

## HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 1549

03/09/2015 Authored by O'Neill, Nelson and Gunther  
The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

03/23/2015 Adoption of Report: Amended and re-referred to the Committee on Job Growth and Energy Affordability Policy and Finance

03/25/2015 Adoption of Report: Placed on the General Register  
Read Second Time

05/12/2015 Referred to the Chief Clerk for Comparison with S. F. No. 1371

05/13/2015 Postponed Indefinitely

1.1 A bill for an act

1.2 relating to labor and industry; making housekeeping changes to the Construction

1.3 Codes and Licensing Division; removing obsolete, redundant, and unnecessary

1.4 laws and rules; making conforming changes; amending Minnesota Statutes 2014,

1.5 sections 326B.082, subdivision 11; 326B.092, subdivisions 3, 7; 326B.094,

1.6 subdivisions 2, 3; 326B.098, by adding a subdivision; 326B.106, subdivisions

1.7 4, 7; 326B.109, subdivision 2; 326B.135, subdivision 4; 326B.139; 326B.164,

1.8 subdivision 8; 326B.184, subdivision 2; 326B.194; 326B.33, subdivisions 6, 15;

1.9 326B.37, subdivision 11; 326B.46, subdivisions 1b, 2; 326B.49, subdivision 3;

1.10 326B.56, subdivision 1; 326B.701, subdivision 3; 326B.811, subdivision 1;

1.11 326B.84; 326B.86, subdivision 1; 326B.921, subdivision 5; 326B.99, subdivision

1.12 2; proposing coding for new law in Minnesota Statutes, chapter 326B; repealing

1.13 Minnesota Statutes 2014, sections 16C.0745; 326B.091, subdivision 6; 326B.106,

1.14 subdivision 10; 326B.169; 326B.181; 471.465; 471.466; 471.467; 471.468.

1.15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.16 ARTICLE 1

1.17 CONSTRUCTION CODES AND LICENSING

1.18 Section 1. Minnesota Statutes 2014, section 326B.082, subdivision 11, is amended to

1.19 read:

1.20 Subd. 11. **Licensing orders; grounds; reapplication.** (a) The commissioner may

1.21 deny an application for a permit, license, registration, or certificate if the applicant does

1.22 not meet or fails to maintain the minimum qualifications for holding the permit, license,

1.23 registration, or certificate, or has any unresolved violations or unpaid fees or monetary

1.24 penalties related to the activity for which the permit, license, registration, or certificate has

1.25 been applied for or was issued.

1.26 (b) The commissioner may deny, suspend, limit, place conditions on, or revoke

1.27 a person's permit, license, registration, or certificate, or censure the person holding or

2.1 acting as a qualifying person for the permit, license, registration, or certificate, if the  
2.2 commissioner finds that the person:

2.3 (1) committed one or more violations of the applicable law;

2.4 (2) submitted false or misleading information to the state in connection with  
2.5 activities for which the permit, license, registration, or certificate was issued, or in  
2.6 connection with the application for the permit, license, registration, or certificate;

2.7 (3) allowed the alteration or use of the person's own permit, license, registration,  
2.8 or certificate by another person;

2.9 (4) within the previous five years, was convicted of a crime in connection with  
2.10 activities for which the permit, license, registration, or certificate was issued;

2.11 (5) violated: (i) a final administrative order issued under subdivision 7, (ii) a final  
2.12 stop order issued under subdivision 10, (iii) injunctive relief issued under subdivision 9,  
2.13 or (iv) a consent order or final order of the commissioner;

2.14 (6) failed to cooperate with a commissioner's request to give testimony, to produce  
2.15 documents, things, apparatus, devices, equipment, or materials, or to access property  
2.16 under subdivision 2;

2.17 (7) retaliated in any manner against any employee or person who is questioned by,  
2.18 cooperates with, or provides information to the commissioner or an employee or agent  
2.19 authorized by the commissioner who seeks access to property or things under subdivision 2;

2.20 (8) engaged in any fraudulent, deceptive, or dishonest act or practice; or

2.21 (9) performed work in connection with the permit, license, registration, or  
2.22 certificate or conducted the person's affairs in a manner that demonstrates incompetence,  
2.23 untrustworthiness, or financial irresponsibility.

2.24 (c) If the commissioner revokes or denies a person's permit, license, registration,  
2.25 or certificate under paragraph (b), the person is prohibited from reapplying for the same  
2.26 type of permit, license, registration, or certificate for at least two years after the effective  
2.27 date of the revocation or denial. The commissioner may, as a condition of reapplication,  
2.28 require the person to obtain a bond or comply with additional reasonable conditions the  
2.29 commissioner considers necessary to protect the public.

2.30 (d) If a permit, license, registration, or certificate expires, or is surrendered,  
2.31 withdrawn, or terminated, or otherwise becomes ineffective, the commissioner may  
2.32 institute a proceeding under this subdivision within two years after the permit, license,  
2.33 registration, or certificate was last effective and enter a revocation or suspension order as  
2.34 of the last date on which the permit, license, registration, or certificate was in effect.

2.35 Sec. 2. **[326B.0921] BOND REQUIREMENTS.**

3.1 (a) All bonds that are required by this chapter must be in the form of a corporate  
3.2 surety bond conditioned upon the faithful and lawful performance of all work contracted  
3.3 for or performed in the state of Minnesota. The bond must be for the benefit of any person  
3.4 injured or suffering financial loss by reason of the licensee's failure to comply with the  
3.5 requirements of this chapter, the State Building Code, and all contracts entered into.

3.6 (b) The licensee must file the bond with the commissioner on the bond form  
3.7 provided by the commissioner. The bond must be in lieu of all other license bonds to any  
3.8 other political subdivision. The bond must be written by a corporate surety licensed  
3.9 to do business in the state of Minnesota.

3.10 (c) The penal sum of the bond is cumulative and must be aggregated every two years  
3.11 that the bond is in force. The aggregate liability shall be limited to the bond penalty shown  
3.12 on the bond form for each two-year period that the bond remains in effect for any losses  
3.13 that occur during each two-year period. The bond shall be effective continuously from  
3.14 the date of issue but may be canceled as to future liability by the surety upon 30 days'  
3.15 written notice mailed to the commissioner by certified mail. In the event the surety pays a  
3.16 claim that reduces the penal sum of the bond, the surety must notify the commissioner  
3.17 in writing of the payment of the claim and the reduced penal sum of the bond within 15  
3.18 days of the payment of the claim.

3.19 (d) A licensee that is required to maintain a bond as a condition of licensure must  
3.20 ensure that it has a valid bond filed with the commissioner at all times that its license is  
3.21 active and that the required penal sum of the bond is maintained at all times.

3.22 Sec. 3. Minnesota Statutes 2014, section 326B.094, subdivision 2, is amended to read:

3.23 Subd. 2. **Availability of renewal.** A licensee may apply to renew a license no later  
3.24 than two years after the expiration of the license. If the department receives a complete  
3.25 renewal application no later than two years after the expiration of the license, then the  
3.26 department must approve or deny the renewal application within 60 days of receiving the  
3.27 complete renewal application. If the department receives a renewal application more than  
3.28 two years after the expiration of the license, the department must return the renewal license  
3.29 fee to the applicant without approving or denying the application. If the licensee wishes  
3.30 to obtain a valid license more than two years after expiration of the license, the licensee  
3.31 must apply for a new license. This section does not apply to a holder of a certificate of  
3.32 exemption issued under section 326B.805, subdivision 6, unlicensed individuals who  
3.33 register with the department under section 326B.33, subdivision 12, or 326B.47, or a  
3.34 mechanical contractor that files a bond with the department under section 326B.197.

4.1 Sec. 4. Minnesota Statutes 2014, section 326B.098, is amended by adding a  
4.2 subdivision to read:

4.3 Subd. 4. **Courses submitted by the state.** State agencies submitting courses for  
4.4 review that are intended for licensees regulated by the department are not required to  
4.5 pay the course approval fee. Courses must still be reviewed for appropriate credit in the  
4.6 designated license discipline. The department will act as sponsor for courses submitted by  
4.7 state agencies that are approved for continuing education.

4.8 Sec. 5. Minnesota Statutes 2014, section 326B.164, subdivision 8, is amended to read:

4.9 Subd. 8. **Bond required.** As a condition of licensing, each contractor shall give and  
4.10 maintain bond to the state in the penal sum of \$25,000, ~~conditioned upon the faithful and~~  
4.11 ~~lawful performance of all work contracted for or performed by the contractor within the~~  
4.12 ~~state of Minnesota, and such bond shall be for the benefit of persons injured or suffering~~  
4.13 ~~financial loss by reason of failure of such performance. The bond shall be filed with~~  
4.14 ~~the commissioner and shall be in lieu of all other license bonds to any other political~~  
4.15 ~~subdivision. The bond shall be written by a corporate surety licensed to do business in the~~  
4.16 ~~state of Minnesota.~~ The bond must comply with section 326B.0921.

4.17 Sec. 6. Minnesota Statutes 2014, section 326B.184, subdivision 2, is amended to read:

4.18 Subd. 2. **Operating permits and fees; periodic inspections.** (a) No person may  
4.19 operate an elevator without first obtaining an annual operating permit from the department  
4.20 or a municipality authorized by subdivision 4 to issue annual operating permits. A \$100  
4.21 annual operating permit fee must be paid to the department for each annual operating  
4.22 permit issued by the department, except that the original annual operating permit must  
4.23 be included in the permit fee for the initial installation of the elevator. Annual operating  
4.24 permits must be issued at 12-month intervals from the date of the initial annual operating  
4.25 permit. For each subsequent year, an owner must be granted an annual operating permit  
4.26 for the elevator upon the owner's or owner's agent's submission of a form prescribed by  
4.27 the commissioner and payment of the \$100 fee. Each form must include the location of  
4.28 the elevator, the results of any periodic test required by the code, and any other criteria  
4.29 established by rule. An annual operating permit may be revoked by the commissioner  
4.30 upon an audit of the periodic testing results submitted with the application or a failure to  
4.31 comply with elevator code requirements, inspections, or any other law related to elevators.  
4.32 Except for an initial operating permit fee, elevators in residential dwellings, hand-powered  
4.33 manlifts and electric endless belt manlifts, and vertical reciprocating conveyors are not  
4.34 subject to a subsequent operating permit fee.

5.1 (b) All elevators are subject to periodic inspections by the department or a  
5.2 municipality authorized by subdivision 4 to perform periodic inspections, except that  
5.3 hand-powered manlifts and electric endless belt manlifts are exempt from periodic  
5.4 inspections. Periodic inspections by the department shall be performed at the following  
5.5 intervals:

5.6 (1) a special purpose personnel elevator is subject to inspection not more than once  
5.7 every five years;

5.8 (2) an elevator located within a house of worship that does not have attached school  
5.9 facilities is subject to inspection not more than once every three years; and

5.10 (3) all other elevators are subject to inspection not more than once each year.

5.11 Sec. 7. Minnesota Statutes 2014, section 326B.33, subdivision 6, is amended to read:

5.12 Subd. 6. **Bond.** Every Class A and Class B installer, as a condition of licensure,  
5.13 shall give bond to the state in the penal sum of \$1,000 ~~conditioned upon the faithful and~~  
5.14 ~~lawful performance of all work contracted for or entered upon by the installer within the~~  
5.15 ~~state of Minnesota, and such bond shall be for the benefit of persons injured or suffering~~  
5.16 ~~financial loss by reason of failure of such performance. Such bond shall be in lieu of all~~  
5.17 ~~other license bonds to any political subdivision of the state. Such bond shall be written~~  
5.18 ~~by a corporate surety licensed to do business in the state of Minnesota. The bond must~~  
5.19 ~~comply with section 326B.0921.~~

5.20 Sec. 8. Minnesota Statutes 2014, section 326B.33, subdivision 15, is amended to read:

5.21 Subd. 15. **Bond required.** As a condition of licensing, each contractor shall  
5.22 give and maintain bond to the state in the penal sum of \$25,000 ~~conditioned upon the~~  
5.23 ~~faithful and lawful performance of all work contracted for or performed by the contractor~~  
5.24 ~~within the state of Minnesota and such bond shall be for the benefit of persons injured or~~  
5.25 ~~suffering financial loss by reason of failure of such performance. The bond shall be filed~~  
5.26 ~~with the commissioner and shall be in lieu of all other license bonds to any other political~~  
5.27 ~~subdivision. Such bond shall be written by a corporate surety licensed to do business in~~  
5.28 ~~the state of Minnesota. The bond must comply with section 326B.0921.~~

5.29 Sec. 9. Minnesota Statutes 2014, section 326B.37, subdivision 11, is amended to read:

5.30 Subd. 11. **Inspection of transitory project.** (a) For inspection of transitory projects  
5.31 including, but not limited to, festivals, fairs, carnivals, circuses, shows, production sites,  
5.32 and portable road construction plants, the inspection procedures and fees are as specified  
5.33 in paragraphs (b) to (i).

6.1 (b) The fee for inspection of each generator or other source of supply is that specified  
6.2 in subdivision 3. A like fee is required at each engagement or setup.

6.3 (c) In addition to the fee for generators or other sources of supply, there must be an  
6.4 inspection of all installed feeders, circuits, and equipment at each engagement or setup at  
6.5 the hourly rate specified in subdivision 10, with a one-hour minimum.

6.6 (d) An owner, operator, or appointed representative of a transitory enterprise  
6.7 including, but not limited to, festivals, fairs, carnivals, circuses, production companies,  
6.8 shows, portable road construction plants, and similar enterprises shall notify the  
6.9 commissioner of its itinerary or schedule and make application for initial inspection  
6.10 a minimum of 14 days before its first engagement or setup. An owner, operator, or  
6.11 appointed representative of a transitory enterprise who fails to notify the commissioner 14  
6.12 days before its first engagement or setup may be subject to the investigation fees specified  
6.13 in subdivision 7. The owner, operator, or appointed representative shall request inspection  
6.14 and pay the inspection fee for each subsequent engagement or setup at the time of the  
6.15 initial inspection. For subsequent engagements or setups not listed on the itinerary or  
6.16 schedule submitted to the commissioner and where the commissioner is not notified at  
6.17 least 48 hours in advance, a charge of \$100 may be made in addition to all required fees.

6.18 (e) Amusement rides, devices, concessions, attractions, or other units must be  
6.19 inspected at their first appearance of the year. The inspection fee is \$35 per unit with a  
6.20 supply of up to 60 amperes and \$40 per unit with a supply above 60 amperes.

6.21 (f) An additional fee at the hourly rate specified in subdivision 10 must be charged  
6.22 for additional time spent by each inspector if equipment is not ready or available for  
6.23 inspection at the time and date specified on the application for initial inspection or the  
6.24 request for electrical inspection form.

6.25 (g) In addition to the fees specified in paragraphs ~~(a)~~ and (b) and (c), a fee of one  
6.26 hour at the hourly rate specified in subdivision 10 must be charged for inspections required  
6.27 to be performed on Saturdays, Sundays, holidays, or after regular business hours.

6.28 (h) The fee for reinspection of corrections or supplemental inspections where an  
6.29 additional trip is necessary may be assessed as specified in subdivision 8.

6.30 (i) The commissioner shall retain the inspection fee when an owner, operator, or  
6.31 appointed representative of a transitory enterprise fails to notify the commissioner at least  
6.32 48 hours in advance of a scheduled inspection that is canceled.

6.33 Sec. 10. Minnesota Statutes 2014, section 326B.46, subdivision 1b, is amended to read:

6.34 Subd. 1b. **Employment of master plumber or restricted master plumber.** (a)  
6.35 Each contractor must designate a responsible licensed plumber, who shall be responsible

7.1 for the performance of all plumbing work in accordance with sections 326B.41 to 326B.49,  
7.2 all rules adopted under these sections and sections 326B.50 to 326B.59, and all orders  
7.3 issued under section 326B.082. A plumbing contractor's responsible individual must be  
7.4 a master plumber. A restricted plumbing contractor's responsible individual must be a  
7.5 master plumber or a restricted master plumber. A plumbing contractor license authorizes  
7.6 the contractor to offer to perform and, through licensed and registered individuals,  
7.7 to perform plumbing work in all areas of the state. A restricted plumbing contractor  
7.8 license authorizes the contractor to offer to perform and, through licensed and registered  
7.9 individuals, to perform plumbing work in all areas of the state except in cities and towns  
7.10 with a population of more than 5,000 according to the last federal census.

7.11 (b) If the contractor is an individual or sole proprietorship, the responsible licensed  
7.12 individual must be the individual, proprietor, or managing employee. If the contractor  
7.13 is a partnership, the responsible licensed individual must be a general partner or  
7.14 managing employee. If the contractor is a limited liability company, the responsible  
7.15 licensed individual must be a chief manager or managing employee. If the contractor is a  
7.16 corporation, the responsible licensed individual must be an officer or managing employee.  
7.17 If the responsible licensed individual is a managing employee, the responsible licensed  
7.18 individual must be actively engaged in performing plumbing work on behalf of the  
7.19 contractor, and cannot be employed in any capacity as a plumber for any other contractor.  
7.20 An individual may be the responsible licensed individual for only one contractor.

7.21 (c) All applications and renewals for contractor licenses shall include a verified  
7.22 statement that the applicant or licensee has complied with this subdivision.

7.23 (d) Upon the departure or disqualification of a licensee's responsible licensed  
7.24 individual because of death, disability, retirement, position change, or other reason, the  
7.25 licensee must notify the commissioner within 15 business days. The licensee shall have 60  
7.26 days from the departure of the responsible licensed individual to obtain a new responsible  
7.27 licensed individual. Failure to secure a new responsible licensed individual within 60 days  
7.28 will, with or without notice, result in the voluntary termination of the license.

7.29 Sec. 11. Minnesota Statutes 2014, section 326B.46, subdivision 2, is amended to read:

7.30 Subd. 2. **Bond; insurance.** (a) The bond and insurance requirements of paragraphs  
7.31 (b) and (c) apply to each person who performs or offers to perform plumbing work within  
7.32 the state, including any person who offers to perform or performs sewer or water service  
7.33 installation without a contractor's license. If the person performs or offers to perform any  
7.34 plumbing work other than sewer or water service installation, then the person must meet  
7.35 the requirements of paragraphs (b) and (c) as a condition of holding a contractor's license.

8.1 (b) Each person who performs or offers to perform plumbing work within the state  
8.2 shall give and maintain bond to the state in the ~~amount~~ penal sum of at least \$25,000  
8.3 for (1) all plumbing work entered into within the state or (2) all plumbing work and  
8.4 subsurface sewage treatment work entered into within the state. If the bond is for both  
8.5 plumbing work and subsurface sewage treatment work, the bond must comply with the  
8.6 requirements of this section and section 115.56, subdivision 2, paragraph (e). ~~The bond~~  
8.7 ~~shall be for the benefit of persons injured or suffering financial loss by reason of failure~~  
8.8 ~~to comply with the requirements of the State Plumbing Code and, if the bond is for both~~  
8.9 ~~plumbing work and subsurface sewage treatment work, financial loss by reason of failure~~  
8.10 ~~to comply with the requirements of sections 115.55 and 115.56. The bond shall be filed~~  
8.11 ~~with the commissioner and shall be written by a corporate surety licensed to do business~~  
8.12 ~~in the state. The bond must comply with section 326B.0921.~~

8.13 (c) Each person who performs or offers to perform plumbing work within the  
8.14 state shall have and maintain in effect public liability insurance, including products  
8.15 liability insurance with limits of at least \$50,000 per person and \$100,000 per occurrence  
8.16 and property damage insurance with limits of at least \$10,000. The insurance shall be  
8.17 written by an insurer licensed to do business in the state of Minnesota. Each person who  
8.18 performs or offers to perform plumbing work within the state shall maintain on file  
8.19 with the commissioner a certificate evidencing the insurance. In the event of a policy  
8.20 cancellation, the insurer shall send written notice to the commissioner at the same time  
8.21 that a cancellation request is received from or a notice is sent to the insured.

8.22 Sec. 12. Minnesota Statutes 2014, section 326B.49, subdivision 3, is amended to read:

8.23 Subd. 3. **Permits; fees.** (a) Before commencement of a plumbing installation to be  
8.24 inspected by the commissioner, the plumbing contractor or registered plumbing employer  
8.25 performing the plumbing work must submit to the commissioner an application for a  
8.26 permit and the permit and inspection fees in paragraphs (b) to (f).

8.27 (b) The permit fee is \$100.

8.28 (c) The residential inspection fee is \$50 for each inspection trip.

8.29 (d) The public, commercial, and industrial inspection fees are as follows:

8.30 (1) for systems with water distribution, drain, waste, and vent system connection:

8.31 (i) \$25 for each fixture, permanently connected appliance, floor drain, or other  
8.32 appurtenance;

8.33 (ii) \$25 for each water conditioning, water treatment, or water filtration system; and

8.34 (iii) \$25 for each interceptor, separator, catch basin, or manhole;

8.35 (2) roof drains, \$25 for each drain;

- 9.1 (3) building sewer service only, \$100;
- 9.2 (4) building water service only, \$100;
- 9.3 (5) building water distribution system only, no drainage system, \$5 for each fixture
- 9.4 supplied;
- 9.5 (6) storm drainage system, a minimum fee of \$25 for each drain opening, interceptor,
- 9.6 separator, or catch basin;
- 9.7 (7) manufactured home park or campground, \$25 for each site;
- 9.8 (8) reinspection fee to verify corrections, regardless of the total fee submitted, \$100
- 9.9 for each reinspection; and
- 9.10 (9) each \$100 in fees paid covers one inspection trip.
- 9.11 (e) In addition to the fees in paragraph ~~(e)~~ (d), the fee submitter must pay an hourly
- 9.12 rate of \$80 during regular business hours, or \$120 when inspections are requested to be
- 9.13 performed outside of normal work hours or on weekends and holidays, with a two-hour
- 9.14 minimum where the fee submitter requests inspections of installations as systems are
- 9.15 being installed.
- 9.16 (f) The fee submitter must pay a fee equal to two hours at the hourly rate of \$80
- 9.17 when inspections scheduled by the submitter are not able to be completed because the
- 9.18 work is not complete.

9.19 Sec. 13. Minnesota Statutes 2014, section 326B.56, subdivision 1, is amended to read:

9.20 Subdivision 1. **Bonds.** (a) As a condition of licensing, each water conditioning

9.21 contractor shall give and maintain a bond to the state as described in paragraph (b). No

9.22 applicant for a water conditioning contractor license who maintains the bond under

9.23 paragraph (b) shall be otherwise required to meet the bond requirements of any political

9.24 subdivision.

9.25 (b) Each bond given to the state under this subdivision shall be in the ~~total~~ penal sum

9.26 of \$3,000 ~~conditioned upon the faithful and lawful performance of all water conditioning~~

9.27 ~~installation or servicing done within the state. The bond shall be for the benefit of~~

9.28 ~~persons suffering injuries or damages due to the work. The bond shall be filed with the~~

9.29 ~~commissioner and shall be written by a corporate surety licensed to do business in this~~

9.30 ~~state. The bond must remain in effect at all times while the application is pending and~~

9.31 ~~while the license is in effect~~ and must comply with section 326B.0921.

9.32 Sec. 14. Minnesota Statutes 2014, section 326B.701, subdivision 3, is amended to read:

10.1           Subd. 3. **Registration application.** (a) Persons required to register under this  
10.2 section must submit electronically, in the manner prescribed by the commissioner, a  
10.3 complete application according to paragraphs (b) to (d).

10.4           (b) A complete application must include all of the following information about any  
10.5 individual who is registering as an individual or a sole proprietor, or who owns 25 percent  
10.6 or more of a business entity being registered:

10.7           (1) the individual's full legal name and title at the applicant's business;

10.8           (2) the individual's business address and telephone number;

10.9           (3) the percentage of the applicant's business owned by the individual; and

10.10          (4) the individual's Social Security number.

10.11          (c) A complete application must also include the following information:

10.12          (1) the applicant's legal name; assumed name filed with the secretary of state, if any;  
10.13 designated business address; physical address; telephone number; and e-mail address;

10.14          (2) the applicant's Minnesota tax identification number, if one is required or has  
10.15 been issued;

10.16          (3) the applicant's federal employer identification number, if one is required or  
10.17 has been issued;

10.18          (4) evidence of the active status of the applicant's business filings with the secretary  
10.19 of state, if one is required or has been issued;

10.20          (5) whether the applicant has any employees at the time the application is filed;

10.21          (6) the names of all other persons with an ownership interest in the business entity  
10.22 who are not identified in paragraph (b), and the percentage of the interest owned by each  
10.23 person, except that the names of shareholders with less than ten percent ownership in a  
10.24 publicly traded corporation need not be provided;

10.25          (7) information documenting compliance with workers' compensation and  
10.26 unemployment insurance laws;

10.27          (8) a certification that the person signing the application has: reviewed it; determined  
10.28 that the information provided is true and accurate; and determined that the person signing  
10.29 is authorized to sign and file the application as an agent of the applicant. The name of the  
10.30 person signing, entered on an electronic application, shall constitute a valid signature of  
10.31 the agent on behalf of the applicant; and

10.32          (9) a signed authorization for the Department of Labor and Industry to verify the  
10.33 information provided on or with the application.

10.34          (d) A registered person must notify the commissioner within 15 days after there is a  
10.35 change in any of the information on the application as approved. This notification must be  
10.36 provided electronically in the manner prescribed by the commissioner. However, if the

11.1 business entity structure, or legal form of the business entity, ~~or business ownership~~ has  
 11.2 changed, the person must submit a new registration application and registration fee, if  
 11.3 any, for the new business entity.

11.4 (e) The registered person must remain registered while providing construction  
 11.5 services for another person. The provisions of sections 326B.091, 326B.094, 326B.095,  
 11.6 and 326B.097 apply to this section. A person with an expired registration shall not provide  
 11.7 construction services for another person if registration is required under this section.

11.8 Registration application and expiration time frames are as follows:

11.9 (1) all registrations issued on or before ~~June 30~~ December 31, 2015, expire on ~~June~~  
 11.10 ~~30~~ December 31, 2015;

11.11 (2) all registrations issued after ~~June 30~~ December 31, 2015, expire on the following  
 11.12 ~~June 30~~ December 31 of each odd-numbered year; and

11.13 (3) a person may submit a registration or renewal application starting ~~April~~ October  
 11.14 1 of the year the registration expires. If a renewal application is submitted later than ~~May~~  
 11.15 December 1 of the expiration year, registration may expire before the department has  
 11.16 issued or denied the registration.

11.17 Sec. 15. Minnesota Statutes 2014, section 326B.811, subdivision 1, is amended to read:

11.18 Subdivision 1. **Required.** A person who has entered into a written contract with  
 11.19 a residential building contractor, residential remodeler, or residential roofer ~~or a siding~~  
 11.20 ~~contractor registered under section 326B.802, subdivision 15,~~ to provide goods and  
 11.21 services to be paid by the insured from the proceeds of a property or casualty insurance  
 11.22 policy has the right to cancel the contract within 72 hours after the insured has been  
 11.23 notified by the insurer that the claim has been denied. Cancellation is evidenced by the  
 11.24 insured giving written notice of cancellation to the contractor at the address stated in the  
 11.25 contract. Notice of cancellation, if given by mail, is effective upon deposit in a mailbox,  
 11.26 properly addressed to the contractor and postage prepaid. Notice of cancellation need not  
 11.27 take a particular form and is sufficient if it indicates, by any form of written expression,  
 11.28 the intention of the insured not to be bound by the contract.

11.29 Sec. 16. Minnesota Statutes 2014, section 326B.84, is amended to read:

11.30 **326B.84 GROUNDS FOR SANCTIONS.**

11.31 The commissioner may use any enforcement provision in section 326B.082 against  
 11.32 an applicant for, qualifying person of, or holder of a license or certificate of exemption,  
 11.33 if the applicant, licensee, certificate of exemption holder, qualifying person, or owner,

12.1 officer, member, managing employee, or affiliate of the applicant, licensee, or certificate  
12.2 of exemption holder:

12.3 (1) has filed an application for licensure or a certificate of exemption which is  
12.4 incomplete in any material respect or contains any statement which, in light of the  
12.5 circumstances under which it is made, is false or misleading with respect to any material  
12.6 fact;

12.7 (2) has engaged in a fraudulent, deceptive, or dishonest practice;

12.8 (3) is permanently or temporarily enjoined by any court of competent jurisdiction  
12.9 from engaging in or continuing any conduct or practice involving any aspect of the business;

12.10 (4) has failed to reasonably supervise employees, agents, subcontractors, or  
12.11 salespersons, or has performed negligently or in breach of contract, so as to cause injury  
12.12 or harm to the public;

12.13 (5) has violated or failed to comply with any provision of sections 326B.802 to  
12.14 326B.885, any rule or order under sections 326B.802 to 326B.885, or any other law, rule,  
12.15 or order related to the duties and responsibilities entrusted to the commissioner;

12.16 (6) has been convicted of a violation of the State Building Code or has refused to  
12.17 comply with a ~~notice of violation or stop~~ correction order issued by a certified building  
12.18 official, or in local jurisdictions that have not adopted the State Building Code has refused  
12.19 to correct a violation of the State Building Code when the violation has been documented ~~or~~  
12.20 ~~a notice of violation or stop order issued by a certified building official has been received;~~

12.21 (7) has failed to use the proceeds of any payment made to the licensee for the  
12.22 construction of, or any improvement to, residential real estate, as defined in section  
12.23 326B.802, subdivision 13, for the payment of labor, skill, material, and machinery  
12.24 contributed to the construction or improvement, knowing that the cost of any labor  
12.25 performed, or skill, material, or machinery furnished for the improvement remains unpaid;

12.26 (8) has not furnished to the person making payment either a valid lien waiver as to  
12.27 any unpaid labor performed, or skill, material, or machinery furnished for an improvement,  
12.28 or a payment bond in the basic amount of the contract price for the improvement  
12.29 conditioned for the prompt payment to any person or persons entitled to payment;

12.30 (9) has engaged in an act or practice that results in compensation to an aggrieved  
12.31 owner or lessee from the contractor recovery fund pursuant to section 326B.89, unless:

12.32 (i) the applicant or licensee has repaid the fund twice the amount paid from the fund,  
12.33 plus interest at the rate of 12 percent per year; and

12.34 (ii) the applicant or licensee has obtained a surety bond in the amount of at least  
12.35 \$40,000, issued by an insurer authorized to transact business in this state;

13.1 (10) has engaged in bad faith, unreasonable delays, or frivolous claims in defense  
13.2 of a civil lawsuit or arbitration arising out of their activities as a licensee or certificate  
13.3 of exemption holder under this chapter;

13.4 (11) has had a judgment entered against them for failure to make payments to  
13.5 employees, subcontractors, or suppliers, that the licensee has failed to satisfy and all  
13.6 appeals of the judgment have been exhausted or the period for appeal has expired;

13.7 (12) if unlicensed, has obtained a building permit by the fraudulent use of a fictitious  
13.8 license number or the license number of another, or, if licensed, has knowingly allowed  
13.9 an unlicensed person to use the licensee's license number for the purpose of fraudulently  
13.10 obtaining a building permit; or has applied for or obtained a building permit for an  
13.11 unlicensed person;

13.12 (13) has made use of a forged mechanic's lien waiver under chapter 514;

13.13 (14) has provided false, misleading, or incomplete information to the commissioner  
13.14 or has refused to allow a reasonable inspection of records or premises;

13.15 (15) has engaged in an act or practice whether or not the act or practice directly  
13.16 involves the business for which the person is licensed, that demonstrates that the applicant  
13.17 or licensee is untrustworthy, financially irresponsible, or otherwise incompetent or  
13.18 unqualified to act under the license granted by the commissioner; or

13.19 (16) has failed to comply with requests for information, documents, or other requests  
13.20 from the department within the time specified in the request or, if no time is specified,  
13.21 within 30 days of the mailing of the request by the department.

13.22 Sec. 17. Minnesota Statutes 2014, section 326B.86, subdivision 1, is amended to read:

13.23 Subdivision 1. **Bond.** (a) Licensed manufactured home installers and licensed  
13.24 residential roofers must post give and maintain a biennial surety bond in the name of the  
13.25 licensee with the commissioner, conditioned that the applicant shall faithfully perform the  
13.26 duties and in all things comply with all laws, ordinances, and rules pertaining to the license  
13.27 or permit applied for and all contracts entered into. The biennial bond must be continuous  
13.28 and maintained for so long as the licensee remains licensed. The aggregate liability of the  
13.29 surety on the bond to any and all persons, regardless of the number of claims made against  
13.30 the bond, may not exceed the amount of the bond. The bond may be canceled as to future  
13.31 liability by the surety upon 30 days' written notice mailed to the commissioner by regular  
13.32 mail to the state. The bond must comply with section 326B.0921.

13.33 (b) A licensed residential roofer must post a bond with a penal sum of at least \$15,000.

13.34 (c) A licensed manufactured home installer must post a bond with a penal sum  
13.35 of at least \$2,500.

14.1 Bonds issued under sections 326B.802 to 326B.885 are not state bonds or contracts  
14.2 for purposes of sections 8.05 and 16C.05, subdivision 2.

14.3 Sec. 18. Minnesota Statutes 2014, section 326B.921, subdivision 5, is amended to read:

14.4 Subd. 5. **Bond.** As a condition of licensing, each applicant for a high pressure piping  
14.5 business license ~~or renewal~~ shall give and maintain a bond to the state in the total sum  
14.6 of \$15,000 conditioned upon the faithful and lawful performance of all work contracted  
14.7 for or performed within the state. The bond shall run to and be for the benefit of persons  
14.8 injured or suffering financial loss by reason of failure of payment or performance. Claims  
14.9 and actions on the bond may be brought according to sections 574.26 to 574.38.

14.10 The term of the bond must be concurrent with the term of the high pressure  
14.11 pipefitting business license and run without interruption from the date of the issuance of  
14.12 the license to the end of the calendar year. All high pressure pipefitting business licenses  
14.13 must be annually renewed on a calendar year basis.

14.14 The bond must be filed with the department and shall be in lieu of any other business  
14.15 license bonds required by any political subdivision for high pressure pipefitting. The bond  
14.16 must be written by a corporate surety licensed to do business in the state.

14.17 Sec. 19. Minnesota Statutes 2014, section 326B.99, subdivision 2, is amended to read:

14.18 Subd. 2. **Exemption.** Every boiler or pressure vessel as to which any insurance  
14.19 company authorized to do business in this state has issued a policy of insurance, after the  
14.20 inspection thereof, is exempt from inspection by the department made under sections  
14.21 326B.93 to 326B.998, except the initial inspection by the department under section  
14.22 ~~326B.96~~ 326B.958, subdivision 1, paragraph (b), as long as:

14.23 (1) the boiler or pressure vessel continues to be insured;

14.24 (2) the boiler or pressure vessel continues to be inspected in accordance with the  
14.25 inspection schedule in sections 326B.958 and 326B.96; and

14.26 (3) the person owning or operating the boiler or pressure vessel has an unexpired  
14.27 certificate of registration.

## 14.28 ARTICLE 2

### 14.29 OBSOLETE AND REDUNDANT STATUTES

14.30 Section 1. Minnesota Statutes 2014, section 326B.092, subdivision 3, is amended to  
14.31 read:

14.32 Subd. 3. **Late fee.** The department must receive a complete application for license  
14.33 renewal ~~by the renewal deadline but not more than 90 days before the renewal deadline~~.

15.1 prior to the license expiration date. If the department receives a renewal application after  
 15.2 the expiration of the license, then the renewal application must be accompanied by a late  
 15.3 fee equal to one-half of the license renewal fee; except that, for the purpose of calculating  
 15.4 the late fee only, the license renewal fee shall not include any contractor recovery fund fee  
 15.5 required by section 326B.89, subdivision 3.

15.6 Sec. 2. Minnesota Statutes 2014, section 326B.092, subdivision 7, is amended to read:

15.7 Subd. 7. **License fees and license renewal fees.** (a) The license fee for each  
 15.8 license is the base license fee plus any applicable board fee, continuing education fee, and  
 15.9 contractor recovery fund fee and additional assessment, as set forth in this subdivision.

15.10 (b) For purposes of this section, "license duration" means the number of years for  
 15.11 which the license is issued except that:

15.12 ~~(1) if the initial license is not issued for a whole number of years, the license duration~~  
 15.13 ~~shall be rounded up to the next whole number; and~~

15.14 ~~(2) if the department receives an application for license renewal after the renewal~~  
 15.15 ~~deadline, license duration means the number of years for which the renewed license would~~  
 15.16 ~~have been issued if the renewal application had been submitted on time and all other~~  
 15.17 ~~requirements for renewal had been met.~~

15.18 (c) The base license fee shall depend on whether the license is classified as an entry  
 15.19 level, master, journeyman, or business license, and on the license duration. The base  
 15.20 license fee shall be:

License Classification	License Duration		
	1 Year	2 Years	3 Years
Entry level	\$10	\$20	\$30
Journeyman	\$20	\$40	\$60
Master	\$40	\$80	\$120
Business	\$90	\$180	\$270

15.27 (d) If there is a continuing education requirement for renewal of the license, then  
 15.28 a continuing education fee must be included in the renewal license fee. The continuing  
 15.29 education fee for all license classifications shall be: \$10 if the renewal license duration is  
 15.30 one year; \$20 if the renewal license duration is two years; and \$30 if the renewal license  
 15.31 duration is three years.

15.32 (e) If the license is issued under sections 326B.31 to 326B.59 or 326B.90 to  
 15.33 326B.93, then a board fee must be included in the license fee and the renewal license fee.  
 15.34 The board fee for all license classifications shall be: \$4 if the license duration is one year;  
 15.35 \$8 if the license duration is two years; and \$12 if the license duration is three years.

16.1 (f) If the application is for the renewal of a license issued under sections 326B.802  
16.2 to 326B.885, then the contractor recovery fund fee required under section 326B.89,  
16.3 subdivision 3, and any additional assessment required under section 326B.89, subdivision  
16.4 16, must be included in the license renewal fee.

16.5 Sec. 3. Minnesota Statutes 2014, section 326B.094, subdivision 3, is amended to read:

16.6 Subd. 3. **Deadline for avoiding license expiration.** The department must receive  
16.7 a complete application to renew a license no later than the ~~renewal deadline~~ license  
16.8 expiration date. If the department does not receive a complete application by the ~~renewal~~  
16.9 ~~deadline~~ license expiration date, the license may expire before the department has either  
16.10 approved or denied the renewal application.

16.11 Sec. 4. Minnesota Statutes 2014, section 326B.106, subdivision 4, is amended to read:

16.12 Subd. 4. **Special requirements.** (a) **Space for commuter vans.** The code must  
16.13 require that any parking ramp or other parking facility constructed in accordance with the  
16.14 code include an appropriate number of spaces suitable for the parking of motor vehicles  
16.15 having a capacity of seven to 16 persons and which are principally used to provide  
16.16 prearranged commuter transportation of employees to or from their place of employment  
16.17 or to or from a transit stop authorized by a local transit authority.

16.18 (b) **Smoke detection devices.** The code must require that all dwellings, lodging  
16.19 houses, apartment houses, and hotels as defined in section 299F.362 comply with the  
16.20 provisions of section 299F.362.

16.21 (c) **Doors in nursing homes and hospitals.** The State Building Code may not  
16.22 require that each door entering a sleeping or patient's room from a corridor in a nursing  
16.23 home or hospital with an approved complete standard automatic fire extinguishing system  
16.24 be constructed or maintained as self-closing or automatically closing.

16.25 (d) **Child care facilities in churches; ground level exit.** A licensed day care center  
16.26 serving fewer than 30 preschool age persons and which is located in a belowground space  
16.27 in a church building is exempt from the State Building Code requirement for a ground  
16.28 level exit when the center has more than two stairways to the ground level and its exit.

16.29 (e) **Family and group family day care.** Until the legislature enacts legislation  
16.30 specifying appropriate standards, the definition of dwellings constructed in accordance  
16.31 with the International Residential Code as adopted as part of the State Building Code  
16.32 applies to family and group family day care homes licensed by the Department of Human  
16.33 Services under Minnesota Rules, chapter 9502.

17.1 (f) **Enclosed stairways.** No provision of the code or any appendix chapter of the  
17.2 code may require stairways of existing multiple dwelling buildings of two stories or  
17.3 less to be enclosed.

17.4 (g) **Double cylinder dead bolt locks.** No provision of the code or appendix chapter  
17.5 of the code may prohibit double cylinder dead bolt locks in existing single-family homes,  
17.6 townhouses, and first floor duplexes used exclusively as a residential dwelling. Any  
17.7 recommendation or promotion of double cylinder dead bolt locks must include a warning  
17.8 about their potential fire danger and procedures to minimize the danger.

17.9 (h) **Relocated residential buildings.** A residential building relocated within or  
17.10 into a political subdivision of the state need not comply with the State Energy Code or  
17.11 section 326B.439 provided that, where available, an energy audit is conducted on the  
17.12 relocated building.

17.13 (i) **Automatic garage door opening systems.** The code must require all residential  
17.14 buildings as defined in section 325F.82 to comply with the provisions of sections 325F.82  
17.15 and 325F.83.

17.16 ~~(j) **Exit sign illumination.** For a new building on which construction is begun  
17.17 on or after October 1, 1993, or an existing building on which remodeling affecting 50  
17.18 percent or more of the enclosed space is begun on or after October 1, 1993, the code must  
17.19 prohibit the use of internally illuminated exit signs whose electrical consumption during  
17.20 nonemergency operation exceeds 20 watts of resistive power. All other requirements in  
17.21 the code for exit signs must be complied with.~~

17.22 ~~(k)~~ (j) **Exterior wood decks, patios, and balconies.** The code must permit the  
17.23 decking surface and upper portions of exterior wood decks, patios, and balconies to be  
17.24 constructed of (1) heartwood from species of wood having natural resistance to decay or  
17.25 termites, including redwood and cedars, (2) grades of lumber which contain sapwood from  
17.26 species of wood having natural resistance to decay or termites, including redwood and  
17.27 cedars, or (3) treated wood. The species and grades of wood products used to construct the  
17.28 decking surface and upper portions of exterior decks, patios, and balconies must be made  
17.29 available to the building official on request before final construction approval.

17.30 ~~(k)~~ (k) **Bioprocess piping and equipment.** No permit fee for bioprocess piping may  
17.31 be imposed by municipalities under the State Building Code, except as required under  
17.32 section 326B.92 subdivision 1. Permits for bioprocess piping shall be according to section  
17.33 326B.92 administered by the Department of Labor and Industry. All data regarding the  
17.34 material production processes, including the bioprocess system's structural design and  
17.35 layout, are nonpublic data as provided by section 13.7911.

18.1           ~~(m)~~ **(1) Use of ungraded lumber.** The code must allow the use of ungraded lumber  
18.2 in geographic areas of the state where the code did not generally apply as of April 1, 2008,  
18.3 to the same extent that ungraded lumber could be used in that area before April 1, 2008.

18.4           ~~(n)~~ **(m) Window cleaning safety.** The code must require the installation of dedicated  
18.5 anchorages for the purpose of suspended window cleaning on (1) new buildings four  
18.6 stories or greater; and (2) buildings four stories or greater, only on those areas undergoing  
18.7 reconstruction, alteration, or repair that includes the exposure of primary structural  
18.8 components of the roof.

18.9           The commissioner may waive all or a portion of the requirements of this paragraph  
18.10 related to reconstruction, alteration, or repair, if the installation of dedicated anchorages  
18.11 would not result in significant safety improvements due to limits on the size of the project,  
18.12 or other factors as determined by the commissioner.

18.13           Sec. 5. Minnesota Statutes 2014, section 326B.106, subdivision 7, is amended to read:

18.14           Subd. 7. **Window fall prevention device code.** The commissioner of labor and  
18.15 industry shall adopt rules for window fall prevention devices as part of the State Building  
18.16 Code. Window fall prevention devices include, but are not limited to, safety screens,  
18.17 hardware, guards, and other devices that comply with the standards established by the  
18.18 commissioner of labor and industry. The rules shall require compliance with standards  
18.19 for window fall prevention devices developed by ASTM International, contained in the  
18.20 International Building Code as the model language with amendments deemed necessary to  
18.21 coordinate with the other adopted building codes in Minnesota. The rules shall establish a  
18.22 scope that includes the applicable building occupancies, and the types, locations, and sizes  
18.23 of windows that will require the installation of fall devices. ~~The rules will be effective July~~  
18.24 ~~1, 2009. The commissioner shall report to the legislature on the status of the rulemaking~~  
18.25 ~~on or before February 15, 2008.~~

18.26           Sec. 6. Minnesota Statutes 2014, section 326B.109, subdivision 2, is amended to read:

18.27           Subd. 2. **Application.** This section applies only to a place of public accommodation  
18.28 for which construction, or alterations exceeding 50 percent of the estimated replacement  
18.29 value of the existing facility, ~~begins after July 1, 1995~~ occurs.

18.30           Sec. 7. Minnesota Statutes 2014, section 326B.135, subdivision 4, is amended to read:

18.31           Subd. 4. **Effective date.** ~~Effective January 1, 2008,~~ All construction inspectors  
18.32 ~~hired on or after January 1, 2008,~~ shall, within one year of hire, be in compliance with the  
18.33 competency criteria established according to subdivision 1.

19.1 Sec. 8. Minnesota Statutes 2014, section 326B.139, is amended to read:

19.2 **326B.139 APPEALS.**

19.3 A person aggrieved by the final decision of any local or state level board of appeals as  
 19.4 to the application of the code, including any rules adopted under ~~sections 471.465 to section~~  
 19.5 ~~471.469~~, may, within 180 days of the decision, appeal to the commissioner. Appellant  
 19.6 shall submit a nonrefundable fee of \$70, payable to the commissioner, with the request for  
 19.7 appeal. An appeal must be heard as a contested case under chapter 14. The commissioner  
 19.8 shall submit written findings to the parties. The party not prevailing shall pay the costs of  
 19.9 the contested case hearing, including fees charged by the Office of Administrative Hearings  
 19.10 and the expense of transcript preparation. Costs under this section do not include attorney  
 19.11 fees. Any person aggrieved by a ruling of the commissioner may appeal in accordance with  
 19.12 chapter 14. For the purpose of this section "any person aggrieved" includes the Council on  
 19.13 Disability. No fee or costs shall be required when the council on disability is the appellant.

19.14 Sec. 9. Minnesota Statutes 2014, section 326B.194, is amended to read:

19.15 **326B.194 INTERSTATE COMPACT ON INDUSTRIALIZED/MODULAR**  
 19.16 **BUILDINGS.**

19.17 The state of Minnesota ratifies and approves the ~~following compact~~: Interstate  
 19.18 Industrialized Buildings Commission's Interstate Compact as amended by Laws 1990,  
 19.19 chapter 458, section 2; Laws 1995, chapter 254, article 4, section 1; and Laws 2007,  
 19.20 chapter 140, article 4, section 61, and article 13, section 4, on industrialized/modular  
 19.21 buildings and incorporates the compact by reference. The commissioner must make a  
 19.22 copy of the compact available to the public.

19.23 ~~INTERSTATE COMPACT ON INDUSTRIALIZED/MODULAR BUILDINGS~~

19.24 ~~ARTICLE I~~

19.25 ~~FINDINGS AND DECLARATIONS OF POLICY~~

19.26 ~~(1) The compacting states find that:~~

19.27 ~~(a) Industrialized/modular buildings are constructed in factories in the various states~~  
 19.28 ~~and are a growing segment of the nation's affordable housing and commercial building~~  
 19.29 ~~stock.~~

19.30 ~~(b) The regulation of industrialized/modular buildings varies from state to state and~~  
 19.31 ~~locality to locality, which creates confusion and burdens state and local building officials~~  
 19.32 ~~and the industrialized/modular building industry.~~

19.33 ~~(c) Regulation by multiple jurisdictions imposes additional costs, which are~~  
 19.34 ~~ultimately borne by the owners and users of industrialized/modular buildings, restricts~~  
 19.35 ~~market access and discourages the development and incorporation of new technologies.~~

20.1 ~~(2) It is the policy of each of the compacting states to:~~

20.2 ~~(a) Provide the states which regulate the design and construction of~~  
20.3 ~~industrialized/modular buildings with a program to coordinate and uniformly adopt and~~  
20.4 ~~administer the states' rules and regulations for such buildings, all in a manner to assure~~  
20.5 ~~interstate reciprocity.~~

20.6 ~~(b) Provide to the United States Congress assurances that would preclude the need~~  
20.7 ~~for a voluntary preemptive federal regulatory system for modular housing, as outlined~~  
20.8 ~~in Section 572 of the Housing and Community Development Act of 1987, including~~  
20.9 ~~development of model standards for modular housing construction, such that design and~~  
20.10 ~~performance will insure quality, durability and safety; will be in accordance with life-cycle~~  
20.11 ~~cost-effective energy conservation standards; all to promote the lowest total construction~~  
20.12 ~~and operating costs over the life of such housing.~~

20.13 ~~ARTICLE II~~  
20.14 ~~DEFINITIONS~~

20.15 ~~As used in this compact, unless the context clearly requires otherwise:~~

20.16 ~~(1) "Commission" means the Interstate Industrialized/Modular Buildings~~  
20.17 ~~Commission.~~

20.18 ~~(2) "Industrialized/modular building" means any building which is of closed~~  
20.19 ~~construction, i.e. constructed in such a manner that concealed parts or processes of~~  
20.20 ~~manufacture cannot be inspected at the site, without disassembly, damage or destruction,~~  
20.21 ~~and which is made or assembled in manufacturing facilities, off the building site, for~~  
20.22 ~~installation, or assembly and installation, on the building site. "Industrialized/modular~~  
20.23 ~~building" includes, but is not limited to, modular housing which is factory-built~~  
20.24 ~~single-family and multifamily housing (including closed wall panelized housing) and~~  
20.25 ~~other modular, nonresidential buildings. "Industrialized/modular building" does not~~  
20.26 ~~include any structure subject to the requirements of the National Manufactured Home~~  
20.27 ~~Construction and Safety Standards Act of 1974.~~

20.28 ~~(3) "Interim reciprocal agreement" means a formal reciprocity agreement~~  
20.29 ~~between a noncompacting state wherein the noncompacting state agrees that labels~~  
20.30 ~~indicating compliance with the model rules and regulations for industrialized/modular~~  
20.31 ~~buildings, as authorized in Article VIII, section (9), shall be accepted by the state and~~  
20.32 ~~its subdivisions to permit installation and use of industrialized/modular buildings.~~  
20.33 ~~Further, the noncompacting state agrees that by legislation or regulation, and appropriate~~  
20.34 ~~enforcement by uniform administrative procedures, the noncompacting state requires all~~  
20.35 ~~industrialized/modular building manufacturers within that state to comply with the model~~  
20.36 ~~rules and regulations for industrialized/modular buildings.~~

21.1 (4) "State" means a state of the United States, territory or possession of the United  
21.2 States, the District of Columbia, or the Commonwealth of Puerto Rico.

21.3 (5) "Uniform administrative procedures" means the procedures adopted by the  
21.4 commission (after consideration of any recommendations from the rules development  
21.5 committee) which state and local officials, and other parties, in one state, will utilize  
21.6 to assure state and local officials, and other parties, in other states, of the substantial  
21.7 compliance of industrialized/modular building construction with the construction standard  
21.8 of requirements of such other states; to assess the adequacy of building systems; and to  
21.9 verify and assure the competency and performance of evaluation and inspection agencies.

21.10 (6) "Model rules and regulations for industrialized/modular buildings" means  
21.11 the construction standards adopted by the commission (after consideration of any  
21.12 recommendations from the rules development committee) which govern the design,  
21.13 manufacture, handling, storage, delivery and installation of industrialized/modular  
21.14 buildings and building components. The construction standards and any amendments  
21.15 thereof shall conform insofar as practicable to model building codes and referenced  
21.16 standards generally accepted and in use throughout the United States.

### 21.17 ARTICLE III

#### 21.18 CREATION OF COMMISSION

21.19 The compacting states hereby create the Interstate Industrialized/Modular Buildings  
21.20 Commission, hereinafter called commission. Said commission shall be a body corporate  
21.21 of each compacting state and an agency thereof. The commission shall have all the powers  
21.22 and duties set forth herein and such additional powers as may be conferred upon it by  
21.23 subsequent action of the respective legislatures of the compacting states.

### 21.24 ARTICLE IV

#### 21.25 SELECTION OF COMMISSIONERS

21.26 The commission shall be selected as follows. As each state becomes a compacting  
21.27 state, one resident shall be appointed as commissioner. The commissioner shall be  
21.28 selected by the governor of the compacting state, being designated from the state agency  
21.29 charged with regulating industrialized/modular buildings or, if such state agency does not  
21.30 exist, being designated from among those building officials with the most appropriate  
21.31 responsibilities in the state. The commissioner may designate another official as an  
21.32 alternate to act on behalf of the commissioner at commission meetings which the  
21.33 commissioner is unable to attend.

21.34 Each state commissioner shall be appointed, suspended, or removed and shall  
21.35 serve subject to and in accordance with the laws of the state which said commissioner  
21.36 represents; and each vacancy occurring shall be filled in accordance with the laws of the  
21.37 state wherein the vacancy exists.

22.1 ~~For every three state commissioners that have been appointed in the manner~~  
22.2 ~~described, those state commissioners shall select one additional commissioner who shall be~~  
22.3 ~~a representative of manufacturers of residential- or commercial-use industrialized/modular~~  
22.4 ~~buildings. For every six state commissioners that have been appointed in the manner~~  
22.5 ~~described, the state commissioners shall select one additional commissioner who shall~~  
22.6 ~~be a representative of consumers of industrialized/modular buildings. In the event states~~  
22.7 ~~withdraw from the compact or, for any other reason, the number of state commissioners is~~  
22.8 ~~reduced, the state commissioners shall remove the last added representative commissioner~~  
22.9 ~~as necessary to maintain the ratio of state commissioners to representative commissioners~~  
22.10 ~~described herein.~~

22.11 ~~Upon a majority vote of the state commissioners, the state commissioners may~~  
22.12 ~~remove, fill a vacancy created by, or replace any representative commissioner, provided~~  
22.13 ~~that any replacement is made from the same representative group and the ratio described~~  
22.14 ~~herein is maintained. Unless provided otherwise, the representative commissioners have~~  
22.15 ~~the same authority and responsibility as the state commissioners.~~

22.16 ~~In addition, the commission may have as a member one commissioner representing~~  
22.17 ~~the United States government if federal law authorizes such representation. Such~~  
22.18 ~~commissioner shall not vote on matters before the commission. Such commissioner shall~~  
22.19 ~~be appointed by the President of the United States, or in such other manner as may be~~  
22.20 ~~provided by Congress.~~

22.21 ~~ARTICLE V~~  
22.22 ~~VOTING~~

22.23 ~~Each commissioner (except the commissioner representing the United States~~  
22.24 ~~government) shall be entitled to one vote on the commission. A majority of the~~  
22.25 ~~commissioners shall constitute a quorum for the transaction of business. Any business~~  
22.26 ~~transacted at any meeting of the commission must be by affirmative vote of a majority of~~  
22.27 ~~the quorum present and voting.~~

22.28 ~~ARTICLE VI~~  
22.29 ~~ORGANIZATION AND MANAGEMENT~~

22.30 ~~The commission shall elect annually, from among its members, a chairman, a vice~~  
22.31 ~~chairman and a treasurer. The commission shall also select a secretariat, which shall~~  
22.32 ~~provide an individual who shall serve as secretary of the commission. The commission~~  
22.33 ~~shall fix and determine the duties and compensation of the secretariat. The commissioners~~  
22.34 ~~shall serve without compensation, but shall be reimbursed for their actual and necessary~~  
22.35 ~~expenses from the funds of the commission.~~

22.36 ~~The commission shall adopt a seal.~~



24.1 ~~its recommendations to the commission, for the commission's consideration in adopting~~  
24.2 ~~and amending the uniform administrative procedures and the model rules and regulations~~  
24.3 ~~for industrialized/modular buildings. The committee may also review the regulatory~~  
24.4 ~~programs of the compacting states to determine whether those programs are consistent~~  
24.5 ~~with the uniform administrative procedures or the model rules and regulations for~~  
24.6 ~~industrialized/modular buildings and may make recommendations concerning the states'~~  
24.7 ~~programs to the commission. In carrying out its functions, the rules committee may~~  
24.8 ~~conduct public hearings and otherwise solicit public input and comment.~~

24.9 ~~(3) Any other advisory, coordinating or technical committees, membership on~~  
24.10 ~~which may include private persons, public officials, associations or organizations. Such~~  
24.11 ~~committees may consider any matter of concern to the commission.~~

24.12 ~~(4) Such additional committees as the commission's bylaws may provide.~~

24.13 ~~ARTICLE VIII~~  
24.14 ~~POWER AND AUTHORITY~~

24.15 ~~In addition to the powers conferred elsewhere in this compact, the commission~~  
24.16 ~~shall have power to:~~

24.17 ~~(1) Collect, analyze and disseminate information relating to industrialized/modular~~  
24.18 ~~buildings.~~

24.19 ~~(2) Undertake studies of existing laws, codes, rules and regulations, and~~  
24.20 ~~administrative practices of the states relating to industrialized/modular buildings.~~

24.21 ~~(3) Assist and support committees and organizations which promulgate, maintain~~  
24.22 ~~and update model codes or recommendations for uniform administrative procedures or~~  
24.23 ~~model rules and regulations for industrialized/modular buildings.~~

24.24 ~~(4) Adopt and amend uniform administrative procedures and model rules and~~  
24.25 ~~regulations for industrialized/modular buildings.~~

24.26 ~~(5) Make recommendations to compacting states for the purpose of bringing such~~  
24.27 ~~states' laws, codes, rules and regulations and administrative practices into conformance~~  
24.28 ~~with the uniform administrative procedures or the model rules and regulations for~~  
24.29 ~~industrialized/modular buildings, provided that such recommendations shall be made to~~  
24.30 ~~the appropriate state agency with due consideration for the desirability of uniformity~~  
24.31 ~~while also giving appropriate consideration to special circumstances which may justify~~  
24.32 ~~variations necessary to meet unique local conditions.~~

24.33 ~~(6) Assist and support the compacting states with monitoring of plan review~~  
24.34 ~~programs and inspection programs, which will assure that the compacting states have the~~  
24.35 ~~benefit of uniform industrialized/modular building plan review and inspection programs.~~

25.1 ~~(7) Assist and support organizations which train state and local government and~~  
25.2 ~~other program personnel in the use of uniform industrialized/modular building plan~~  
25.3 ~~review and inspection programs.~~

25.4 ~~(8) Encourage and promote coordination of state regulatory action relating to~~  
25.5 ~~manufacturers, public or private inspection programs.~~

25.6 ~~(9) Create and sell labels to be affixed to industrialized/modular building units,~~  
25.7 ~~constructed in or regulated by compacting states, where such labels will evidence~~  
25.8 ~~compliance with the model rules and regulations for industrialized/modular buildings,~~  
25.9 ~~enforced in accordance with the uniform administrative procedures. The commission may~~  
25.10 ~~use receipts from the sale of labels to help defray the operating expenses of the commission.~~

25.11 ~~(10) Assist and support compacting states' investigations into and resolutions of~~  
25.12 ~~consumer complaints which relate to industrialized/modular buildings constructed in one~~  
25.13 ~~compacting state and sited in another compacting state.~~

25.14 ~~(11) Borrow, accept or contract for the services of personnel from any state or the~~  
25.15 ~~United States or any subdivision or agency thereof, from any interstate agency, or from~~  
25.16 ~~any institution, association, person, firm or corporation.~~

25.17 ~~(12) Accept for any of its purposes and functions under this compact any and all~~  
25.18 ~~donations, and grants of money, equipment, supplies, materials and services (conditional~~  
25.19 ~~or otherwise) from any state or the United States or any subdivision or agency thereof,~~  
25.20 ~~from any interstate agency, or from any institution, person, firm or corporation, and may~~  
25.21 ~~receive, utilize and dispose of the same.~~

25.22 ~~(13) Establish and maintain such facilities as may be necessary for the transacting of~~  
25.23 ~~its business. The commission may acquire, hold, and convey real and personal property~~  
25.24 ~~and any interest therein.~~

25.25 ~~(14) Enter into contracts and agreements, including but not limited to, interim~~  
25.26 ~~reciprocal agreements with noncompacting states.~~

25.27 ~~ARTICLE IX~~  
25.28 ~~FINANCE~~

25.29 ~~The commission shall submit to the governor or designated officer or officers of each~~  
25.30 ~~compacting state a budget of its estimated expenditures for such period as may be required~~  
25.31 ~~by the laws of that state for presentation to the legislature thereof.~~

25.32 ~~Each of the commission's budgets of estimated expenditures shall contain specific~~  
25.33 ~~recommendations of the amounts to be appropriated by each of the compacting states.~~  
25.34 ~~The total amount of appropriations requested under any such budget shall be apportioned~~  
25.35 ~~among the compacting states as follows: one-half in equal shares; one-fourth among the~~  
25.36 ~~compacting states in accordance with the ratio of their populations to the total population~~  
25.37 ~~of the compacting states, based on the last decennial federal census; and one-fourth among~~

26.1 ~~the compacting states in accordance with the ratio of industrialized/modular building units~~  
26.2 ~~manufactured in each state to the total of all units manufactured in all of the compacting~~  
26.3 ~~states:~~

26.4 ~~The commission shall not pledge the credit of any compacting state. The commission~~  
26.5 ~~may meet any of its obligations in whole or in part with funds available to it by donations,~~  
26.6 ~~grants, or sale of labels: provided that the commission takes specific action setting aside~~  
26.7 ~~such funds prior to incurring any obligation to be met in whole or in part in such manner.~~  
26.8 ~~Except where the commission makes use of funds available to it by donations, grants or~~  
26.9 ~~sale of labels, the commission shall not incur any obligation prior to the allotment of funds~~  
26.10 ~~by the compacting states adequate to meet the same.~~

26.11 ~~The commission shall keep accurate accounts of all receipts and disbursements.~~  
26.12 ~~The receipts and disbursements of the commission shall be subject to the audit and~~  
26.13 ~~accounting procedures established under its bylaws. All receipts and disbursements of~~  
26.14 ~~funds handled by the commission shall be audited yearly by a certified or licensed public~~  
26.15 ~~accountant and the report of the audit shall be included in and become part of the annual~~  
26.16 ~~report of the commission.~~

26.17 ~~The accounts of the commission shall be open at any reasonable time for inspection~~  
26.18 ~~by duly constituted officers of the compacting states and any person authorized by the~~  
26.19 ~~commission.~~

26.20 ~~Nothing contained in this article shall be construed to prevent commission~~  
26.21 ~~compliance relating to audit or inspection of accounts by or on behalf of any government~~  
26.22 ~~contributing to the support of the commission.~~

#### 26.23 ~~ARTICLE X~~

#### 26.24 ~~ENTRY INTO FORCE AND WITHDRAWAL~~

26.25 ~~This compact shall enter into force when enacted into law by any three states.~~  
26.26 ~~Thereafter, this compact shall become effective as to any other state upon its enactment~~  
26.27 ~~thereof. The commission shall arrange for notification of all compacting states whenever~~  
26.28 ~~there is a new enactment of the compact.~~

26.29 ~~Any compacting state may withdraw from this compact by enacting a statute~~  
26.30 ~~repealing the same. No withdrawal shall affect any liability already incurred by or~~  
26.31 ~~chargeable to a compacting state prior to the time of such withdrawal.~~

#### 26.32 ~~ARTICLE XI~~

#### 26.33 ~~RECIPROCITY~~

26.34 ~~If the commission determines that the standards for industrialized/modular buildings~~  
26.35 ~~prescribed by statute, rule or regulation of compacting state are at least equal to the~~  
26.36 ~~commission's model rules and regulations for industrialized/modular buildings, and~~  
26.37 ~~that such state standards are enforced by the compacting state in accordance with the~~

27.1 ~~uniform administrative procedures, industrialized/modular buildings approved by such a~~  
27.2 ~~compacting state shall be deemed to have been approved by all the compacting states for~~  
27.3 ~~placement in those states in accordance with procedures prescribed by the commission.~~

27.4 ~~ARTICLE XII~~

27.5 ~~EFFECT ON OTHER LAWS AND JURISDICTION~~

27.6 ~~Nothing in this compact shall be construed to:~~

27.7 ~~(1) Withdraw or limit the jurisdiction of any state or local court or administrative~~  
27.8 ~~officer or body with respect to any person, corporation or other entity or subject matter,~~  
27.9 ~~except to the extent that such jurisdiction pursuant to this compact, is expressly conferred~~  
27.10 ~~upon another agency or body.~~

27.11 ~~(2) Supersede or limit the jurisdiction of any court of the United States.~~

27.12 ~~ARTICLE XIII~~

27.13 ~~CONSTRUCTION AND SEVERABILITY~~

27.14 ~~This compact shall be liberally construed so as to effectuate the purposes thereof.~~  
27.15 ~~The provisions of this compact shall be severable and if any phrase, clause, sentence~~  
27.16 ~~or provision of this compact is declared to be contrary to the constitution of any state~~  
27.17 ~~or of the United States or the applicability thereof to any government, agency, person~~  
27.18 ~~or circumstances is held invalid, the validity of the remainder of this compact and the~~  
27.19 ~~applicability thereof to any government, agency, person or circumstance shall not be~~  
27.20 ~~affected thereby. If this compact shall be held contrary to the constitution of any state~~  
27.21 ~~participating therein, the compact shall remain in full force and effect as to the remaining~~  
27.22 ~~party states and in full force and effect as to the state affected as to all severable matters.~~

27.23 ~~Sec. 10. **REPEALER.**~~

27.24 ~~Subdivision 1. **Construction codes and licensing.** Minnesota Statutes 2014,~~  
27.25 ~~sections 326B.091, subdivision 6; 326B.106, subdivision 10; 326B.169; and 326B.181,~~  
27.26 ~~are repealed.~~

27.27 ~~Subd. 2. **Municipal rights, powers, duties.** Minnesota Statutes 2014, sections~~  
27.28 ~~471.465; 471.466; 471.467; and 471.468, are repealed.~~

27.29 ~~Subd. 3. **State procurement.** Minnesota Statutes 2014, section 16C.0745, is~~  
27.30 ~~repealed.~~

APPENDIX  
Article locations in H1549-1

ARTICLE 1 CONSTRUCTION CODES AND LICENSING ..... Page.Ln 1.16  
ARTICLE 2 OBSOLETE AND REDUNDANT STATUTES ..... Page.Ln 14.28

**16C.0745 FUNDS FOR ENERGY EFFICIENT BULBS.**

State agencies in the executive, legislative, and judicial branches that purchase replacement bulbs in accordance with section 326B.106, subdivision 4, paragraph (j), must use money allocated for utility expenditures for the purchase.

**326B.091 DEFINITIONS.**

Subd. 6. **Renewal deadline.** "Renewal deadline," when used with respect to a license, means 30 days before the date that the license expires.

**326B.106 GENERAL POWERS OF COMMISSIONER OF LABOR AND INDUSTRY.**

Subd. 10. **Energy efficiency.** The code must provide for building new low-income housing in accordance with energy efficiency standards adopted under subdivision 1. For purposes of this subdivision, low-income housing means residential housing built for low-income persons and families under a program of a housing and redevelopment authority, the Minnesota Housing Finance Agency, or another entity receiving money from the state to construct such housing.

**326B.169 ELEVATOR OPERATORS.**

The owner, manager, or lessee of any building in which there is installed a passenger or freight elevator, as hereinafter defined, shall designate a competent person or competent persons regularly to operate such elevator; provided, however, that any such owner, manager or lessee may arrange with one or more tenants of such building to designate one or more of their employees regularly to operate such elevator. No person not so designated shall operate any such elevator and no person shall employ or permit a person not so designated to operate any such elevator. The foregoing prohibitions shall not apply during any period of time when any such elevator is being constructed, installed, inspected, repaired or maintained.

**326B.181 LICENSES FOR OPERATORS.**

In the event an operator is employed to operate an automatic elevator or continuous pressure elevator as provided in sections 326B.163 to 326B.178, such operator shall be duly licensed as provided in sections 326B.163 to 326B.178.

**471.465 PERSONS WITH DISABILITIES; BUILDING REGULATIONS.**

Subdivision 1. **Scope.** For the purposes of sections 471.465 to 471.469, the terms defined in this section have the meanings given them.

Subd. 2. **Buildings and facilities.** "Buildings and facilities" means any and all buildings and facilities and the grounds appurtenant thereto within any city, township or other governmental subdivision of the state other than all farm dwellings and buildings and single and two family dwellings. However, on the date on which rules promulgated by the commissioner of labor and industry regarding building requirements for persons with disabilities shall become effective, "buildings and facilities" shall mean only those structures which must provide facilities for persons with disabilities pursuant to said rules.

Subd. 3. **Persons with disabilities.** "Persons with disabilities" means and includes people having sight disabilities, hearing disabilities, disabilities of incoordination, disabilities of aging, and any other disability that significantly reduces mobility, flexibility, coordination, or perceptiveness.

Subd. 4. **Remodeling.** "Remodeling" means deliberate reconstruction of an existing building or facility in whole or in part in order to bring it up to date to conform with present uses of the structure and to conform with rules and regulations on the upgrading of health and safety aspects of structures.

Subd. 5. **Local authority.** "Local authority" means the local authority having jurisdiction over local building construction.

**471.466 ADMINISTRATION AND ENFORCEMENT.**

APPENDIX

Repealed Minnesota Statutes: H1549-1

The duty and power to administer and enforce sections 471.465 to 471.469 is conferred upon and vested in the commissioner of labor and industry and the local authority.

**471.467 BUILDING REQUIREMENTS; CONFORMITY.**

Subdivision 1. **Date applicable.** On the date on which rules promulgated by the commissioner of labor and industry regarding building requirements for persons with disabilities shall become effective, said rules shall exclusively govern the provision of facilities.

Subd. 2. **No remodeling if solely for persons with disabilities.** Nothing in sections 471.465 to 471.469 shall be construed to require the remodeling of buildings solely to provide accessibility and usability to persons with disabilities when remodeling would not otherwise be undertaken.

Subd. 3. **Applies to remodeled part.** When any building or facility covered by sections 471.465 to 471.469 undergoes remodeling either in whole or in part, that portion of the building or facility remodeled shall conform to the requirements of sections 471.465 to 471.469.

**471.468 BUILDING PLANS; APPROVAL; EXCEPTIONS.**

On-site construction or remodeling shall not hereafter be commenced of any building or facility until the plans and specifications of the building or facility have been reviewed and approved by the local authority. The provisions of sections 471.465 to 471.469 are applicable only to contracts awarded subsequent to May 22, 1971. The local authority shall certify in writing that the review and approval under this section have occurred. The certification must be attached to the permit of record.