subdivisions 2, 3, by adding subdivisions; 13.46, subdivisions 1, as amended, 10, as amended; 13.6905, by adding a subdivision; 13.824, subdivision 1, by adding a subdivision; 16A.055, subdivision 1a, by adding a subdivision; 17.116, subdivision 2; 17.133, subdivision 1; 18B.01, by adding a subdivision; 18B.26, subdivision 6; 18B.28, by adding a subdivision; 18B.305, subdivision 2; 18B.32, subdivisions 1, 3, 4, 5; 18B.33, subdivisions 1, 5, 6; 18B.34, subdivisions 1, 4; 18B.35, subdivision 1; 18B.36, subdivisions 1, 2; 18B.37, subdivisions 2, 3; 18C.005, subdivision 33, by adding a subdivision; 18C.115, subdivision 2; 18C.215, subdivision 1; 18C.221; 18C.70, subdivisions 1, 5; 18C.71, subdivisions 1, 2, 4, by adding a subdivision; 18C.80, subdivision 2; 18D.301, subdivision 1; 28A.10; 28A.151, subdivisions 1, 2, 3, 5, by adding a

subdivision; 28A.21, subdivision 6; 31.74; 31.94; 32D.30; 41B.039, subdivision 2; 41B.04, subdivision 8; 41B.042, subdivision 4; 41B.043, subdivision 1b; 41B.045, subdivision 2; 41B.047, subdivision 1; 43A.05, subdivision 3; 43A.18, subdivisions 2, 3, 9; 43A.24, by adding a subdivision; 62A.0411; 62A.15, subdivision 4, by adding a subdivision; 62A.28, subdivision 2; 62D.02, subdivision 7; 62D.04, subdivision 5; 62D.12, subdivision 19; 62D.14, subdivision 1; 62D.20, subdivision 1; 62D.22, subdivision 5, by adding a subdivision; 62J.49, subdivision 1; 62J.61, subdivision 5; 62M.01, subdivision 3; 62M.02, subdivisions 1a, 5, 11, 12, 21, by adding a subdivision; 62M.04, subdivision 1; 62M.05, subdivision 3a; 62M.07, subdivisions 2, 4, by adding a subdivision; 62M.10, subdivisions 7, 8; 62M.17, subdivision 2; 62Q.097, by adding a subdivision; 62Q.14; 62Q.19, subdivisions 3, 5, by adding a subdivision; 62Q.73, subdivision 2; 62V.05, subdivision 12; 62V.08; 62V.11, subdivision 4; 65B.472; 103I.621, subdivisions 1, 2; 116C.83, subdivision 6; 116J.395, subdivision 6, by adding subdivisions; 116J.396, by adding a subdivision; 116J.871, subdivision 4; 123B.53, subdivision 1; 134A.09, subdivision 2a; 134A.10, subdivision 3; 135A.15, as amended; 136A.091, subdivision 3; 136A.1241, subdivision 3; 136A.1701, subdivisions 4, 7; 136A.29, subdivision 9; 136A.62, by adding subdivisions; 136A.63, subdivision 1; 136A.646; 136A.65, subdivision 4; 136A.675, subdivision 2; 136A.69, subdivision 1; 136A.821, subdivision 5, by adding a subdivision; 136A.822, subdivisions 1, 2, 6, 7, 8; 136A.824, subdivisions 1, 2; 136A.828, subdivision 3, by adding a subdivision; 136A.829, subdivision 3, by adding a subdivision; 144.05, subdivisions 6, 7, by adding a subdivision; 144.0572, subdivision 1; 144.058; 144.0724, subdivisions 2, 3a, 4, 6, 7, 8, 9, 11; 144.1464, subdivisions 1, 2, 3; 144.1501, subdivision 5; 144.1911, subdivision 2; 144.212, by adding a subdivision; 144.216, subdivision 2, by adding subdivisions; 144.218, by adding a subdivision; 144.292, subdivision 6; 144.293, subdivisions 2, 4, 9, 10; 144.493, by adding a subdivision; 144.494, subdivision 2; 144.551, subdivision 1; 144.555, subdivisions 1a, 1b, 2, by adding subdivisions; 144.605, by adding a subdivision; 144.7067, subdivision 2; 144.99, subdivision 3; 144A.10, subdivisions 15, 16; 144A.471, by adding a subdivision; 144A.474, subdivision 13; 144A.61, subdivision 3a; 144A.70, subdivisions 3, 5, 6, 7; 144A.71, subdivision 2, by adding a subdivision; 144A.72, subdivision 1; 144A.73; 144E.001, subdivision 3a, by adding subdivisions; 144E.101, by adding a subdivision; 144E.16, subdivisions 5, 7; 144E.19, subdivision 3; 144E.27, subdivisions 3, 5, 6; 144E.28, subdivisions 3, 5, 6, 8; 144E.285, subdivisions 1, 2, 4, 6, by adding subdivisions; 144E.287; 144E.305, subdivision 3; 144G.08, subdivision 29; 144G.10, by adding a subdivision; 144G.16, subdivision 6; 144G.41, subdivision 1, by adding subdivisions; 144G.63, subdivisions 1, 4; 144G.64; 145.61, subdivision 5; 146B.03, subdivision 7a; 146B.10, subdivisions 1, 3; 148.511; 148.512, subdivision 17a; 148.513, subdivisions 1, 2, 3, by adding a subdivision; 148.514, subdivision 2; 148.515, subdivision 1; 148.518; 148.519, subdivision 1, by adding a subdivision; 148.5191, subdivision 1, by adding a subdivision; 148.5192, subdivisions 1, 2, 3; 148.5193, subdivision 1, by adding a subdivision; 148.5194, subdivision 8, by adding a subdivision; 148.5195, subdivisions 5, 6; 148.5196, subdivision 3; 148D.061, subdivisions 1, 8;

148D.062, subdivisions 3, 4; 148D.063, subdivisions 1, 2; 148E.055, by adding subdivisions; 149A.01, subdivision 3; 149A.02, subdivisions 3, 3b, 13a, 16, 23, 26a, 27, 35, 37c, by adding subdivisions; 149A.03; 149A.09; 149A.11; 149A.60; 149A.61, subdivisions 4, 5; 149A.62; 149A.63; 149A.65; 149A.70, subdivisions 1, 2, 3, 4, 5, 7; 149A.71, subdivisions 2, 4; 149A.72, subdivisions 3, 9; 149A.73, subdivision 1; 149A.74, subdivision 1; 149A.90, subdivisions 2, 4, 5; 149A.93, subdivision 3; 149A.94, subdivisions 1, 3, 4; 149A.97, subdivision 2; 150A.06, subdivisions 1c, 8; 151.01, subdivisions 23, 27; 151.065, subdivision 7, by adding subdivisions; 151.066, subdivisions 1, 2, 3; 151.212, by adding a subdivision; 151.37, by adding a subdivision; 151.74, subdivision 6; 156.001, by adding subdivisions; 156.07; 156.12, subdivisions 2, 4; 161.089; 161.14, by adding a subdivision; 161.3203, subdivision 4; 161.45, by adding subdivisions; 161.46, subdivision 1; 162.02, by adding a subdivision; 162.081, subdivision 4; 162.09, by adding a subdivision; 162.145, subdivision 5; 168.09, subdivision 7; 168.092; 168.127; 168.301, subdivision 3; 168.33, by adding a subdivision; 168A.10, subdivision 2; 168A.11, subdivisions 1, 2; 168B.035, subdivision 3; 169.011, by adding subdivisions; 169.04; 169.06, by adding subdivisions; 169.14, subdivision 10, by adding subdivisions; 169.18, by adding a subdivision; 169.21, subdivision 6; 169.222, subdivisions 2, 6a, 6b; 169.346, subdivision 2; 169.974, subdivision 5; 169.99, subdivision 1; 171.01, by adding subdivisions; 171.06, subdivision 3b; 171.061, by adding a subdivision; 171.12, by adding a subdivision; 171.13, subdivision 9; 171.16, subdivision 3; 174.02, by adding a subdivision; 174.185, subdivisions 2, 3, by adding subdivisions; 174.40, subdivision 3; 174.75, subdivisions 1, 2, by adding a subdivision; 177.27, subdivision 3; 179A.041, subdivision 2; 179A.09, by adding subdivisions; 179A.11, subdivisions 1, 2, by adding a subdivision; 179A.12, subdivision 5; 179A.13, subdivisions 1, 2; 179A.40, subdivision 1; 179A.54, subdivision 5; 181.171, subdivision 1; 181.722; 181.723; 181.960, subdivision 3; 214.025; 214.04, subdivision 2a; 214.29; 214.31; 214.355; 216A.037, subdivision 1; 216A.07, subdivision 3; 216B.098, by adding a subdivision; 216B.16, subdivisions 6c, 8; 216B.17, by adding a subdivision; 216B.2402, subdivisions 4, 10, by adding a subdivision; 216B.2403, subdivisions 2, 3, 5, 8; 216B.241, subdivisions 1c, 2, 11, 12; 216B.2421, subdivision 2; 216B.2425, subdivisions 1, 2, by adding a subdivision; 216B.2427, subdivision 1, by adding a subdivision; 216B.243, subdivisions 3, 3a, 4, 9; 216B.246, subdivision 3; 216C.10; 216C.435, subdivisions 3a, 3b, 4, 10, by adding subdivisions; 216C.436, subdivisions 1, 4, 7, 8, 10; 216E.02, subdivision 1; 216E.08, subdivision 2; 216E.11; 216E.13; 216E.14; 216E.15; 216E.16; 216E.18, subdivision 2a; 221.0255, subdivisions 4, 9, by adding a subdivision; 232.21, subdivisions 3, 7, 11, 12, 13; 245.462, subdivision 6; 245.4663, subdivision 2; 245.821, subdivision 1; 245.825, subdivision 1; 245A.043, subdivisions 2, 4, by adding subdivisions; 245A.07, subdivision 6; 245A.11, subdivision 2a; 245C.05, subdivision 5; 245C.10, subdivision 18; 245C.14, subdivision 1, by adding a subdivision; 245C.15, subdivisions 3, 4; 245C.22, subdivision 4; 245C.24, subdivisions 2, 5; 245C.30, by adding a subdivision; 245F.09, subdivision 2; 245F.14, by adding a subdivision; 245F.17; 245G.07, subdivision 4; 245G.08, subdivisions 5, 6; 245G.10, by adding a subdivision;

245G.22, subdivisions 6, 7; 245I.02, subdivisions 17, 19; 245I.04, subdivision 6; 245I.10, subdivision 9; 245I.11, subdivision 1, by adding a subdivision; 245I.20, subdivision 4; 245I.23, subdivisions 14, 19a; 246.018, subdivision 3, as amended; 246.129, as amended; 246.13, subdivision 2, as amended; 246.234, as amended; 246.36, as amended; 246.511, as amended; 252.27, subdivision 2b; 252.282, subdivision 1, by adding a subdivision; 254B.01, by adding subdivisions; 256.01, subdivision 41, by adding a subdivision; 256.88; 256.89; 256.90; 256.91; 256.92; 256.9657, subdivision 8, by adding a subdivision; 256.969, by adding subdivisions; 256.9755, subdivisions 2, 3; 256B.02, subdivision 11; 256B.035; 256B.056, subdivisions 1a, 10; 256B.0622, subdivisions 2a, 3a, 7a, 7d; 256B.0623, subdivision 5; 256B.0625, subdivisions 10, 12, 32, 39, by adding subdivisions; 256B.0757, subdivisions 4a, 4d; 256B.076, by adding a subdivision; 256B.0911, subdivisions 12, 17, 20; 256B.0913, subdivision 5a; 256B.0924, subdivision 3; 256B.0943, subdivisions 3, 12; 256B.0947, subdivision 5; 256B.434, by adding a subdivision; 256B.49, subdivision 16, by adding a subdivision; 256B.4911, by adding subdivisions; 256B.4912, subdivision 1; 256B.69, subdivisions 2, 4; 256B.76, subdivision 6; 256B.77, subdivision 7a; 256B.795; 256I.04, subdivision 2f; 256K.45, subdivision 2; 256L.12, subdivision 7; 256R.02, subdivision 20; 256S.07, subdivision 1; 256S.205, subdivisions 2, 3, 5, by adding a subdivision; 259.52, subdivisions 2, 4; 260E.33, subdivision 2, as amended; 270B.14, subdivision 17, by adding a subdivision; 270C.21; 273.135, subdivision 2; 275.065, by adding a subdivision; 276.04, by adding a subdivision; 276A.01, subdivision 17; 276A.06, subdivision 8; 279.06, subdivision 1; 281.23, subdivision 2; 282.01, subdivision 6; 282.241, subdivision 1; 282.301; 289A.08, subdivision 1; 297A.815, subdivision 3; 297F.01, subdivisions 10b, 19; 298.17; 298.2215, subdivision 1; 298.28, subdivision 8; 298.282, subdivision 1; 298.292, subdivision 2; 299E.01, subdivision 2; 317A.811, subdivision 1; 326B.081, subdivisions 3, 6, 8; 326B.082, subdivisions 1, 2, 4, 6, 7, 10, 11, 13, by adding a subdivision; 326B.701; 326B.89, subdivision 5; 341.28, by adding a subdivision; 341.29; 383B.145, subdivision 5; 430.01, subdivision 2; 430.011, subdivisions 1, 2, 3; 430.023; 430.031, subdivision 1; 430.13; 447.42, subdivision 1; 462A.02, subdivision 10; 462A.05, subdivisions 14a, 14b, 15, 15b, 21, 23; 462A.07, by adding subdivisions; 462A.21, subdivision 7; 462A.35, subdivision 2; 462A.37, by adding a subdivision; 462A.40, subdivisions 2, 3; 473.13, by adding a subdivision; 473.3927; 473.452; 480.15, by adding a subdivision; 524.3-801, as amended; 604A.04, subdivision 3; 624.7141; 626.892, subdivision 10; Minnesota Statutes 2023 Supplement, sections 3.855, subdivisions 2, 3, 6; 10.65, subdivision 2; 13.43, subdivision 6; 13.46, subdivision 2, as amended; 15.01; 15.06, subdivision 1, as amended; 15A.0815, subdivision 2; 15A.082, subdivisions 1, 3, 7; 17.055, subdivision 3; 17.133, subdivision 3; 17.134, subdivision 3, by adding a subdivision; 17.710; 18C.425, subdivision 6; 18K.06; 43A.08, subdivisions 1, 1a; 62J.84, subdivision 10; 62Q.46, subdivision 1; 62Q.473, by adding subdivisions; 82.75, subdivision 8; 116C.779, subdivision 1; 116C.7792; 116J.871, subdivisions 1, as amended, 2; 123B.935, subdivision 1; 135A.121, subdivision 2; 135A.161, by adding a subdivision; 135A.162, subdivision 2; 136A.1241, subdivision 5; 136A.1465, subdivisions 1, 2, 3, 4, 5; 136A.62,

subdivision 3; 136A.833, subdivision 2; 136F.38, subdivision 3; 142A.03, by adding a subdivision; 144.0526, subdivision 1; 144.1501, subdivision 2; 144.1505, subdivision 2; 144.651, subdivision 10a; 144A.4791, subdivision 10; 144E.101, subdivisions 6, 7, as amended; 145.561, subdivision 4; 145D.01, subdivision 1; 148.5195, subdivision 3; 148.5196, subdivision 1; 148B.392, subdivision 2; 151.555, subdivisions 1, 4, 5, 6, 7, 8, 9, 11, 12; 151.74, subdivision 3; 152.126, subdivision 6; 161.178; 161.46, subdivision 2; 162.146, by adding a subdivision; 168.1259; 168.29; 169.011, subdivision 27; 169.223, subdivision 4; 171.06, subdivision 3; 171.0705, subdivision 2; 171.301, subdivisions 3, 6; 174.49, subdivision 6; 174.634, subdivision 2, by adding a subdivision; 177.27, subdivisions 1, 2, 4, 7; 177.50, by adding subdivisions; 179A.03, subdivisions 14, 18; 179A.041, subdivision 10; 179A.06, subdivision 6; 179A.07, subdivisions 8, 9; 179A.10, subdivision 2; 179A.12, subdivisions 2a, 6, 11; 181.032; 181.9445, subdivisions 4, 5, by adding a subdivision; 181.9446; 181.9447, subdivisions 1, 3, 5, 10, 11, by adding a subdivision; 181.9448, subdivisions 1, 2, 3; 216B.243, subdivision 8; 216C.08; 216C.09; 216C.331, subdivision 1; 216C.435, subdivision 8; 216C.436, subdivisions 1b, 2; 216E.06; 216E.07; 216E.10, subdivisions 1, 2, 3; 219.015, subdivision 2; 245.4889, subdivision 1; 245.735, subdivision 3; 245.91, subdivision 4; 245.991, subdivision 1; 245A.03, subdivisions 2, as amended, 7, as amended; 245A.043, subdivision 3; 245A.07, subdivision 1, as amended; 245A.11, subdivision 7; 245A.16, subdivision 1, as amended; 245A.211, subdivision 4; 245A.242, subdivision 2; 245C.02, subdivision 13e; 245C.031, subdivision 4; 245C.08, subdivision 1; 245C.15, subdivisions 2, 4a; 245C.31, subdivision 1; 245G.07, subdivision 2; 245G.22, subdivisions 2, 17; 245I.04, subdivision 19; 246.54, subdivisions 1a, 1b; 246C.01; 246C.02, as amended; 246C.04, as amended; 246C.05, as amended; 253B.10, subdivision 1, as amended; 254B.04, subdivision 1a; 254B.05, subdivisions 1, 5, as amended; 254B.19, subdivision 1; 256.043, subdivision 3; 256.0471, subdivision 1, as amended; 256.4764, subdivision 3; 256.9631; 256.969, subdivision 2b; 256.9756, subdivisions 1, 2; 256B.0622, subdivisions 7b, 8; 256B.0625, subdivisions 3a, 5m, 9, 13e, as amended, 13f, 13k, 16; 256B.064, subdivision 4; 256B.0671, subdivisions 3, 5; 256B.0701, subdivision 6; 256B.0911, subdivision 13; 256B.0913, subdivision 5, as amended; 256B.092, subdivision 1a; 256B.0947, subdivision 7; 256B.0949, subdivision 15; 256B.49, subdivision 13; 256B.764; 256B.766; 256D.01, subdivision 1a; 256I.05, subdivisions 1a, 11; 256L.03, subdivision 1; 256L.04, subdivision 10; 256R.55; 260.761, by adding a subdivision; 268B.01, subdivisions 3, 5, 8, 15, 23, 44, by adding subdivisions; 268B.04; 268B.06, subdivisions 2, 3, 4, 5, by adding a subdivision; 268B.07, subdivisions 1, 2, 3; 268B.085, subdivision 3; 268B.09, subdivisions 1, 6, 7; 268B.10, subdivisions 1, 2, 3, 6, 12, 16, 17, by adding subdivisions; 268B.14, subdivisions 3, 7, by adding subdivisions; 268B.15, subdivision 7; 268B.155, subdivision 2; 268B.185, subdivision 2; 268B.19; 268B.26; 268B.27, subdivision 2; 268B.29; 270B.14, subdivision 1; 290.0661, subdivisions 4, 8, by adding a subdivision; 297A.993, subdivision 2a; 298.018, subdivision 1; 298.28, subdivisions 7a, 16; 299A.642, subdivision 15; 326B.106, subdivision 1; 341.25; 341.28, subdivision 5; 341.30, subdivision 4; 341.321;

341.33, by adding a subdivision; 341.355; 357.021, subdivision 6; 462A.05, subdivisions 14, 45; 462A.22, subdivision 1; 462A.37, subdivisions 2, 5; 462A.38, subdivision 2; 462A.39, subdivision 2; 462A.395; 473.145; 473.3999; 473.4051, by adding a subdivision; 473.412, subdivisions 2, 3; 473.4465, subdivision 4; 477A.35, subdivisions 2, 4, 5, 6, by adding a subdivision; 477A.36, subdivisions 1, as amended, 4, 5, 6, as amended, by adding a subdivision; 609.67, subdivision 1; Laws 2020, chapter 73, section 8; Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2; Laws 2021, First Special Session chapter 7, article 13, section 68; article 17, section 19, as amended; Laws 2022, chapter 42, section 2; Laws 2023, chapter 22, section 4, subdivision 2; Laws 2023, chapter 37, article 1, section 2, subdivisions 2, 5, 18, 25, 29, 32; article 2, sections 6, subdivisions 1, 2, 4, 5, by adding subdivisions; 12, subdivision 2; Laws 2023, chapter 41, article 1, sections 2, subdivisions 35, 36, 49, as amended; 4, subdivision 2; Laws 2023, chapter 43, article 1, sections 2; 4; article 2, section 142, subdivision 9; Laws 2023, chapter 52, article 19, section 120; Laws 2023, chapter 53, article 14, section 1; article 19, sections 2, subdivisions 1, 3, 5; 4; article 21, sections 6; 7; Laws 2023, chapter 57, article 1, section 6; Laws 2023, chapter 60, article 10, section 2, subdivision 2; Laws 2023, chapter 61, article 1, sections 60, subdivisions 1, 2; 67, subdivision 3; article 4, section 11; article 8, sections 1; 2; 3; 8; article 9, section 2, subdivisions 5, 14, 16, as amended, 18; Laws 2023, chapter 68, article 1, sections 3, subdivision 2; 4, subdivision 3; 20; article 4, sections 108; 126; Laws 2023, chapter 70, article 1, section 35; article 20, sections 2, subdivisions 5, 29, 31; 3, subdivision 2; 12, as amended; Laws 2024, chapter 79, article 1, sections 18; 23; 24; 25, subdivision 3; article 10, sections 1; 6; Laws 2024, chapter 80, article 2, sections 6, subdivisions 2, 3, by adding subdivisions; 10, subdivision 1; Laws 2024, chapter 113, section 1, subdivision 2; 2024 H.F. No. 5237, article 22, section 2, subdivisions 4, if enacted, 5, if enacted; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; 62A; 62C; 62D; 62J; 62M; 62Q; 135A; 136A; 137; 144; 144A; 144E; 144G; 145D; 148; 148B; 148E; 149A; 150A; 151; 156; 161; 168; 169; 181; 214; 216C; 216G; 219; 245C; 246C; 254B; 256; 256B; 256S; 268B; 282; 325F; 326B; 341; 346; 430; 462A; proposing coding for new law as Minnesota Statutes, chapters 181C; 216I; repealing Minnesota Statutes 2022, sections 3.7371, subdivision 7; 34.07; 62A.041, subdivision 3; 135A.16; 144.218, subdivision 3; 144.497; 144E.001, subdivision 5; 144E.01; 144E.123, subdivision 5; 144E.27, subdivisions 1, 1a; 144E.50, subdivision 3; 147A.09, subdivision 5; 148D.061, subdivision 9; 151.74, subdivision 16; 156.12, subdivision 6; 168.1297; 179.81; 179.82; 179.83, subdivision 1; 179.84, subdivision 1; 179.85; 216E.001; 216E.01, subdivisions 1, 2, 3, 4, 5, 7, 8, 9, 10; 216E.02; 216E.021; 216E.03, subdivisions 2, 3a, 3b, 4, 9; 216E.04, subdivisions 1, 3, 4, 5, 6, 7, 8, 9; 216E.05, subdivisions 1, 3; 216E.08, subdivisions 1, 4; 216E.18, subdivisions 1, 2; 216F.01; 216F.011; 216F.012; 216F.015; 216F.02; 216F.03; 216F.05; 216F.06; 216F.07; 216F.08; 216F.081; 245C.125; 246.41; 252.27, subdivisions 1a, 2, 3, 4a, 5, 6; 253C.01; 256.043, subdivision 4; 256B.0916, subdivision 10; 256B.79, subdivision 6; 256D.19, subdivisions 1, 2; 256D.20, subdivisions 1, 2, 3, 4; 256D.23, subdivisions 1, 2, 3; 256R.02, subdivision 46; 462A.209, subdivision 8;

Minnesota Statutes 2023 Supplement, sections 3.855, subdivision 5; 62J.312, subdivision 6; 62Q.522, subdivisions 3, 4; 135A.162, subdivision 7; 216E.01, subdivisions 3a, 6, 9a; 216E.03, subdivisions 1, 3, 5, 6, 7, 10, 11; 216E.04, subdivision 2; 216E.05, subdivision 2; 216F.04; 245C.08, subdivision 2; 246C.03; 252.27, subdivision 2a; 268B.06, subdivision 7; 268B.08; 268B.10, subdivision 11; 268B.14, subdivision 5; 477A.35, subdivision 1; Laws 2023, chapter 25, section 190, subdivision 10; Laws 2023, chapter 37, article 2, section 13; Laws 2024, chapter 79, article 4, section 1, subdivision 3; Laws 2024, chapter 80, article 2, section 6, subdivision 4; Minnesota Rules, parts 1506.0010; 1506.0015; 1506.0020; 1506.0025; 1506.0030; 1506.0035; 1506.0040; 5520.0100; 5520.0110; 5520.0120, subparts 1, 2, 3, 4, 5, 6, 7; 5520.0200; 5520.0250, subparts 1, 2, 4; 5520.0300; 5520.0500, subparts 1, 2, 3, 4, 5, 6; 5520.0520; 5520.0540; 5520.0560; 5520.0600; 5520.0620; 5520.0700; 5520.0710; 5520.0800; 7850.1000; 7850.1100; 7850.1200; 7850.1300; 7850.1400; 7850.1500; 7850.1600; 7850.1700; 7850.1800; 7850.1900; 7850.2000; 7850.2100; 7850.2200; 7850.2300; 7850.2400; 7850.2500; 7850.2600; 7850.2700; 7850.2800; 7850.2900; 7850.3000; 7850.3100; 7850.3200; 7850.3300; 7850.3400; 7850.3500; 7850.3600; 7850.3700; 7850.3800; 7850.3900; 7850.4100; 7850.4200; 7850.4500; 7850.4600; 7850.4700; 7850.4800; 7850.4900; 7850.5000; 7850.5100; 7850.5200; 7850.5300; 7850.5400; 7850.5500; 7850.5600; 7854.0100; 7854.0200; 7854.0300; 7854.0400; 7854.0500; 7854.0600; 7854.0700; 7854.0800; 7854.0900; 7854.1000; 7854.1100; 7854.1200; 7854.1300; 7854.1400; 7854.1500.

6. The Jumbo Omnibus violates the Single Subject and Title Clause of Section 17.

The Jumbo Omnibus contains at least thirteen subjects: transportation (Articles 1–3, 17), labor (Articles 4, 6, 8–11), combative sports (Article 5), state employees (Articles 12, 72–73), housing (Articles 14–16), health occupations and licensing (Articles 18–33, 61, 65), higher education (Articles 34–35), firearms (Article 36), agriculture (Article 37–38), energy (Articles 13, 39–45, 58), human services (Articles 46–55, 62–64, 66–67), healthcare (Articles 56–57, 59–60), and taxes (Articles 68–71).

7. In a challenge to the Binary Trigger Amendment, which was part of the Jumbo Omnibus, Judge Leonardo Castro in *Minnesota Gun Owners Caucus v. Walz et al.* gave the most

succinct description of the bill’s conception<sup>3</sup>:

At 9:44 p.m. on May 19, 2024, the last day of the 2024 legislative session, House File 5247 was a tax omnibus bill (roughly 40 pages in length), the title of which began, “A bill for an act relating to taxation . . . .” Over the next ten minutes, the bill would experience a metamorphosis.

Beginning at around 9:45 p.m., the Tax Omnibus Conference Committee, in a meeting that lasted less than nine minutes, passed an amendment that folded eight other omnibus bills into what was previously the tax omnibus bill. H.F. 5247 (“CCRHF5247,”) now contained omnibus bills on the following subjects: health, higher education, firearms, energy and agriculture, human services, health and human services, and paid leave. Its contents spanned more than 1,400 pages.

The House took up CCR-HF5247 a short time later, adopting the conference committee’s recommended changes and passing the bill sometime around 11:14 p.m. The Senate then took up CCR-HF5247 around 11:36 p.m., passing it around 11:42 p.m. On May 24, 2024, Governor Tim Walz signed the 2024 Omnibus Bill into law.

8. In sum, after going through a “metamorphosis”—lasting just a few hours—what started out as a roughly forty-page *tax* omnibus bill became the 1,400-plus page Jumbo Omnibus<sup>4</sup>, spanning over a dozen unrelated subjects, which Governor Walz signed into law.

9. In severing the Binary Trigger Amendment from the Jumbo Omnibus, Judge Castro noted “if there has even been a bill without a common theme and where “all bounds of reason and restraint seem to have been abandoned, that is [the Jumbo Omnibus], and if there has ever been a time for the “draconian result of invalidating the entire law, that time is now.”<sup>5</sup>

10. In severing the Binary Tigger Amendment from the Omnibus, Judge Castro further found that “severance of the challenged portion along will not bring the Omnibus Bill into

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<sup>3</sup> Index No. 62, Order at 3, Case No. 62-CV-25-1083 (Ramsey Cnty. Dist. Ct. Aug. 18, 2025) (footnote citations omitted).

<sup>4</sup> *H.F. No. 5247 – Fourth Engrossment*, OFFICE OF REVISOR OF STATUTES, 93rd Legislature (2023–2024), <https://www.revisor.mn.gov/bills/93/2024/0/HF/5247/versions/4/> (last modified June 5, 2024).

<sup>5</sup> Index No. 62, Order at 25, Case No. 62-CV-25-1083 (Ramsey Cnty. Dist. Ct. Aug. 18, 2025) (footnote citations omitted).

constitutional compliance—not even close. Instead that burden will be shifted to the people and the businesses of Minnesota who will be forced to bring hundreds of lawsuits over the next few years before the statute of limitation expires to hack off, piece by piece, its many offending portions.”<sup>6</sup>

11. In sum, if this Jumbo Omnibus does not violate the Minnesota Constitution’s Single Subject and Title Clause, then no bill does. And if the courts do not enforce the Single Subject and Title Clause against this Jumbo Omnibus, then the clause is a nullity.

12. Independently, despite being long and impenetrable, the title of the Jumbo Omnibus still fails to convey the true scope of the massive act and therefore also violates the Title Clause.

13. Plaintiffs bring this lawsuit because they have been harmed by the Jumbo Omnibus’s violation of the Single Subject and Title Clause.

#### **JURISDICTION AND VENUE**

14. The Court has subject-matter jurisdiction over this action for declaratory and injunctive relief under Article IV, Section 17 of the Minnesota Constitution, pursuant to the Minnesota Uniform Declaratory Judgments Act, Minn. Stat. § 555.01.

15. The Court has personal jurisdiction over this action because the domicile of each Defendant is the State of Minnesota and all facts relevant to the action occurred within Minnesota.

16. Venue is proper in Ramsey County District Court, as facts giving rise to the cause of action arose in this county and each Defendant resides in this county. Minn. Stat. §§ 542.03, 542.09

17. Plaintiffs timely seek a declaratory judgment under Minn. Stat. §§ 555.01 *et seq.* and 541.05, subd. 1(2).

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<sup>6</sup> *Id.* at p. 24.

18. The Associations have associational standing to bring this suit on behalf of their members. The Associations' members are directly and adversely affected by the Jumbo Omnibus and all members have standing to sue in their own right. The Jumbo Omnibus is at odds with each Associations' policy objectives, and challenging the Jumbo Omnibus is germane to each Associations' purposes. Neither the claims asserted nor the relief requested requires individual members to participate in the suit.

19. JMC has separate standing to sue because the Statute has irreparably harmed JMC's ongoing business operations and will subject JMC to compensatory damages, monetary penalties, and criminal penalties.

### **PARTIES**

20. MNABC is incorporated under Minnesota law as a nonprofit corporation. MNABC maintains its principal place of business in Eden Prairie, Minnesota. MNABC is a statewide professional trade organization representing the interests of 330-plus construction-related firms across Minnesota. Those firms are members of MNABC and provide residential and commercial construction services in this state.

21. MNABC aids its members in a variety of ways, such as advocating for the members' interests before the government, educating them about developments in the industry, and providing networking opportunities. The full list of benefits that MNABC provides its members may be found on its website and incorporated herein. *The Benefits of Membership at a Glance*, ABC MINNESOTA AND NORTH DAKOTA, <https://www.mnabc.com/Membership/I-am-a-Considering-Membership/Benefits-of-Membership> (last visited Mar. 14, 2026.) MNABC's advocacy for its members extends to taking reasonable steps to prevent unconstitutional laws from harming its members. *Government Affairs*, ABC MINNESOTA AND NORTH DAKOTA, <https://www.mnabc.com/Government-Affairs> (last visited Mar. 14, 2026).

22. MNABC brings this lawsuit to further its mission and to vindicate the constitutional rights of affected members. MNABC's 330-plus employer members and their approximately 22,000 employees, who provide commercial and residential construction services in Minnesota, are directly affected by the Statute, because the members frequently utilize both independent contractors and employees on construction projects. For their employees, these members provide various employee-specific wages and benefits (such as overtime, minimum wage, PTO, health insurance, retirement account matching, etc.)

23. BAM is incorporated under Minnesota law as a nonprofit corporation. BAM maintains its principal place of business in St. Paul, Minnesota. BAM is a statewide trade association constituting a collaboration of nine local associations, all of whom collectively represent the interests of homebuilders across Minnesota.

24. BAM aids its members in a variety of ways, such as advocating for the members' interests before the government, educating them about developments in the industry, and providing networking opportunities. The full list of benefits that BAM provides its members may be found on its website and incorporated herein. *Who We Are*, BUILDERS ASSOCIATION OF MINNESOTA, <https://bamn.org/about/> (last visited Mar. 14, 2026.) BAM's advocacy for its members extends to taking reasonable steps to prevent unconstitutional laws from harming its members. (*Id.*)

25. BAM brings this lawsuit to further its mission and to vindicate the constitutional rights of affected members. BAM's 900 employer-members and their approximately 45,000 employees, who provide residential construction services in Minnesota, are directly affected by the Statute, because the members frequently utilize both independent contractors and employees on construction projects. For their employees, these members provide various employee-specific wages and benefits (such as overtime, minimum wage, PTO, health insurance, retirement account

matching, etc.)

26. NFIB is incorporated under California law as a nonprofit corporation and maintains its principal place of business in Nashville, Tennessee. NFIB is the nation's leading small business association. NFIB's mission is to promote and protect the right of its members to own, operate, and grow their businesses. NFIB represents, in Washington, D.C., and all fifty state capitals, the interests of its members. Its membership spans the spectrum of business operations, ranging from sole proprietor enterprises to firms with hundreds of employees. NFIB's membership includes nearly 300,000 small and independent businesses nationwide, and just under 10,000 Minnesota small businesses.

27. NFIB aids its members in a variety of ways, such as advocating for the members' interests before state and federal lawmakers, ensuring members' access to legal and compliance resources, and educating members on developments that impact small business. The full list of benefits that NFIB provides its members may be found on its website and incorporated herein. *Benefits of Membership*, NAT'L FEDERATION OF INDEPENDENT BUSINESS, <https://www.nfib.com/benefits-of-membership/> (last visited Mar. 14, 2026). NFIB's advocacy for its members extends to taking reasonable steps to prevent unconstitutional laws from harming its members. (*Id.*)

28. Amongst NFIB's Minnesota-based employer members include those who provide commercial and residential construction services in Minnesota and are directly affected by the Statute, because the members frequently utilize both independent contractors and employees on construction projects. For their employees, these members provide various employee-specific wages and benefits (such as overtime, minimum wage, PTO, health insurance, retirement account matching, etc.).

29. To show how the Statute has directly impacted the Associations' members, the Associations offer the Declarations of W. Gohman Construction Co. ("WGC"), Mike Kompelien Custom Homes, Inc. ("MKCH"), JMC, and NFIB. WGC's, MKCH's, JMC's and NFIB's Declarations are incorporated herein under MINN. R. CIV. P. 10.03.

30. JMC is a Minnesota limited liability company. JMC provides commercial construction services, either as a general contractor or project manager, across Minnesota. JMC maintains its principal place of business in Rochester, MN. JMC is a current member of MNABC and BAM. JMC likewise submits a Declaration explaining how the Statute directly impacts its business. JMC's Declaration is incorporated herein under MINN. R. CIV. P. 10.03.

31. Defendant Nicole Blissenbach is the Commissioner of DOLI ("the Commissioner"). The Commissioner is empowered to enter and inspect places of employment and investigate facts, conditions, practices or matters as appropriate to enforce the laws within the Commissioner's jurisdiction and to carry out the purposes of Chapter 181. *See* Minn. Stats. §§ 175.20, 177.27.

32. Defendant Keith Ellison is the Attorney General of Minnesota ("MN AG"). The MN AG is empowered to enforce Chapter 181 of the Minnesota Statutes under the powers granted to him by Minnesota Statute 8.31. *See* Minn. Stat. §§ 8.31, 181.1721.

## **FACTS**

### **I. ARTICLE IV, SECTION 17 OF THE MINNESOTA CONSTITUTION PROTECTS DEMOCRACY BY REQUIRING TRANSPARENCY AND ACCOUNTABILITY.**

33. Article IV, Section 17 of the Minnesota Constitution states that "[n]o law shall embrace more than one subject, which shall be expressed in its title." *See* Minn. Const. art. IV, sec. 17. The two distinct provisions of Section 17 each make up the Single Subject and the Title Clause, which exists to protect democracy by requiring accountability and transparency.

34. The Single Subject and Title Clause are older than the State of Minnesota itself. They were unanimously adopted and enacted into the Minnesota Territorial Constitution in 1857.<sup>7</sup>

35. The *Single Subject Clause* was enacted to ensure accountability and preclude the possibility that unpopular legislation that would not command a majority could be bundled with unrelated, popular legislation “and then carried through by a combination of interests.” *Johnson*, 50 N.W. at 924.

36. The *Title Clause* was enacted to ensure transparency and prevent legislation from being given a vague or fraudulent title that “gives no intimation of the nature of the proposed legislation, or of the interests likely to be affected by its becoming a law.” *Id.*

37. Ever since the Single Subject and Title Clause were enacted, the Minnesota Supreme Court has emphasized their importance in protecting democracy and securing good governance. In 1875, the Supreme Court declared: “The well-known object of [the Single-Subject Clause] was to secure to every distinct measure of legislation a separate consideration and decision, dependent solely upon its individual merits.” *State v. Cassidy*, 22 Minn. 312, 322 (1875). More than a century later, the Supreme Court stayed true to its initial analysis, stating in 2000: “The Single Subject and Title Clause, as Minnesota’s first ‘sunshine law,’ requires that the legislature not fold into larger, more popular bills, wholly unrelated and potentially unpopular provisions that may not pass as a stand-alone bill.” *Assoc. Builders & Contractors*, 610 N.W.2d at 303.

38. Minnesota’s Judicial Branch is not alone in recognizing the foundational importance of the Single Subject and Title Clause in protecting democracy.

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<sup>7</sup> See *Debates & Proceedings of the Minnesota Constitutional Convention* (Francis H. Smith, reporter 1857), [http://minnesotalegalhistoryproject.org/assets/Democrat%20Debates%20at%20Con%20Conven%20\(1857\).pdf](http://minnesotalegalhistoryproject.org/assets/Democrat%20Debates%20at%20Con%20Conven%20(1857).pdf), at 262–63.

39. First, the Judiciary has also been joined by the Executive Branch. The current Governor, for example, declared: “We need an open legislative process that ensures bills aren’t being put together in the final hours of a session . . . No more going weeks without legislative hearings or cramming everything into large omnibus bills with little or no public input.”<sup>8</sup> Governor Pawlenty likewise has stated: “We may hope that the Legislature will conduct itself in a manner that is clearly more consistent with constitutional principles in the future. If not, the Court’s gentle nudge may need to become a little firmer.” Timothy J. Pawlenty, *Distinguishing Filament from Figment: Minnesota’s Single Subject Rule*, 57 BENCH & BAR MINN. 36, 37 (2000).

40. Second, legislators from both major political parties have also emphasized the importance of the Single Subject and Title Clause in promoting democratic accountability.

41. Senator Cal Bahr (R–East Bethel) declared that “[t]he return of single-subject bills must come to pass” because “[v]oters need to be able to hold their legislators accountable.”<sup>9</sup>

42. In 2017, DFL legislators declared that “[p]acking numerous, often unrelated policy provisions and appropriations riders into a single bill is a violation of the constitution and it is injurious to the public.”<sup>10</sup> Such a practice, they explained, “effectively holds some provisions hostage, with legislators being forced to accept policies [they] consider harmful in order to pass a budget.”<sup>11</sup> “Regardless of the merits of any particular provision, they do not belong in these

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<sup>8</sup> See Matthew Stolle, *Get to know the candidates: Minnesota Governor*, ROCHESTER POST-BULLETIN (Oct. 27, 2018) (quoting now-Governor Tim Walz).

<sup>9</sup> Cal Bahr, *One More Time: The Legislature Must Return to Single-Subject Bills*, STAR TRIB., <https://www.startribune.com/one-more-time-the-legislature-must-return-to-single-subject-bills/507860932/> (Mar. 29, 2019); see also Jon Koznick (R, Lakeville), *Koznick Connection: Legislative Update*, Minn. H. of Reps. Legis. News & Views, <https://www.house.mn.gov/members/profile/news/15436/49322> (Mar. 26, 2024).

<sup>10</sup> Minn. Sen. J., 90th Leg., Special Sess. 111, [https://www.senate.mn/journals//2017-2018/2017052504\\_ss1.pdf#page=75](https://www.senate.mn/journals//2017-2018/2017052504_ss1.pdf#page=75) (May 25, 2017).

<sup>11</sup> *Id.*

omnibus bills and should be considered in separate legislation with separate votes.” *Id.* at 112. The legislators concluded: “***The people of Minnesota deserve a better lawmaking process. The constitution demands it.***”<sup>12</sup> *Id.* (emphasis added).

43. In 2018, Senator John Marty (DFL, Roseville) declared, “We’ve got a Constitutional prohibition against multiple-topic bills and we ought to take it seriously. Why is [the Single Subject Rule] in the Constitution if we’re never going to enforce it?”<sup>13</sup>

44. More recently, at the beginning of the 2023–2024 biennium, Minnesota House Ways and Means Committee Chairwoman Liz Olson (DFL–Duluth), stated that she was “serious about not doing the omnibus cram at the end” of the session.<sup>14</sup> An end-of-session omnibus bill, Representative Olson said, “is not good for the public.”<sup>15</sup> As she summed it up: “It’s really about good governance.”<sup>16</sup>

45. Senator John Marty, now chair of the Senate Finance Committee, agreed. “The goal is to separate budget and policy and ***create a more accountable transparent system that’s going to comply with the constitution’s single subject rule.***”<sup>17</sup> Senator Marty stated his hope that the session would end with 120 to 130 total bills—double the recent totals of 50 to 60—“not because more is better” but because “we ought to be separating things out.”<sup>18</sup>

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<sup>12</sup> *Id.*

<sup>13</sup> *Interview by Minnesota Civic Caucus with John Marty*, CIVIC CAUCUS, [https://civiccaucus.org/discussions/2018/Marty-John\\_08-10-18.html](https://civiccaucus.org/discussions/2018/Marty-John_08-10-18.html) (Aug. 10, 17, 2018).

<sup>14</sup> Peter Callaghan, *Omnibus Critic Marty Now Leads Committee that Crafts the Massive Bills*, ST. CLOUD TIMES <https://www.sctimes.com/story/news/politics/2023/01/31/omnibus-critic-marty-now-leads-committee-that-crafts-the-massive-bills/69854796007/> (Jan. 31, 2023).

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

**II. CONTRARY TO THE MINNESOTA CONSTITUTION, THE MINNESOTA LEGISLATURE HAS INCREASINGLY ENACTED POLICY THROUGH LARGE OMNIBUS BILLS OF DOUBTFUL CONSTITUTIONALITY, CAUSING THE COURTS TO ENFORCE THE SINGLE SUBJECT AND TITLE CLAUSE AND WARN AGAINST FUTURE VIOLATIONS.**

46. Despite legislators from both major parties recognizing the importance to democracy of the Single Subject and Title Clause, the Legislature as an institution has proven unable to avoid the expediency of enacting large omnibus bills of doubtful constitutionality.<sup>19</sup>

47. The inability of the Legislature to comply with the accountability and transparency requirements of the Single Subject and Title Clause is not limited to the legislators of any political party. Rather, members of both major parties have succumbed to the temptation to use massive omnibus bills to advance legislation when their party controlled the Legislature.

48. In 2018, for example, a Republican-controlled Legislature passed a 985-page omnibus bill.<sup>20</sup> In response, Senator Marty, then in the minority, called the bill a “failure of government.”<sup>21</sup> Senator Marty expressed his desire for the courts to intercede and enforce the Constitution, saying “[t]he process has run off the rails” and he “hope[d] we’re at the stage where the court would say, ‘This is nuts’”<sup>22</sup>

49. Yet just six years later, in 2024, the Jumbo Omnibus at issue in this suit was passed.

50. Because the Legislature as an institution has proven unable to follow the democratic

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<sup>19</sup> See Peter Callaghan, *Why the Minnesota Legislature Loves/Hates Massive Omnibus Bills*, MINN. POST, <https://www.minnpost.com/state-government/2019/04/why-the-minnesota-legislature-loves-hates-massive-omnibus-bills/> (Apr. 22, 2019).

<sup>20</sup> See *SF 3656 – 3rd Engrossment*, OFFICE OF REVISOR OF STATUTES, 90th Leg. (2017–2018), [https://www.revisor.mn.gov/bills/text.php?number=SF3656&version=latest&session=ls90&session\\_year=2018&session\\_number=0](https://www.revisor.mn.gov/bills/text.php?number=SF3656&version=latest&session=ls90&session_year=2018&session_number=0) (last modified Sept. 27, 2018).

<sup>21</sup> *Lawmaker Describes 990-Page Vetoed Omnibus Bill As ‘Heap of Garbage’*, CBS MINN., <https://www.cbsnews.com/minnesota/news/omnibus-budget-bill-vetoed-heap-of-garbage/> (May 24, 2018).

<sup>22</sup> Kevin Featherly, *Sen. John Marty Mulls ‘Single Subject’ Lawsuit*, MINN. LAW, <https://minnlawyer.com/2017/05/31/sen-john-marty-mulls-single-subject-lawsuit> (May 31, 2017).

safeguards in the Single Subject and Title Clause, it has fallen to the Minnesota Supreme Court and Court of Appeals to enforce the Constitution against all challengers. The Courts have not sought out a conflict with the Legislature, and indeed they have tried through repeated warnings to avoid one, yet when pressed, the Courts have stood firm and applied the Constitution.

51. In 1986, Justice Yetka stated: “[W]e should send a clear signal to the legislature that this type of act will not be condoned in the future. Garbage or Christmas tree bills appear to be a direct, cynical violation of our constitution . . . It is clear to me that the more deference shown by the courts to the legislature and the more timid the courts are in acting against constitutional infringements, the bolder become those who would violate them.” See *Kiedrowski*, 391 N.W.2d at 785 (Yetka, J., concurring specially) (emphasis added).

52. In 1989, Chief Justice Popovich stated: “[T]he court is increasingly concerned about the possibilities of future violations of article 4, section 17 . . . *The views of the justices expressed today should be considered as instructive, alerting a co-equal branch of government, the legislature, to our concerns.*” See *Blanch*, 449 N.W.2d at 156–57 (Popovich, C.J., concurring specially) (emphasis added).

53. In 2000, the Supreme Court declared: “We fully recognize that it is the legislature’s prerogative to establish our state’s public policy . . . and that the legislative process is not bound by rigid textbook rules. *Nonetheless, lawmaking must occur within the framework of the constitution.*” See *Assoc. Builders & Contractors*, 610 N.W.2d at 303 (emphasis added).

54. In 2005, the Court of Appeals declared: “*This case is about performing the judiciary’s constitutional role of upholding the Minnesota Constitution and giving effect to each of its provisions* . . . The legislature writes the constitutional provisions. The judiciary simply has an obligation to interpret them.” See *Unity Church of St. Paul v. State*, 694 N.W.2d 585, 597 (Minn.

App. 2005) (emphasis added).

55. In 2018, in its most recent case on the Single Subject Clause, the Minnesota Supreme Court issued a particularly stern warning to the Legislature: “We remain firmly committed to our constitutional duty ‘to prohibit infringements by either the legislative or executive branch of the government of [the] constitutional rights vested in the people.’ *We trust that the Legislature has heard, and will heed, these warnings.*” *Otto*, 910 N.W.2d at 459 (emphasis added) (quoting *Mattson*, 391 N.W.2d at 785 (Yetka, J., concurring specially)).

### **III. DESPITE THE MINNESOTA SUPREME COURT’S WARNINGS, THE NINETY-THIRD LEGISLATURE ENACTED THE BROADEST OMNIBUS BILL IN MINNESOTA HISTORY.**

56. Despite the Supreme Court’s warning, the 2024 Legislature disregarded the Constitution’s requirements and enacted the broadest omnibus bill in Minnesota history.

57. When the 93rd Legislature first convened for the start of the 2023–2024 Biennial Session, it used 77 of its allotted 120 legislative days in 2023, so when it reconvened on February 12, 2024, it had 42 legislative days remaining to pass all bills.<sup>23</sup> *see also* Minn. Const. art. IV, § 12 (“The legislature shall meet at the seat of government in regular session in each biennium at the times prescribed by law for not exceeding a total of 120 legislative days.”).

58. As the 93rd legislative session began, nine omnibus bills, each containing many provisions, were addressed by different committees in the House and Senate:

- a) The Firearms Provisions (HF 2609/SF 5153);
- b) The Higher Education Omnibus (HF 4024/SF 4003);
- c) The Health Scope of Practice Omnibus (HF 4247/SF 4570);
- d) The Health and Human Services Omnibus (HF 4571/SF 4699);

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<sup>23</sup> *Session of the Minnesota State Legislature and the Minnesota Territorial Legislature, 1849–Present*, MINN. LEGISLATIVE REFERENCE LIBRARY, <https://www.lrl.mn.gov/history/sessions> (last visited Mar. 14, 2026).

- e) The Energy and Agriculture Omnibus (HF 4975/SF 4942);
- f) The Tax Omnibus (HF 5247/SF 5234);
- g) The Transportation, Housing, and Labor Omnibus (HF 5242/SF 5284);
- h) The Human Services Omnibus (HF 5280/SF 5335); and
- i) The Paid Leave Omnibus (HF 5363/SF 5430).

59. During the spring of 2024, each of the nine omnibus bills wound their way through their respective committees.

60. As the close of the session neared in May, the majority leadership in the House and the Senate became concerned that they would not be able to pass all the legislation they wanted.

61. Abandoning transparency and democratic accountability for expediency, the Legislature at the last minute, and over a weekend, crammed all nine omnibus bills into a single, massive, multi-subject, Jumbo Omnibus.

62. As their vehicle, the House and Senate used the Tax Omnibus Bill. The Tax Omnibus Conference Committee had originally met for the first time on May 10.<sup>24</sup> On May 19, the majority stuffed the 39-page Tax Omnibus Bill with eight other omnibus bills, bloating it into the unprecedented over-1,400-plus page Jumbo Omnibus.

63. The Tax Omnibus Conference Committee Report was not passed until shortly after 9:45 PM on the evening of Sunday, May 19. It had received only about seven minutes and fifty-five seconds of consideration.<sup>25</sup>

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<sup>24</sup> *Conf. Comm. Activity H.F. 5247, 93rd Leg.*  
<https://www.leg.mn.gov/leg/cc/Default?type=bill&year=2024-93&bill=HF-5247> (2024).

<sup>25</sup> *H. Television Archives 2023–2024 – Conf. Comm. on HF5247 Archive*, Minn. House of Rep., at 00:14-08:09, <https://www.house.mn.gov/hjvid/93/898724> (May 19, 2024).

64. The Tax Omnibus Conference Committee Report was not posted until 10:49 PM.<sup>26</sup>

65. Many legislators were unable to view the Jumbo Omnibus at all. There were not enough paper copies of the proposed legislation, and the electronic version crashed.<sup>27</sup>

66. Little more than 20 minutes after the Jumbo Omnibus was posted, an impossibly short time for anyone to have read its more than 1,400 pages, at approximately 11:07 PM, the House began “debate” on the floor. The Jumbo Omnibus was on the House Floor for a total of approximately four minutes and nineteen seconds before the House Majority passed it on a party-line vote without any Republican support.<sup>28</sup>

67. At approximately 11:34 PM, still too soon for anyone to have read the Jumbo Omnibus unless they could somehow read a page every two seconds, “debate” began in the Senate. It lasted around just six minutes and twenty-four seconds before the Senate Majority passed the Jumbo Omnibus, again strictly on party lines.<sup>29</sup>

68. Republicans were outraged that their ability to debate Jumbo Omnibus was cut short. In the final 30 minutes of the Senate floor session, “a dozen Republicans shouted into their microphones in anger.”<sup>30</sup>

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<sup>26</sup> *Conf. Comm. Rep'ts – H. Rep'ts*, OFFICE OF THE REVISOR OF STATUTES, 93rd Leg. <https://www.revisor.mn.gov/reports/conference/> (Minn. 2024).

<sup>27</sup> *Democrats Abandoning Minnesota*, MINNESOTA SENATE REPUBLICAN CAUCUS, <https://www.mnsenaterepublicans.com/democrats-abandoning-minnesotans/> (May 24, 2024).

<sup>28</sup> Minn. H.J., 93rd Leg., Reg. Sess. 18590–19606, <https://www.house.mn.gov/cc/journals/2023-24/J0519119.htm#18590> (2024); H. Television Archives 2023–2024 – H. Floor Sess. – Part 5 at 1:33:06–1:37:30 <https://www.house.mn.gov/hjvid/93/898728> (May 19, 2024).

<sup>29</sup> Minn. Sen. J., 93rd Leg., Reg. Sess. 18844–20021, <https://www.senate.mn/journals/2023-2024/20240519119.pdf#page=846> (2024); *Minn. S. Media Servs.*, Conference Comm. on H.F. 5247, 93rd Leg., at 2:28–2:34, [https://mnsenate.granicus.com/player/clip/12609?view\\_id=5&redirect=true](https://mnsenate.granicus.com/player/clip/12609?view_id=5&redirect=true) (2024).

<sup>30</sup> Ryan Faircloth, Rochelle Olson & Josie Albertson-Grove, *Minnesota Legislature's 2024 Session Ends in Anger and Acrimony*, STAR TRIB., <https://www.startribune.com/legislative-leaders-spar-over-role-of-republican-minority-in-sessions-final-hours/600367123/> (May 20, 2024).

69. An hour after adjournment, Senate Majority Leader Erin Murphy (DFL–St. Paul) noted her “ears [were] still ringing,” and Senate Minority Leader Mark Johnson (R–East Grand Forks) noted he “just fel[t] gross coming off that Senate floor.”

70. On May 24, 2024, Governor Walz signed the Jumbo Omnibus into law.<sup>31</sup>

71. The originally introduced version of the Statute began in a standalone worker misclassification bill, entitled “A bill for an act relating to employees; prohibiting misclassification of employees; imposing penalties; classifying data” (HF 4444/SF 4483), which was first introduced in the House on February 29, 2024, and in the Senate on March 4, 2024.<sup>32</sup>

72. The Statute was then then rolled into the Transportation, Housing, and Labor Omnibus (HF 5242/SF 5284), which was eventually passed out of the Transportation, Housing, and Labor Omnibus Conference Committee on the afternoon of May 19, 2024.<sup>33</sup>

#### **IV. SUMMARY OF THE STATUTE.**

73. The Statute amends and replaces the prior version of Minn. Stat. § 181.723 (2023) by: (1) adding factors that determine whether an individual is an independent contractor; (2) broadening the scope of prohibited conduct as to classification; and (3) incorporating significantly larger monetary damages and fines, and criminal penalties for misclassification. For the individuals—*i.e.*, general contractors’ subcontractors, sub-subcontractors, and those down the contractual chain—to qualify as independent contractors under the Statute, they must meet, among

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<sup>31</sup> *Governor Walz Signs Legislation Keeping Uber and Lyft Operational in Minnesota*, OFFICE OF GOVERNOR TIM WALZ AND LIEUTENANT GOVERNOR PEGGY FLANAGAN, <https://mn.gov/governor/newsroom/press-releases/#!/detail/appId/1/id/625607> (May 24, 2024).

<sup>32</sup> Minn. H.J., 93rd Leg., Reg. Sess. 11514, <https://www.house.mn.gov/cc/journals/2023-24/J0229087.htm#11514> (2024); Minn. Sen. J., 93rd Leg., Reg. Sess. 11898, <https://www.senate.mn/journals/2023-2024/20240304088.pdf#page=32> (2024).

<sup>33</sup> Conf. Comm. Rep. on H.F. No. 5242A, OFFICE OF THE REVISOR OF STATUTES, 93rd Leg., 177.16–182.4, [https://www.revisor.mn.gov/bills/text.php?number=HF5242&type=ccr&version=A&session=1s93&session\\_year=2024&session\\_number=0](https://www.revisor.mn.gov/bills/text.php?number=HF5242&type=ccr&version=A&session=1s93&session_year=2024&session_number=0) (Minn. 2024).

other items, *all* of the following factors *at the time services are provided or performed*:

- a) Own, rent, or lease the tools, vehicles, supplies, or other facilities in their capacity as a “business entity,” when providing construction or improvement services. Minn. Stat. § 181.723, subd. 4(a)(2).
- b) Provide or perform (or offer) the same or similar construction or improvement services to multiple “persons” or the general public. *Id.* (a)(3).
- c) Hold a Minnesota tax identification number when required by law. *Id.* (a)(4)(ii).
- d) Receive and retain 1099 forms for income received for building construction or improvement services when required by law. *Id.* (a)(4)(iii).
- e) File their business and self-employment income taxes with the IRS *and* Minnesota Department of Revenue. *Id.* (a)(4)(iv).
- f) Provide a completed W-9 federal income tax form to the “person for whom the services were provided or performed” where required by law. *Id.* (a)(4)(v).
- g) Maintain any required unemployment insurance account and workers’ compensation insurance coverage. *Id.* (a)(6)–(7).
- h) Hold any required business licenses, registrations, and certifications. *Id.* (a)(8).
- i) Operate under a written contract to provide services that:
  - i. Must be signed and dated by the independent contractor—while acting in the capacity as a business entity—and the person for whom services are being provided or performed. *Id.* (a)(9)(i).
  - ii. Must be fully executed no later than 30 days after the work commences. *Id.* (a)(9)(ii).
  - iii. Identifies the specific services to be provided or performed. *Id.* (a)(9)(iii).

- iv. Provides for compensation on a commission or per-job or competitive bid basis and not on any other basis. *Id.* (a)(9)(iii).
  - j) Submit invoices for payment and receive payments for completed services under the written proposal, contract, or change order in the name of the business entity. *Id.* (a)(10). Cash payments are not allowed. *Id.*
  - k) Incur the main expenses and costs related to providing or performing the specific services under the written proposal, contract, or change order. *Id.* at (a)(12).
  - l) Realize additional profit or suffer a loss, if costs and expenses to provide or perform the specific services under the written proposal, contract, or change order are less than or greater than the compensation provided under the written proposal, contract, or change order. *Id.* at (a)(14).
74. Compared to its predecessor, the Statute also broadens the scope of prohibited conduct, such as:
- a) A person cannot fail to classify, represent, or treat an individual as an employee, if that individual qualifies as an employee under the Statute. Minn. Stat. § 181.723, subd. 7(c)(2).
  - b) A person cannot fail to report or disclose to any person or any local, state, or federal government agency an individual who is an employee when required to do so under any applicable local, state, or federal law. *Id.* (c)(3).
  - c) The Statute’s predecessor made it unlawful to “knowingly misrepresent or misclassify an individual as an independent contractor.” Minn. Stat. § 181.723, subd. 7(c)(2) (2023). The Statute removes the word “knowingly” from the

predecessor version and penalizes for misclassifications, even when innocent or inadvertent. Minn. Stat. § 181.723, subd. 7(c)(2).<sup>34</sup>

75. Violation of the Statute is a misdemeanor. Minn. Stat. § 326B.081, subd. 3 (including the Statute under the definition of “applicable law”) *and* § 326B.082, subd. 16 (stating a person who violates an applicable law is a guilty of a misdemeanor).

76. If the Association’ members consider their subcontractors to be independent contractors, they would not provide the subcontractors’ workers with employee-specific benefits or wage supplements. Nevertheless, if the workers are misclassified under the Statute, the Associations’ members may be criminally liable (gross misdemeanor) under Minn. Stat. § 181.74, subd. 1 due to failure to provide those benefits or wage supplements. A gross misdemeanor includes a maximum fine of \$3,000.00 and up to 364 days of imprisonment. Minn. Stat. § 609.02, subd. 4; Minn. Stat. § 609.0341, subd. 1.

77. Similarly, the Associations’ members who are commercial contractors must provide workers’ compensation and unemployment benefits to their employees, or else be criminally liable (misdemeanor) under Minn. Stat. § 181.721, subds. 1, 4–5. A misdemeanor includes a jail sentence of no more than 90 days, a fine of no more than \$1,000.00, or both. Minn. Stat. § 609.02, subd. 3. If the commercial contractors consider their subcontractors to be independent contractors for purposes of the Statute, then they would not have obtained workers’ compensation insurance coverage or provided unemployment benefits to the subcontractors’ workers. Nevertheless, if the Statute is applied so those workers are considered employees, then the commercial contractors may be criminally liable for failure to provide workers’ compensation

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<sup>34</sup> “Knowingly” appears in the Statute, but in the context of personal liability. Minn. Stat. § 181.723, subd. 7(d).

insurance coverage and unemployment benefits.

78. Finally, where a contractor misclassifies a subcontractor as an independent contractor, the contractor logically would not pay the subcontractor's workers as employees—*i.e.*, provide the workers with minimum wage, overtime payments, commissions, and benefits. Nevertheless, Defendants may claim that the contractor committed wage theft with intent to defraud, which triggers the criminal penalties under Minn. Stat. § 609.52, subd. 3, which provides for imprisonment between 90 days to 20 years and a range of fines. *Id.* subd. 3(1)–(5).

79. In addition to the criminal penalties, the Statute, unlike its predecessor, also expressly imposes compensatory damages and monetary fines:

- a) Compensatory damages to the misclassified individuals including the loss of legally owed wages and various benefits, recoverable in a private action. Minn. Stat. § 181.723, subd. 7(g)(1); Minn. Stat. § 181.171, subd. 1.
- b) A monetary fine up to \$10,000.00 for each misclassified individual. Minn. Stat. § 181.723, subd. 7(g)(2).
- c) A monetary fine up to \$10,000.00 for each separate violation of Minn. Stat. § 181.723, subd. 7, which includes each failure to report each individual as an employee to a local, state or federal agency. *Id.* (g)(3).
- d) A monetary fine of \$1,000.00 per day for delaying, obstructing, or failing to cooperate with DOLI's investigation into misclassification. *Id.* (g)(4).
- e) Hindering or delaying DOLI's investigation under Minn. Stat. § 181.723 is also a misdemeanor offense. Minn. Stat. § 177.32, subd. 1(1) (2024).

80. For years before the Statute was amended, the Associations' members followed the below common industry practices:

- a) The general contractor has a longstanding relationship with the subcontractor. The two operate under a good faith *verbal* agreement. Examples include a crane company-subcontractor who verbally agrees to set the trusses for a project and bills out hourly. Or the general contractor hires a cleaner-subcontractor to clean the project before owner-occupancy and pays the cleaner's hourly rate without documentation.
- b) Even after exercising reasonable efforts, general contractors cannot always secure fully written contracts from their subcontractors within the 30-day window. JMC and MKCH cannot recall a single project where all the contracts between the general contractor and prime subcontractors were executed within 30 days of work commencing. For instance, for the residential and commercial projects that WGC oversaw in 2024, valued over \$500,000.00, not one project had fully executed contracts from every subcontractor within 30 days of work commencing. And for very complex construction projects where there are tiers of subcontractors, WGC cannot recall a single instance where all contracts between WGC and its prime subcontractors were executed within 30 days after work commencing.
- c) The general contractor pays its subcontractor under a master service agreement, which acts as an umbrella agreement between the general contractor and subcontractor for multiple projects.
- d) Where there is a master service agreement between the general contractor and subcontractor, the general contractor pays the subcontractor without receiving an invoice because the parties have an agreed-upon price.

- e) The general contractor provides the raw materials for the project, the subcontractors provide only the labor.
- f) The general contractor executes a “time and materials” contract with the owner. Under that type of contract, which is standard in the industry, subcontractors and their workers are paid a set hourly rate regardless of their performance on the project and regardless of what happens on the project; thus there is no opportunity to realize additional profit or suffer a loss on that project.

81. Because of the Statute, the Associations’ members must modify their business practices to conform with the Statute’s requirements, or they otherwise subject themselves to the Statute’s consequences.

**V. THE ASSOCIATIONS’ MEMBERS MUST SUFFER THROUGH ENFORCEMENT OF THE STATUTE, EVEN IF THEY TRY TO REASONABLY COMPLY.**

82. Defendants undeniably will enforce the Statute even if the Associations’ members attempt to comply:

- a) The MN AG created an advisory taskforce on how to “put an end” to the problems surrounding employee misclassification and the MN AG has a known history of going after employers for alleged employee misclassification.<sup>35</sup>
- b) When Commissioner Blissenbach voiced support for H.F. No. 4444, whose terms were later largely incorporated into the Statute, she erroneously claimed, “The legislation provides more clarity which will promote compliance, allow investigations to be more impactful, streamline and expand enforcement authority, and strengthen the consequences for the employers who do in fact violate the law.”

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<sup>35</sup>*Advisory Task Force on Worker Misclassification*, OFFICE OF MINN. ATTORNEY GEN., <https://www.ag.state.mn.us/Taskforce/Misclassification/> (last visited Mar. 14, 2026).

- c) For the 2026–2027 Biennial Budget, DOLI proposed funding for an additional 2.5 full time labor investigators, “to increase and strengthen enforcement of worker misclassification laws in construction and non-construction industries[.]”<sup>36</sup>
- d) DOLI received an additional \$281,000.00 in fiscal year 2026 and an additional \$286,000 ongoing from the general fund for misclassification enforcement.<sup>37</sup>
- e) DOLI and the MN AG are part of the “Intergovernmental Misclassification Enforcement and Education Partnership,” which “was created to allow the five Minnesota government agencies tasked with investigating misclassification fraud to share reported worker violations of the law and related data to better coordinate investigations . . . Collaboration includes, but is not limited to, referrals, strategic enforcement and joint investigations by two or more partnership entities.”<sup>38</sup>

83. Indeed, even if the Members exercise reasonable efforts to comply with the Statute, they may still face an enforcement action. They could also exercise reasonable efforts to ensure their prime subcontractors comply with the Statute. For instance, regardless of the general contractors’ diligence, a substantial risk exists that the subcontractors below them in the contractual chain do not meet every part of the fourteen-factor test. Many subcontractors do not

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<sup>36</sup> *FY 2026-27 Governor's Budget Recommendations*, MINN. DEP’T OF LABOR AND INDUS., <https://mn.gov/mmb-stat/documents/budget/2026-27-biennial-budget-books/governors-recommendations-january/labor-and-industry.pdf> (last visited Mar. 14, 2026).

<sup>37</sup> *2025 legislative session summary*, MINN. DEP’T OF LABOR AND INDUS., <https://www.dli.mn.gov/sites/default/files/pdf/2025-legislative-session-summary.pdf> (last visited Feb. 19, 2026). When cite-checking this Complaint, the undersigned typed in the same URL on March 14, 2026, but the URL came up with an error message, “PAGE NOT FOUND.” Regardless, the undersigned earlier downloaded a true and correct copy of the PDF depicted in the URL and will produce the same to the Court.

<sup>38</sup> *Intergovernmental Misclassification Enforcement and Education Partnership*, MINN. DEP’T OF LABOR AND INDUS., <https://www.dli.mn.gov/business/employment-practices/intergovernmental-misclassification-enforcement-and-education> (last visited Mar. 14, 2026).

even know about the Statute's existence. Under the Statute, the general contractors are subject to liability not only for the subcontractors' failures, but the sub-subcontractors' failures.

84. Even if the subcontractors are aware of the Statute, the Associations' members cannot guarantee that their prime subcontractors have strictly complied. For instance:

- a) The general contractors could confirm that their subcontractors receive Form 1099s, but the Members do not know if the prime subcontractors retain those forms as required by the Statute. The general contractors do not control whether these subcontractors retain the Form 1099s.
- b) While the Statute, Minn. Stat. § 181.723, subd. 4(4)(iv), requires independent contractors to have filed tax returns with the IRS and the Minnesota Department of Revenue in the previous 12 months, the subcontractors working with general contractors have historically not shared any business or self-employment tax returns filed with the IRS or Minnesota Department of Revenue.

85. Moreover, the Associations' members cannot know with certainty whether the sub-subcontractors have strictly complied with the Statute, because the Members often do not know who all the sub-subcontractors are. Where sub-subcontractors fail to comply with the fourteen-factor test, their workers may also become the general contractors' employees. Minn. Stat. § 181.723, subd. 4(b)(3)–(4). The general contractors then must incur the expenses associated with treating those workers as employees, or face the Statute's criminal penalties, compensatory damages, and monetary fines.

## **CAUSES OF ACTION**

### **COUNT I**

#### **DECLARATORY JUDGMENT – VIOLATION OF THE MINNESOTA CONSTITUTION'S SINGLE SUBJECT CLAUSE**

86. Plaintiffs reallege and incorporate by reference the foregoing allegations.

87. Pursuant to Minnesota Statute Section 555.01, this Court has the power to “declare rights, status and other legal relations whether or not further relief is or could be claimed.” The declaration “may be either affirmative or negative in form and effect; and such declarations shall have the force and effect of a final judgment or decree.” *Id.*

88. Article IV, Section 17 of the Minnesota Constitution states that “[n]o law shall embrace more than one subject, which shall be expressed in its title.”

89. All provisions in a statute must therefore be “‘so connected or related to each other’ that they are all ‘parts of, or germane to, one subject.’” *Otto*, 910 N.W.2d at 456 (quoting *Townsend v. State*, 767 N.W.2d 11, 13 (Minn. 2009)).

90. The Court should declare that the Statute is not germane to any “one subject” in the Jumbo Omnibus, which addresses issues ranging from binary triggers in firearms, to higher education, to traffic cameras. *Id.*

91. The Court should sever the Statute from the Jumbo Omnibus. *See Assoc. Builders & Contractors*, 610 N.W.2d at 307 (noting that the proper recourse is to sever any part of the bill not germane to the subject matter of the legislation).

**COUNT II**  
**DECLARATORY JUDGMENT – VIOLATION OF THE MINNESOTA**  
**CONSTITUTION’S TITLE CLAUSE**

92. Plaintiffs reallege and incorporate by reference the foregoing allegations.

93. Pursuant to Minnesota Statute Section 555.01, this Court has the power to “declare rights, status and other legal relations whether or not further relief is or could be claimed.” The declaration “may be either affirmative or negative in form and effect; and such declarations shall have the force and effect of a final judgment or decree.” *Id.*

94. Article IV, Section 17 of the Minnesota Constitution states that “[n]o law shall

embrace more than one subject, which shall be expressed in its title.”

95. The Statute is part of the Jumbo Omnibus, which does not “embrace . . . one subject” which is “expressed” in the title.

96. The Jumbo Omnibus’s title does not provide sufficient notice that it covers the classification of an employee versus an independent contractor in the construction industry.

97. The Court should declare the Statute is entirely unrelated to any part of the Jumbo Omnibus’s title and sever the Statute and declare it unconstitutional. *See Assoc. Builders & Contractors*, 610 N.W.2d at 307.

### **PRAYER FOR RELIEF**

**WHEREFORE**, Plaintiffs respectfully request relief as follows:

1. A judgment in favor of Plaintiffs declaring that the Statute is not germane to “one subject” contained in the Jumbo Omnibus;
2. A judgment in favor of Plaintiffs declaring that the Jumbo Omnibus’s title does not provide sufficient notice that employee versus independent contractor classification in the construction industry is part of the Jumbo Omnibus;
3. An order severing the Statute from the Jumbo Omnibus and declaring it unconstitutional;
4. An order permanently enjoining Defendants from enforcing the Statute against the Associations’ members;
5. Awarding costs pursuant to Minnesota Statute Section 555.10, authorizing Minnesota courts to award costs to prevailing parties in an action brought under the Minnesota Uniform Declaratory Judgments Act; and
6. For such other and further relief as this Court deems just and proper.

Dated: March 23, 2026

/s/ Thomas R. Revnew

Thomas Revnew, Bar No. 0295620  
trevnew@littler.com  
Kurt J. Erickson, Bar No. 158380  
kerickson@littler.com  
Lehoan (Hahn) T. Pham, Bar No. 0397635  
hpham@littler.com  
LITTLER MENDELSON, P.C.  
1300 IDS Center  
80 South 8th Street  
Minneapolis, MN 55402.2136  
Telephone: 612.630.1000

*Attorneys for Plaintiffs*

**ACKNOWLEDGEMENT**

The undersigned hereby acknowledges that costs, disbursements and reasonable attorney and witness fees may be awarded to the party against whom the allegations in this pleading are asserted pursuant to Minn. Stat. § 549.211.

Dated: March 23, 2026

/s/ Thomas R. Revnew

Thomas R. Revnew

STATE OF MINNESOTA  
COUNTY OF RAMSEY

DISTRICT COURT  
SECOND JUDICIAL DISTRICT  
CASE TYPE: OTHER

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MINNESOTA CHAPTER OF ASSOCIATED BUILDERS AND CONTRACTORS, INC., BUILDERS ASSOCIATION OF MINNESOTA, NATIONAL FEDERATION OF INDEPENDENT BUSINESS, and J&M CONSULTING, LLC,

Court File No. \_\_\_\_\_

**DECLARATION OF JOHN MCGUINE**

Plaintiffs,

v.

NICOLE BLISSENBACH, *in her official capacity as the Commissioner of the Minnesota Department of Labor and Industry* and KEITH ELLISON, *in his official capacity as the Attorney General of Minnesota,*

Defendants.

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STATE OF MINNESOTA            )  
  )  
COUNTY OF OLMSTED         )

I, John McGuine, state and declare as follows:

1. I currently serve as the owner and president of J & M Consulting, LLC (“JMC”). JMC was formed under Minnesota law in May 2006. JMC does business across the State of Minnesota and maintains its principal place of business at 432 Lakewood Lane NW, Rochester, MN 55901. I offer this declaration in support of the Complaint and the relief sought therein.

2. JMC is a general contractor and project manager that provides commercial construction services. These services include commercial new builds and renovation. The work involved in these projects includes framing, excavation, plumbing, mechanical, electrical,

drywall, and installation of insulation. To perform the work, JMC contracts with prime subcontractors. Often times, prime subcontractors will contract with sub-subcontractors. JMC is generally contractually responsible for overseeing completion of the project.

3. As the owner and president, I am personally familiar with JMC's business operations, dealings with subcontractors, and efforts to comply with the amended version of Minn. Stat. § 181.723 (the "Statute"). I have also been working in the construction industry for over 50 years and have a general understanding of how contractors in Minnesota conduct business and the generally accepted industry standards. JMC is a current member of Builders Association of Minnesota and Associated Builders and Contractors.

4. The new fourteen-factor test under Minn. Stat. § 181.723 for the construction industry has imposed a multitude of new requirements for individuals to be classified as independent contractors and additional ongoing costs upon contractors, including JMC.

5. Because the new fourteen factor focuses on at the time services are provided, the additional on-going expenses imposed upon JMC and other contractors to comply with the amended Statute include spending more time and effort gathering the following information from its prime subcontractors:

- a. Their business registration details with Minnesota.
- b. Their federal and Minnesota tax identification numbers.
- c. Whether they receive and retain Form 1099s.
  - i. JMC does not perform the bookkeeping for its prime subcontractors. And so, JMC does not know whether its prime subcontractors retain Form 1099s.

- d. Whether they have filed business or self-employment tax returns, including estimated tax filings with the IRS or Minnesota Department of Revenue.
  - e. Whether they complete and provide W-9s.
  - f. Whether they maintain an unemployment account and workers' compensation coverage; and
  - g. Whether they hold the required licenses, registrations, and certifications, though this process can be difficult because licenses, registrations, and certifications can expire.
6. Other additional on-going expenses imposed upon JMC and other contractors to comply with amended the Statute, include ensuring its contracts with subcontractors are updated and are:
- a. In writing and identify the specific services to be provided or performed (despite the ambiguity of the statute as to how detailed the contract needs to be);
  - b. Signed and dated by authorized representatives of both parties to the contract;
  - c. Fully executed no later than 30 days after the work commences; and
  - d. Written to provide the subcontractor has control over the means of providing or performing the specific services performed.
7. As the general contractor, JMC must also ensure that subcontractors issue invoices before its pays the subcontractors for services rendered even though in many instances it is apparent that the scope of the project for the subcontractor has been completed and an invoice is unnecessary since the contract would already identify the costs.

8. JMC exercises good faith efforts to obtain written contracts with its prime subcontractors. With the new law, JMC has spent significantly more time in obtaining signed contracts within 30 days of work commencing. My experience in securing fully executed written contracts with the prime subcontractors has varied depending on the project. There are various reasons on why securing fully executed written contracts within 30-days of work commencing is challenging. First, the prime subcontractors have varying levels of sophistication where even after exercising good faith efforts, JMC still finds it challenging to obtain all written contracts within 30 days of work commencing. The challenge in obtaining the written contracts within the 30-day window substantially increases when trying to secure written contracts from the sub-subcontractors, who generally lack the sophistication that prime subcontractors and general contractors have when it comes to documenting agreements. Second, at times, the prime subcontractors cannot sign their written contract with JMC, because the prime subcontractors are waiting for information from their sub-subcontractors. That inherently delays the process in obtaining the fully executed written contract between JMC and its prime subcontractors.

9. With the Statute now in effect, JMC is confronted with this disturbing reality: (1) treat subcontractors' and sub-subcontractors' workers as its employees, incur significant expenses to do so (*i.e.*, pay employee-specific wages and benefits, which significantly increases the labor costs for JMC), and risk financial harm; or (2) fail to treat those workers as its employees and face compensatory damages, and monetary and criminal penalties. Depending on the level of financial harm, JMC would have to take austerity measures to survive as a business, which may include obtaining financing to fund any additional expenses. And if the financial harm is severe, JMC would have no choice but to consider bankruptcy or shutting down its operations.

10. Because JMC primarily does not work on state-funded projects, for its private projects, JMC can never certainly know what its subcontractors or sub-subcontractors pay their workers in wages and benefits; nor does JMC certainly know the payment structure that the subcontractors and sub-subcontractors use when paying wages and benefits to their workers.

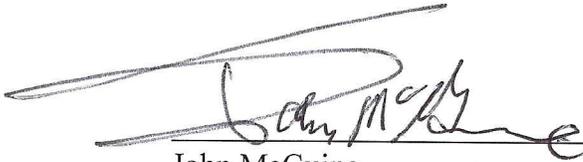
11. The prime subcontractors who JMC does business with have never shared their business or self-employment income taxes with JMC. Nor can I recall a single instance where a sub-subcontractor shared its business or self-employment tax returns with JMC.

12. For the topics discussed in Paragraph 5, it is time-consuming and highly burdensome—if not impossible—for JMC to verify, with certainty, every piece of information for the sub-subcontractors on the project. Often times, JMC does not even know who the sub-subcontractors are.

13. If the legislature had never passed, and the governor had never signed, the amended independent contractor law, Minn. Stat. 181.723 (as part of the omnibus bill), JMC never would have revised its contracts nor spent the time gathering the information described in Paragraph 5. It would also stop doing so if the law were declared unconstitutional and unenforceable.

I declare under penalty of perjury that everything I have stated in this document is true and correct. Minn. Stat. § 358.116

Dated: March 23, 2026

  
John McGuine

STATE OF MINNESOTA  
COUNTY OF RAMSEY

DISTRICT COURT  
SECOND JUDICIAL DISTRICT  
CASE TYPE: OTHER

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MINNESOTA CHAPTER OF ASSOCIATED BUILDERS AND CONTRACTORS, INC., BUILDERS ASSOCIATION OF MINNESOTA, NATIONAL FEDERATION OF INDEPENDENT BUSINESS, and J&M CONSULTING, LLC,

Court File No. \_\_\_\_\_

**DECLARATION OF JONATHAN BOESCHE**

Plaintiffs,

v.

NICOLE BLISSENBACH, *in her official capacity as the Commissioner of the Minnesota Department of Labor and Industry* and KEITH ELLISON, *in his official capacity as the Attorney General of Minnesota*,

Defendants.

---

STATE OF MINNESOTA            )  
  )  
COUNTY OF RAMSEY            )

I, Jonathan Boesche, state and declare as follows:

1. I currently serve as the Minnesota State Director for the National Federation of Independent Business, Inc. (“NFIB”), one of the plaintiffs in this action. I offer this declaration in support of the Complaint and the relief sought therein.

2. NFIB is the nation’s leading small business association, representing hundreds of thousands of members across the United States. NFIB’s mission is to promote and protect the right of its members to own, operate, and grow their businesses. NFIB represents, in Washington, D.C., and all 50 state capitals, the interests of its members.

3. In Minnesota specifically, NFIB represents just under 10,000 members. These members span the spectrum of small and independent businesses—from sole proprietorships to firms with dozens or hundreds of employees—across all industries and sectors of the economy. The average NFIB member has between 8–10 employees.

4. NFIB has spoken to multiple small business members about the State’s new independent contractor test. These NFIB members have described how the new test imposes burdensome requirements on their businesses. They have agreed to be listed in this declaration as just a few examples of the many small business NFIB members that suffer due to the new test.

a. W. Gohman Construction Co. (“Gohman”) is an NFIB member located in Saint Joseph, Minnesota. Gohman’s own declaration about the harm to its operations from the new independent contractor test speaks for itself.

b. DeWitz Home Builders, Inc. (“DeWitz”) is an NFIB member located in Rochester, Minnesota. DeWitz is a multi-generational family-owned business that was started in 1956 and currently has five employees. DeWitz builds high-quality residential homes in the Rochester area. As a small business in the home building industry, DeWitz uses subcontractors for all their residential projects. DeWitz has never been penalized or cited for misclassification violations. With the new fourteen-factor test, DeWitz is concerned that an honest and good-faith mistake, or a misunderstanding of the test, exposes them to liability and the law’s significant monetary penalties. DeWitz is also concerned about their ability to find and utilize subcontractors with the new test. Due to the new fourteen-factor independent contractor test, DeWitz has had more difficulty finding and utilizing independent contractors. The imposition of five additional factors to the previous test—a more

than 50% increase—requires more daily time to understand and implement the requirements for each new subcontractor agreement.

- c. The following NFIB member has requested that their company name and identifying information be withheld from this declaration due to concerns of retaliation and scrutiny against the business. In this section and throughout, this NFIB member will be referred to as “Business X.” Business X is a construction company located in Minnesota. They were established in 2007 and have been a licensed contractor since 2017. They are a family-owned business that has between four and eleven employees, depending on the time of the year. They provide home construction services, including building decks and porches and providing other services. Due to being in the construction industry, they routinely use subcontractors and are negatively impacted by the State’s new independent contractor test. Business X uses independent contractors for a wide range of things, including electrical, HVAC, siding, gutter, and general building work. Whereas the old nine-factor test merely required a contract to perform specific services, the new test requires that the contract identify what those specific services are in detail. This new requirement not only causes confusion about the degree of specificity required but requires Business X to work with and potentially pay attorneys for each separate independent contractor agreement it enters. Due to the new fourteen-factor independent contractor test, Business X has more difficulty finding and utilizing independent contractors. They have described the imposition of five additional factors to the previous nine-factor test—a more than 50% increase—as being more

intrusive to the business by requiring more daily time to understand and implement the requirements.

5. As NFIB's State Director for Minnesota, I am extremely familiar with the old nine-factor test compared to the new fourteen-factor test.

6. The fourteen-factor test for the construction industry imposes a multitude of new requirements for individuals to be classified as independent contractors. These new requirements include, but are not limited to:

- a. That the individual operates as a business entity (Minn. Stat. § 181.723 subd. 4(a));
- b. That the individual hold a federal EIN number, a Minnesota tax id number, has received and retained 1099 forms, has filed business or self-employment income tax returns in the previous 12 months, and has completed and provided a federal W-9 to the person they perform services for (Minn. Stat. § 181.723 subd. 4(a)(4));
- c. That the individual is in good standing under Minnesota law (Minn. Stat. § 181.723 subd. 4(a)(5));
- d. That the individual, if required by state law, have a Minnesota unemployment insurance account, obtained workers compensation coverage, and holds current business licenses, registrations, and certifications (Minn. Stat. § 181.723 subd. 4(a)(5)); and
- e. That the individual and person for whom the individual is providing services operate under a written contract that is fully executed no later than 30 days after the work begins, and identifies the specific services performed under the contract (Minn. Stat. § 181.723 subd. 4(a)(5)).

7. Under the law, small businesses across industries could face crushing monetary penalties for good-faith classification mistakes.

8. The new law expands employer liability for misclassification to include: (1) failing to classify, represent, or treat any individual who is an employee as an employee; (2) failing to report or disclose to any government authority a person's employee status when required to do so; and (3) requiring an individual who is an employee to enter into a document or agreement that either misclassifies, misrepresents, or treats them as an independent contractor. (Minn. Stat. § 181.723, subd. 7(c)).

9. The law treats each failure to misclassify, failure to report, or request to enter into an agreement mentioned in the above paragraph on a per-violation basis. (Minn. Stat. § 181.723 subd. 7(g)).

10. For small employers in all industries, the law imposes significant penalties without consideration of an employer's intention to comply or knowledge of circumstances that are directly material to the classification decision.

11. As amended, the law allows for compensatory damages to the impacted individual, which includes minimum wage, overtime, shift differentials, vacation pay, sick pay, other paid time off, health insurance, life and disability insurance, retirement plans, savings plans, and any other form of benefit, employer contributions to unemployment insurance, Social Security and Medicare, and any other costs or expenses incurred by the impacted individual from the failure to classify, represent, or treat that individual as an employee. (Minn. Stat. § 181.723, subd. 7(g)(1)).

12. In addition to the compensatory damages above, an employer faces penalties of up to \$10,000 per individual for each misclassification mistake. (Minn. Stat. § 181.723 subd. 7(g)(2)).

13. In addition to the compensatory damages and per-individual misclassification penalty, employers face penalties of up to \$10,000 for each mistaken report or disclosure of an individual's classification or agreement entered into with a mistaken classification status. (Minn. Stat. § 181.723 subd. 7(g)(3)).

14. The potential of significant monetary penalties imposed by the law concerns NFIB. Because of these penalties, NFIB is concerned that its general contractor members would forgo working with subcontractors they do not have an established relationship with out of fear that working with unknown subcontractors could create liability for the general contractor. This will significantly limit the ability of startup companies and small businesses to compete and be successful.

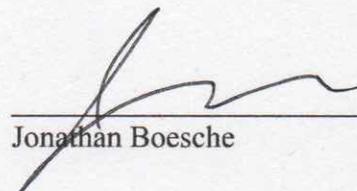
15. Moreover, because of the law's penalties, NFIB is concerned that its members like Gohman, DeWitz, and Business X will be confronted with this disturbing reality: (1) treat subcontractors' and sub-subcontractors' workers as its employees, incurring significant expenses to do so (i.e., pay employee-specific wages and benefits, which would increase the labor cost to the general contractor), and risk financial harm; or (2) fail to treat those workers as its employees and face compensatory damages, and monetary and criminal penalties. Depending on the level of financial harm, NFIB's general contractor members would have to take measures to survive as a business, which may include laying off its employees; or consolidating more work within the company, which would mean that more subcontractors and sub-subcontractors—many of whom are small businesses themselves—have less opportunities to work on construction projects. And if the financial harm is severe, NFIB's general contractor members could have no choice but to consider bankruptcy or shutting down operations.

16. NFIB advocated against the new independent contractor test because of the harm it would cause to small and independent businesses. NFIB urged the Attorney General's Task Force on Worker Misclassification, which was the genesis of the new test, to "focus on consistent and fair enforcement of the [then] current standard, more plainspoken guidance for independent contractors and businesses, and better training for agency staff" "[r]ather than imposing new restrictions." NFIB then sent letters to the House Labor and Industry, State and Local Government, and Judiciary and Civil Law Committees. Finally, NFIB key-voted House File 4444 containing the new test, sending a letter to all members of the Minnesota House of Representatives.

17. Unless the Court enjoins enforcement of the law, NFIB members in Minnesota will have no choice but to comply and suffer the associated harms and burdens.

I declare under penalty of perjury that everything I have stated in this document is true and correct. Minn. Stat. § 358.116

Dated: March 23, 2026

  
Jonathan Boesche

STATE OF MINNESOTA  
COUNTY OF RAMSEY

DISTRICT COURT  
SECOND JUDICIAL DISTRICT  
CASE TYPE: OTHER

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MINNESOTA CHAPTER OF ASSOCIATED BUILDERS AND CONTRACTORS, INC., BUILDERS ASSOCIATION OF MINNESOTA, NATIONAL FEDERATION OF INDEPENDENT BUSINESS, and J&M CONSULTING, LLC,

Court File No. \_\_\_\_\_

**DECLARATION OF MICHAEL GOHMAN**

Plaintiffs,

v.

NICOLE BLISSENBACH, *in her official capacity as the Commissioner of the Minnesota Department of Labor and Industry* and KEITH ELLISON, *in his official capacity as the Attorney General of Minnesota*,

Defendants.

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STATE OF MINNESOTA            )  
  )  
COUNTY OF STEARNS         )

I, Michael Gohman, state and declare as follows:

1. I currently serve as the President of W. Gohman Construction Co. (“WGC”). WGC was formed under Minnesota law in February 1977. WGC does business across the State of Minnesota and maintains its principal place of business at 815 Co. Rd. 75 East, St. Joseph, MN 56374. I offer this declaration in support of the Complaint and the relief sought therein.

2. WGC is a general contractor that provides residential and commercial construction services. As the President, I am personally familiar with WGC’s business and human resources operations, dealings with subcontractors, and efforts to comply with the amended version of Minn.

Stat. § 181.723 (the “Statute”). I have also been working in the construction industry for over 35 years and have a general understanding of how contractors in Minnesota conduct business and the generally accepted industry standards.

3. WGC is a current member of Builders Association of Minnesota and the National Federation of Independent Business.

4. WGC has approximately 36 employees in the State of Minnesota. Its employees include office workers, superintendents, carpenters, and laborers. As part of the employer-employee relationship, WGC provides its employees with health insurance, HSA funding, retirement account contributions, paid-time off, and any legally mandated wages where applicable (such as minimum wage and overtime). WGC only provides those items to its employees and not to independent contractors.

5. WGC provides various types of construction services across Minnesota. These services include commercial new builds, commercial renovation, and residential new builds. The work involved in these projects includes framing, excavation, plumbing, mechanical, electrical, drywall, and installation of insulation. To perform the work, WGC contracts with prime subcontractors.

6. The new fourteen-factor test under Minn. Stat. § 181.723 for the construction industry has imposed a multitude of new requirements for individuals to be classified as independent contractors and additional ongoing costs upon contractors, including WGC.

7. Because the new fourteen factor focuses on at the time services are provided, the additional on-going expenses imposed upon WGC and other contractors to comply with the amended Statute include spending more time and effort gathering the following information from its prime subcontractors:

- a. Their business registration details with Minnesota.
  - b. Their federal and Minnesota tax identification numbers.
  - c. Whether they receive and retain Form 1099s.
    - i. WGC does not perform the bookkeeping for its prime subcontractors. And so, WGC does not know whether its prime subcontractors retain Form 1099s.
  - d. Whether they have filed business or self-employment tax returns, including estimated tax filings with the IRS or Minnesota Department of Revenue.
  - e. Whether they complete and provide W-9s.
  - f. Whether they maintain an unemployment account and workers' compensation coverage. and
  - g. Whether they hold the required licenses, registrations, and certifications, though this process can be difficult because licenses, registrations, and certifications can expire.
8. Other additional on-going expenses imposed upon WGC and other contractors to comply with amended the Statute, include ensuring its contracts with subcontractors are updated and are:
- a. In writing and identify the specific services to be provided or performed (despite the ambiguity of the statute as to how detailed the contract needs to be);
  - b. Signed and dated by authorized representatives of both parties to the contract;
  - c. Fully executed no later than 30 days after the work commences; and
  - d. Written to provide the subcontractor has control over the means of providing or performing the specific services performed.

9. As the general contractor, WGC must also ensure that subcontractors issue invoices before its pays the subcontractors for services rendered even though in many instances it is apparent that the scope of the project for the subcontractor has been completed and an invoice is unnecessary since the contract would already identify the costs.

10. As the general contractor, WGC exercises good faith efforts to obtain written contracts with its prime subcontractors. Though, in my experience, there are varying levels of sophistication amongst subcontractors where even after exercising good faith efforts, WGC still finds it challenging to obtain all written contracts within 30 days of work commencing. The challenge in obtaining the written contracts within the 30-day window substantially increases when trying to secure written contracts from the sub-subcontractors, who generally lack the sophistication that prime subcontractors and general contractors have when it comes to documenting agreements.

11. In 2024, WGC was the general contractor of approximately 12 construction projects that were each valued over \$500,000.00, which included commercial and residential projects. I estimate that each project had at least 6 prime subcontractors, with some having as many as 25 prime subcontractors. On a typical project, WGC estimates that there would be an average of 30-50 subcontractor-workers on the project.

12. In 2025, WGC had at least seven projects—including residential and commercial work—where there was work currently being performed. Across the seven projects, WGC had approximately 60 prime subcontractors. That estimate, however, does not necessarily include the sub-subcontractors, because often times, the prime subcontractors do not inform WGC who all the sub-subcontractors may be.

13. Because the failure to meet one of the fourteen factors under Minn. Stat. § 181.723 can convert a subcontractor and all of their employees into WGC employees, the potential of significant monetary penalties imposed by the Statute is concerning to WGC. The concern is so significant that WGC will only work with prime subcontractors who it is confident will strictly comply with the Statute, meaning that WGC will not work with any subcontractor who it does not have a long-standing relationship with. This significantly limits the ability of startup companies to compete and for WGC to receive competitive bids.

14. Moreover, with the Statute now in effect, WGC is confronted with this disturbing reality: (1) treat subcontractors' and sub-subcontractors' workers as its employees, incur significant expenses to do so (*i.e.*, pay employee-specific wages and benefits, which increases the labor cost to WGC by as much as thirty percent), and risk financial harm; or (2) fail to treat those workers as its employees and risk facing compensatory damages, and monetary and criminal penalties. Depending on the level of financial harm, WGC would have to take measures to survive as a business, which may include laying off its employees; or consolidating more work within WGC, which would mean that more subcontractors and sub-subcontractors—many of whom are small businesses—do not have any opportunity to work with WGC on construction projects. And if the financial harm is severe, WGC would have no choice but to consider bankruptcy or shutting down its operations.

15. As a general contractor, WGC generally only knows what its subcontractors pay their workers when the specific project is state-funded and there are prevailing wage disclosures. But outside of the state-funded context, WGC can never certainly know what its subcontractors or sub-subcontractors pay their workers in wages and benefits; nor does WGC certainly know the

payment structure that the subcontractors and sub-subcontractors use when paying wages and benefits to their workers.

16. The prime subcontractors who WGC does business with have never shared their business or self-employment income taxes with WGC. Nor can I recall a single instance where a sub-subcontractor shared its business or self-employment tax returns with WGC.

17. For the topics discussed in Paragraph 7, it is highly burdensome—if not impossible—for WGC to verify, with certainty, every piece of information for the sub-subcontractors on the project. Often times, WGC does not even know who the sub-subcontractors are.

18. If the legislature had never passed, and the governor had never signed, the amended independent contractor law, Minn. Stat. § 181.723 (as part of the omnibus bill), WGC never would have revised its contracts nor spent the time gathering the information described in Paragraph 7. It would also stop doing so if the law were declared unconstitutional and unenforceable.

I declare under penalty of perjury that everything I have stated in this document is true and correct. Minn. Stat. § 358.116

Dated: March 23, 2026

/s/ Michael Gohman

Michael Gohman

STATE OF MINNESOTA  
COUNTY OF RAMSEY

DISTRICT COURT  
SECOND JUDICIAL DISTRICT  
CASE TYPE: OTHER

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MINNESOTA CHAPTER OF ASSOCIATED BUILDERS AND CONTRACTORS, INC., BUILDERS ASSOCIATION OF MINNESOTA, NATIONAL FEDERATION OF INDEPENDENT BUSINESS, and J&M CONSULTING, LLC,

Court File No. \_\_\_\_\_

**DECLARATION OF CHAD  
KOMPELIEN**

Plaintiffs,

v.

NICOLE BLISSENBACH, *in her official capacity as the Commissioner of the Minnesota Department of Labor and Industry* and KEITH ELLISON, *in his official capacity as the Attorney General of Minnesota*,

Defendants.

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STATE OF MINNESOTA            )  
  )  
COUNTY OF KANDIYOHI        )

I, Chad Kompelien, state and declare as follows:

1. I currently serve as the Chief Executive Officer of Mike Kompelien Custom Homes, Inc. (“MKCH”). MKCH was formed under Minnesota law on January 3, 2005. MKCH does business across the State of Minnesota and maintains its principal place of business at 310 County Road 9 SE, Willmar, MN 56201. I offer this declaration in support of the Complaint and the relief sought therein.

2. As the CEO, I am personally familiar with the MKCH’s business and human resources operations, dealings with subcontractors, and efforts to comply with the amended version

of Minn. Stat. § 181.723 (the “Statute”). I have also been working in the residential construction industry for over thirty years and have a general understanding of how contractors in Minnesota conduct business and the generally accepted industry standards.

3. MKCH is a current member of Builders Association of Minnesota.

4. MKCH has four employees in the State of Minnesota. Its employees include office staff and construction workers. As part of the employer-employee relationship, MKCH provides its employees with paid-time off and any legally mandated wages where applicable (such as minimum wage and overtime). MKCH only provides those items to its employees and not to independent contractors.

5. MKCH provides various types of construction services across Minnesota. These services include residential projects, including renovation and new build work. The work involved in these projects includes framing, electrical, drywall, and installation of insulation. For these projects, MKCH acts as the general contractor.

6. MKCH primarily secures work through the bidding process.

7. In my experience, contracts with subcontractors were rarely *fully* executed within 30 days after the work commences. Common reasons why the contracts were not fully executed within 30 days:

a. Due to varying levels of satisfaction, a subcontractor may have forgotten to sign the contract after starting the work; or

b. Work needed to immediately start to meet the owners’ deadlines, and so, the parties started the work first and worried about paperwork later.

8. In 2024, MKCH was the general contractor in eight projects. In every single one of those projects where there were written contracts, all the contracts between MKCH and its

subcontractors were fully executed *more* than 30 days after work commenced. Again, work had to start without delay to satisfy the owners' deadlines, and so, MKCH could not delay the start of work for paperwork's sake.

9. For each project in 2024 where MKCH was the general contractor, I estimate that each project had at least eight prime subcontractors with some projects having up to twelve of prime subcontractors.

10. On a typical project, MKCH estimates there would be an average of 38 subcontractor workers on the project and six sub-subcontractor workers.

11. In 2025, MKCH had 5 projects where it performed residential work as the general contractor. Across those projects, MKCH had approximately twelve prime subcontractors. That estimate, however, does not necessarily include the sub-subcontractors, because often times, the prime subcontractors do not inform MKCH who all the sub-subcontractors may be.

12. Much of the construction business is relationship-based and good faith. That is why work was historically performed without there being formal and written documentation.

13. The new fourteen-factor test under Minn. Stat. § 181.723 for the construction industry has imposed a multitude of new requirements for individuals to be classified as independent contractors and additional ongoing costs upon contractors, including MKCH.

14. Because the new fourteen factor focuses on at the time services are provided, the additional on-going expenses imposed upon MKCH and other contractors to comply with the amended Statute include spending more time and effort gathering the following information from its prime subcontractors:

- a. Their business registration details with Minnesota.
- b. Their federal and Minnesota tax identification numbers.

- c. Whether they receive and retain Form 1099s.
  - i. MKCH does not perform the bookkeeping for its prime subcontractors. And so, MKCH does not know whether its prime subcontractors retain Form 1099s.
- d. Whether they have filed business or self-employment tax returns, including estimated tax filings with the IRS or Minnesota Department of Revenue.
- e. Whether they complete and provide W-9s.
- f. Whether they maintain an unemployment account and workers' compensation coverage. and
- g. Whether they hold the required licenses, registrations, and certifications, though this process can be difficult because licenses, registrations, and certifications can expire.

15. Other additional on-going expenses imposed upon MKCH and other contractors to comply with amended the Statute, include ensuring its contracts with subcontractors are updated and are:

- a. In writing and identify the specific services to be provided or performed (despite the ambiguity of the statute as to how detailed the contract needs to be);
- b. Signed and dated by authorized representatives of both parties to the contract;
- c. Fully executed no later than 30 days after the work commences; and
- d. Written to provide the subcontractor has control over the means of providing or performing the specific services performed.

16. MKCH exercises good faith efforts to obtain written contracts with its prime subcontractors. With the new law, MKCH has spent significantly more time in obtaining signed contracts within 30 days of work commencing.

17. As the general contractor, under the amended statute, MKCH must also ensure that subcontractors issue invoices before it pays them for services rendered even though in many instances it is apparent that the scope of the project for the subcontractor has been completed and an invoice is unnecessary since the contract would already identify the costs. Prior to the amendment of the law, MKCH periodically paid its subcontractors without first receiving a technical “invoice,” because the subcontractors and MKCH already agreed upon price under the governing Master Service Agreement. MKCH then paid the agreed upon price without first receiving an invoice so that there were no delays in making sure its subcontractors were paid.

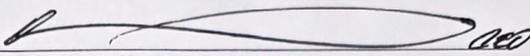
18. The prime subcontractors who MKCH does business with have never shared their business or self-employment income taxes with MKCH. Nor have any sub-subcontractors ever provided MKCH with their business or self-employment taxes.

19. For the topics discussed in Paragraph 14, it is highly burdensome—if not impossible—for MKCH to verify, with certainty, every piece of information for the sub-subcontractors on the project. Often times, MKCH does not even know who the sub-subcontractors are.

20. If the legislature had never passed, and the governor had never signed, the amended independent contractor law, Minn. Stat. 181.723 (as part of the omnibus bill), MKCH never would have revised its contracts nor spent the time gathering the information described in Paragraph 14. It would also stop doing so if the law were declared unconstitutional and unenforceable.

I declare under penalty of perjury that everything I have stated in this document is true and correct. Minn. Stat. § 358.116

Dated: March 23, 2026

  
Chad Kompelien CEO