

This Document can be made available in alternative formats upon request

State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 5338

04/09/2024

Authored by Nash

The bill was read for the first time and referred to the Committee on Labor and Industry Finance and Policy

1.1 A bill for an act
1.2 relating to labor; modifying the contractor recovery fund to include private
1.3 residential pools; amending Minnesota Statutes 2022, section 326B.89, subdivision
1.4 1.

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

1.6 Section 1. Minnesota Statutes 2022, section 326B.89, subdivision 1, is amended to read:

1.7 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
1.8 the meanings given them.

1.9 (b) "Gross annual receipts" means the total amount derived from residential contracting
1.10 or residential remodeling activities, regardless of where the activities are performed, and
1.11 must not be reduced by costs of goods sold, expenses, losses, or any other amount.

1.12 (c) "Licensee" means a person licensed as a residential contractor or residential remodeler.

1.13 (d) "Residential real estate" means a new or existing building constructed for habitation
1.14 by one to four families, and includes detached garages intended for storage of vehicles
1.15 associated with the residential real estate, and private residential pools connected with the
1.16 residential real estate, which are controlled and used by the owner or the owner's family or
1.17 invited guests and are not used as part of a business.

1.18 (e) "Fund" means the contractor recovery fund.

1.19 (f) "Owner" when used in connection with real property, means a person who has any
1.20 legal or equitable interest in real property and includes a condominium or townhome
1.21 association that owns common property located in a condominium building or townhome
1.22 building or an associated detached garage. Owner does not include any real estate developer

2.1 or any owner using, or intending to use, the property for a business purpose and not as
2.2 owner-occupied residential real estate.

2.3 (g) "Cycle One" means the time period between July 1 and December 31.

2.4 (h) "Cycle Two" means the time period between January 1 and June 30.