



State of Minnesota Prevailing Wage Requirements for Low Income Housing Tax Credits (LIHTC) Allocations

In 2023/2024 the Minnesota State Legislature amended [Minnesota Statute 116J.871](#) to include prevailing wage requirements for projects that receive Low Income Housing Tax Credit (LIHTC) allocations on or after January 1, 2025. As a suballocator, the Dakota County Community Development Agency (DCCDA) is responsible for ensuring that all development entities awarded Low-Income Housing Tax Credit allocations provide the necessary documentation to ensure compliance.

Reporting Requirements

Development entities that are awarded Low Income Housing Tax Credit allocations must work with their contractors/subcontractors to provide all the necessary documents to the DCCDA in a timely manner. Reporting requirements include:

1. [Prevailing Wage Certification form](#). The development entity must provide prior to closing:
 - a. Signed Certification form to MN Department of Labor and Industry (DLI)
 - b. Executed copy to Dakota County Community Development Agency (DCCDA)
2. Contracts with contractors, subcontractors, and lower-tier subcontractors must include prevailing wage contract language and attach relevant Dakota County prevailing wage rates to all bids and contracts.
 - a. Contract language to include:

Pursuant to Minn. Stat. 177.41 to 177.44, and corresponding Minnesota Rules 5200.1000 to 5200.1120, this contract is subject to the prevailing wages as established by the Minnesota Department of Labor and Industry. Specifically, all contractors and subcontractors must pay all laborers and mechanics the established prevailing wages for work performed under the contract. Failure to comply with the aforementioned may result in civil or criminal penalties.
 - b. Prevailing wage rates are located on the DLI website [Minnesota Department of Labor and Industry](#). (See attached for wage rates).

3. Notices to be placed in highly visible location(s) at the project site:
 - a. [Minnesota's Notice to All Employees](#) poster.
 - b. A copy of the current prevailing wage rates.
4. Submit a completed copy of the [Contractor and Sub-Contractor List](#) prior to closing.
5. Certified payroll submission via **LCPtracker** submitted within fourteen (14) days after each pay period throughout construction showing payment of prevailing wages.
 - a. The payroll reports must include all laborers and mechanics at the project site.
 - b. Payroll records verifying the accuracy of the payroll reports must be retained by the development entity for three (3) years.
 - c. DCCDA staff will set up and provide a link to LCPtracker for each project with Dakota County prevailing wage rates.
6. The Low Income Housing Tax Credit carryover allocation or the IRS Form 8609 Low-Income Housing Credit Allocation and Certification will not be issued if the project does not provide or is not up to date on providing Certified Payroll Reports.
7. The development entity receiving a Low Income Housing Tax Credit allocation must allow for access to the project site for on-site employee interviews.

Please complete and sign below to indicate the LIHTC Prevailing Wage requirements are understood and will be followed.

Development Name _____

Address/City _____

Organization: _____

By: _____

Name: _____

Title: _____

Date: _____