A bill for an act

relating to state government; appropriating money for jobs, economic development, and housing; establishing and modifying certain programs; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; amending Minnesota Statutes 2006, sections 116J.401, by adding a subdivision; 116J.551, subdivision 1; 116J.554, subdivision 2; 116J.555, subdivision 1; 116J.575, subdivisions 1, 1a; 116J.966, subdivision 1; 116L.01, by adding a subdivision; 116L.04, subdivision 1a; 116L.17, subdivision 1; 116L.20, subdivision 1; 116L.666, subdivision 1; 116M.18, subdivision 6a; 177.27, subdivisions 1, 4, 5, 8, 9, 10, by adding a subdivision; 177.28, subdivision 1; 177.30; 177.43, subdivisions 3, 4, 6, by adding a subdivision; 178.01; 178.02; 178.03, subdivision 3; 178.041, subdivision 1; 181.78, by adding a subdivision; 181.932, subdivision 1; 181.935; 182.65, subdivision 2; 190.096; 268.085, subdivision 3; 268.196, by adding a subdivision; 268A.01, subdivision 13, by adding a subdivision; 268A.085, subdivision 1; 268A.15, by adding a subdivision; 298.22, subdivision 2; 298.227; 325E.37, subdivision 6; 326.01, subdivision 6g; 326.241, subdivisions 1, 2; 326.242, subdivisions 3d, 5, 11, by adding a subdivision; 326.37, subdivision 1, by adding a subdivision; 326.38; 326.40, subdivision 1; 326.401, subdivision 2; 326.405; 326.42, subdivision 1; 326.46; 326.461, by adding a subdivision; 326.47, subdivisions 2, 6; 326.48, subdivisions 1, 2, by adding a subdivision; 326.50; 326.51; 326.52; 341.28, subdivision 2, by adding a subdivision; 341.32, subdivision 2; 341.321; 462.39, by adding a subdivision; 462A.21, subdivision 8b; 462A.33, subdivision 3; 469.021; 541.051; proposing coding for new law in Minnesota Statutes, chapters 116J; 116O; 154; 177; 179; 181; 181A; 182; 270; 326; repealing Minnesota Statutes 2006, sections 16C.18, subdivision 2; 176.042; 268.035, subdivision 9; 326.01, subdivision 4; 326.242, subdivision 4; 326.45.

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

ARTICLE 1

JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS SUMMARY

Section 1. **SUMMARY.**

The amounts shown in this section summarize direct appropriations, by fund, made in this act.

		2008		2009		Total
General	$	213,756,000	$	156,634,000	$	370,390,000
Workforce Development		15,510,000		15,526,000		31,036,000
Remediation		700,000		700,000		1,400,000
State Government Special Revenue		1,877,000		1,925,000		3,802,000
Workers' Compensation		23,379,000		23,763,000		47,142,000
TANF		3,075,000		3,075,000		6,150,000
Total	**$**	**258,297,000**	**$**	**201,623,000**	**$**	**459,920,000**

ARTICLE 2

JOBS AND ECONOMIC DEVELOPMENT

Section 1. **SUMMARY OF APPROPRIATIONS.**

		2008		2009		Total
General	$	94,685,000	$	60,084,000	$	154,769,000
Workforce Development		15,510,000		15,526,000		31,036,000
Remediation		700,000		700,000		1,400,000
State Government Special Revenue		1,877,000		1,925,000		3,802,000
Workers' Compensation		23,379,000		23,763,000		47,142,000
Total	**$**	**136,151,000**	**$**	**101,998,000**	**$**	**238,149,000**

Sec. 2. **JOBS AND ECONOMIC DEVELOPMENT.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium" is fiscal years 2008 and 2009. Appropriations for the fiscal year ending June 30, 2007, are effective the day following final enactment.

		APPROPRIATIONS Available for the Year Ending June 30 2008		2009
Sec. 3. **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**				
Subdivision 1. **Total Appropriation**	**$**	**101,587,000**	**$**	**66,589,000**

Appropriations by Fund		
	2008	2009
General	86,142,000	51,144,000
Remediation	700,000	700,000
Workforce Development	14,745,000	14,745,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Business and Community Development**	49,058,000	14,372,000

Appropriations by Fund		
General	48,358,000	13,672,000
Remediation	700,000	700,000

(a)(1) $1,100,000 is for a grant under Minnesota Statutes, section 116J.421, to the Rural Policy and Development Center at St. Peter, Minnesota. The grant shall be used for research and policy analysis on emerging economic and social issues in rural Minnesota, to serve as a policy resource center for rural Minnesota communities, to encourage collaboration across higher education institutions, to provide interdisciplinary team approaches to research and problem-solving in rural communities, and to administer overall operations of the center.

(2) The grant shall be provided upon the condition that each state-appropriated dollar be matched with a nonstate dollar. Acceptable matching funds are nonstate contributions that the center has received and have not been used to match previous state grants. Any funds not spent the first year are available the second year.

(b) $200,000 each year is for a grant to WomenVenture for women's business development programs.

(c) $500,000 the first year is for a grant to University Enterprise Laboratories (UEL) for its direct and indirect expenses to support efforts to encourage the growth of early-stage and emerging bioscience companies. UEL must provide a report by June 30 each year to the commissioner on the expenditures until the appropriation is expended. This is a onetime appropriation and is available until expended.

(d) $2,180,000 the first year is for grants under Minnesota Statutes, section 116J.571, for the redevelopment grant program. This is a onetime appropriation.

(e) $100,000 each year is to the Public Facilities Authority for the small community wastewater treatment program under Minnesota Statutes, chapter 446A.

(f) $510,000 the first year is for the urban initiative program under Minnesota Statutes, chapter 116M, of which, $255,000 is for a grant to the Metropolitan Economic Development Association for continuing minority business development programs in the metropolitan area. This is a onetime appropriation.

(g) $85,000 each year is for a grant to the Minnesota Inventors Congress, of which $10,000 must be used for youth inventors.

(h) $151,000 the first year is for a grant to the city of Faribault to design, construct, furnish, and equip renovations to accommodate handicapped accessibility at the Paradise Center for the Arts.

(i) $3,000,000 the first year is for loans authorized under Minnesota Statutes, section 116J.417. This appropriation is available until expended.

(j) $1,000,000 each year is to Minnesota Technology, Inc. for the small business growth acceleration program established under Minnesota Statutes, section 116O.115. This is a onetime appropriation.

(k) $350,000 the first year is for a grant to the city of Northome for the construction of a new municipal building to replace the structures damaged by fire on July 22, 2006. This appropriation is available when the commissioner determines that a sufficient match is available from nonstate sources to complete the project.

(l) $325,000 each year is for a technology and commercialization unit established under article 7, section 32. This is a onetime appropriation.

(m) $500,000 in the first year is for a grant to the city of Worthington for an agricultural-based bioscience training and testing center. Funds appropriated under this section must be used to provide a training and testing facility for incubator firms developing new agricultural processes and products. This is a onetime appropriation and is available until expended.

(n) $2,200,000 in the first year is for a grant to BioBusiness Alliance of Minnesota for bioscience business development programs to promote and position the state as a global leader in bioscience business activities. These funds may be used for:

(1) completion and periodic updating of a statewide bioscience business industry assessment of business technology enterprises and Minnesota's competitive position employing annual updates to federal industry classification data;

(2) long-term strategic planning that includes projections of market changes resulting from developments in biotechnology and the development of 20-year goals, strategies, and identified objectives for renewable energy, medical devices, biopharma, and biologics business development in Minnesota;

(3) the design and construction of a Minnesota focused bioscience business model to test competing strategies and scenarios, evaluate options, and forecast outcomes; and

(4) creation of a bioscience business resources network that includes development of a statewide bioscience business economic development framework to encourage bioscience business development and encourage spin-off activities, attract bioscience business location or expansion in Minnesota, and establish a local capability to support strategic system level planning for industry, government, and academia.

This appropriation is available until June 30, 2009.

(o) $325,000 is for a grant to the Walker Area Community Center, Inc., to construct, furnish, and equip the Walker Area Community Center. This appropriation is not available until the commissioner has determined that an amount sufficient to complete the project has been committed from nonstate sources.

(p) $120,000 the first year is for a grant to the Pine Island Economic Development Authority for predesign to upgrade and extend utilities to serve Elk Run Bioscience Research Park and The Falls - Healthy Living By Nature, an integrated medicine facility. This is a onetime appropriation and is available until expended.

(q) $300,000 the first year is for a grant to Thomson Township for infrastructure improvements for the industrial park. This is a onetime appropriation.

(r) $75,000 the first year for a grant to Le Sueur County for the cost of cleaning debris from lakes in Le Sueur County, caused by the August 24, 2006, tornado in southern Le Sueur County. This is a onetime appropriation.

(s) $3,000,000 the second year is for bioscience business development and commercialization grants. The commissioner shall designate an evaluation team to accept grant applications, review and evaluate grant proposals, and select up to five grant proposals to receive funding each year. The evaluation team shall be comprised of not more than 12 members including: the commissioner or the commissioner's designee; representatives of bioscience businesses; public and private institutions of higher education; private investment companies; a nonprofit entity that qualifies as a 501(c)6 under the Internal Revenue Code and is a trade association representing the life sciences industry; and a bio business alliance that qualifies as a 501(c)3 under the Internal Revenue Code. The criteria used by the evaluation team in evaluating grant proposals must include, but is not limited to: the potential to create and sustain jobs within the state of Minnesota; the potential for long-term business activity, growth, and expansion in Minnesota; the level of technological maturity; the potential to attract private investment; and the availability and readiness of markets. The commissioner must report to the standing committees of the house of representatives and the senate having jurisdiction over bioscience and technology issues by February 1 each year on the number, type, and amounts of grants awarded and the activities of the grant recipients. This is a onetime appropriation and is available until expended.

(t) $1,500,000 the first year is for the urban challenge grant program under Minnesota Statutes, section 116M.18, of which $1,000,000 is for a grant to the Neighborhood Development Center for assistance necessary to retain minority business enterprises at the Global Market. This is a onetime appropriation.

(u) $375,000 each year is to develop and operate a bioscience business marketing program to market Minneota bioscience businesses and business opportunities to other states and other countries. The bioscience business marketing program must emphasize bioscience business location and expansion opportunities in communities outside of the seven-county metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2, that have established collaborative plans among two or more municipal units for bioscience business activities, and that are within 15 miles of a four-year, baccalaureate degree granting institution or a two-year technical or community college that offers bioscience curricula. The commissioner must report to the committees of the senate and house of representatives having jurisdiction over bioscience and technology issues by February 1 of each year on the expenditures of these funds and the promotional activities undertaken to market the Minnesota bioscience industry to persons outside of the state. This is a onetime appropriation and is available until expended.

(v) $225,000 each year is for the purposes of the nanotechnology development fund program (NDF) established in section 12, for grants to promote increased use of advanced instrumentation for nanomaterials analysis, to be awarded on a one-to-one matching basis to qualifying Minnesota small businesses. This is a onetime appropriation.

(w) $50,000 the first year is for a contract with a public higher education institution in Minnesota jointly entered into with the Center for Rural Development to study the needs of the renewable energy economy for trained employees and the training required for those employees. The study must include extensive consultation and involvement of representatives of the renewable energy industry, environmental interests, labor, the University of Minnesota, and the Minnesota State Colleges and Universities. The commissioner shall report the results of the study to the chairs of the finance divisions of the legislature with jurisdiction over economic development, energy, and higher education by November 1, 2007. This is a onetime appropriation.

(x) $25,000,000 is for the Minnesota minerals 21st century fund created in Minnesota Statutes, section 116J.423, to restore the money unallotted by the commissioner of finance in 2003 pursuant to Minnesota Statutes, section 16A.152. This appropriation may be used as provided in Minnesota Statutes, section 116J.423, subdivision 2. This appropriation is available until expended.

(y) $900,000 each year is for a grant to the city of St. Paul to be used to pay debt service on bond obligations issued by the city of St. Paul in 1996 for the convention center.

(z) $189,000 each year is appropriated from the general fund to the commissioner of employment and economic development for grants of $63,000 to eligible organizations each year and for the purposes of this paragraph. Each state grant dollar must be matched with $1 of nonstate funds. Any balance in the first year does not cancel but is available in the second year.

The commissioner of employment and economic development must make grants to organizations to assist in the development of entrepreneurs and small businesses. Three grants must be awarded to continue or to develop a program. One grant must be awarded to the Riverbend Center for Entrepreneurial Facilitation in Blue Earth County, and two to other organizations serving Faribault and Martin Counties. Grant recipients must report to the commissioner by February 1 of each year that the organization receives a grant with the number of customers served; the number of businesses started, stabilized, or expanded; the number of jobs created and retained; and business success rates. The commissioner must report to the house of representatives and senate committees with jurisdiction over economic development finance on the effectiveness of these programs for assisting in the development of entrepreneurs and small businesses.

(aa) $10,000 for the biennium is to the commissioner of employment and economic development for the Minnesota investment fund. This grant is not subject to grant limitations under section 116J.8731, subdivision 5.

Subd. 3. **Workforce Development**	49,531,000	49,197,000

Appropriations by Fund

General	34,786,000	34,452,000
Workforce Development	14,745,000	14,745,000

(a) $6,785,000 each year is for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until spent.

(b) $305,000 each year is for a grant under Minnesota Statutes, section 116J.8747, to Twin Cities RISE! to provide training to hard-to-train individuals.

(c) $1,375,000 each year is from the workforce development fund for Opportunities Industrialization Center programs.

(d) $5,864,000 each year is from the general fund and $6,920,000 each year is from the workforce development fund for extended employment services for persons with severe disabilities or related conditions under Minnesota Statutes, section 268A.15. Of this, $125,000 each year and in the base for fiscal years 2010 and 2011 is to supplement funds paid for wage incentive for the community support fund established in Minnesota Rules, part 3300.2045.

(e) $1,900,000 each year is for grants for programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14. Up to $77,000 each year may be used for administrative and salary expenses.

(f) $2,190,000 each year is for grants under Minnesota Statutes, section 268A.11, for the eight centers for independent living. Money not expended the first year is available the second year.

(g) $5,940,000 each year is for State Services for the Blind activities.

(h) $150,000 each year is from the general fund and $175,000 each year is from the workforce development fund for grants under Minnesota Statutes, section 268A.03, to Rise, Inc. for the Minnesota Employment Center for People Who are Deaf or Hard-of-Hearing. Money not expended the first year is available the second year.

(i) $9,021,000 each year from the general fund is for the vocational rehabilitation program and $325,000 each year from the workforce development fund is for interpreters for a regional transition program specializing in culturally appropriate transition services leading to employment for deaf, hard-of-hearing, and deaf-blind students.

(j) $150,000 each year is for a grant to Advocating Change Together for training, technical assistance, and resource materials to persons with developmental and mental illness disabilities.

(k) $300,000 each year for a grant to Lifetrack Resources for its immigrant/refugee collaborative programs, including those related to job-seeking skills and workplace orientation, intensive job development, functional work English, and on-site job coaching. $50,000 of this amount is for a pilot Lifetrack project in Rochester.

(l) $1,075,000 each year is for the youthbuild program under Minnesota Statutes, sections 116L.361 to 116L.366.

(m) $1,350,000 each year is from the workforce development fund for grants to fund summer youth employment in Minneapolis. The grants shall be used to fund up to 500 jobs for youth each summer. Of this appropriation, $350,000 each year is for a grant to the learn-to-earn summer youth employment program. The commissioner shall establish criteria for awarding the grants. This appropriation is available in either year of the biennium and is available until spent.

(n) $50,000 each year is for a grant to Northern Connections in Perham to implement and operate a pilot workforce program that provides one-stop supportive services to assist individuals as they transition into the workforce. This appropriation is available to the extent it is matched by $1 of nonstate money for each $1 of state money.

(o) $100,000 each year is for a grant to Ramsey County Workforce Investment Board for the development of the building lives program. This is a onetime appropriation.

(p) $300,000 each year is for a grant to the Hennepin-Carver Workforce Investment Board (WIB) to coordinate with the Partners for Progress Regional Skills Consortium to provide employment and training as demonstrated by the Twin Cities regional health care training partnership project.

(q) $160,000 the first year is for a grant to Workforce Development, Inc., for a pilot project to provide demand-driven employment and training services to welfare recipients and other economically disadvantaged populations in Mower, Freeborn, Dodge, and Steele Counties. This is a onetime appropriation.

(r) $200,000 each year is for a grant to HIRED to operate its industry sector training initiatives, which provide employee training developed in collaboration with employers in specific, high-demand industries. This is a onetime appropriation.

(s) $200,000 the first year is for a grant to a nonprofit organization. The nonprofit organization must work on behalf of all licensed vendors to coordinate their efforts to respond to solicitations or other requests from private and governmental units as defined in Minnesota Statutes, section 471.59, subdivision 1, in order to increase employment opportunities for persons with disabilities.

(t) $3,500,000 each year from the workforce development fund is for the Minnesota youth program under Minnesota Statutes, section 116L.56 and 116L.561.

(u) $500,000 each year from the workforce development fund is for a grant to the Minnesota Alliance of Boys and Girls Clubs to administer a statewide project of youth job skills development. This project, which may have career guidance components, including health and life skills, is to encourage, train, and assist youth in job-seeking skills, workplace orientation, and job site knowledge through coaching. This grant requires a 25 percent match from nonstate resources.

(v) $350,000 in each year from the workforce development fund is for a grant to Ramsey County for a summer youth employment program to place at-risk youth, ages 14 to 21, in subsidized summer employment.

(w) $10,000 the first year is for a study on ways to promote employment opportunities for minorities, with a particular focus on opportunities for American blacks, in the state of Minnesota. The study should focus on how to significantly expand the job training available to minorities and promote substantial increases in the wages paid to minorities, at least to a rate well above living wage, and within several years, to equality. The commissioner must report on the study to the governor and the chair of the finance committee in each house of the legislature that has jurisdiction over employment by January 15, 2008, with recommendations for implementing the findings.

The commissioner must provide funding for the Minnesota Conservation Corps to provide learning stipends for deaf students and wages for interpreters participating in the MCC summer youth program.

Subd. 4. **State-Funded Administration**	2,998,000	3,020,000

The first $1,450,000 deposited in each year of the biennium and in each year of subsequent bienniums into the contingent account created under Minnesota Statutes, section 268.196, subdivision 3, shall be transferred by June 30 of each fiscal year to the workforce development fund created under Minnesota Statutes, section 116L.20. Deposits in excess of $1,450,000 shall be transferred by June 30 of each fiscal year to the general fund.

Sec. 4. **DEPARTMENT OF LABOR AND INDUSTRY**

Subdivision 1. **Total Appropriation**	**$**	**29,002,000**	**$**	**29,794,000**

Appropriations by Fund

	2008	2009
General	4,644,000	5,035,000
Workers' Compensation	21,716,000	22,053,000
Workforce Development	765,000	781,000
State Government Special Revenue	1,877,000	1,925,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Workers' Compensation**	10,381,000	10,659,000

This appropriation is from the workers' compensation fund.

$200,000 each year is for grants to the Vinland Center for rehabilitation services.

Subd. 3. **Safety Codes and Services**	9,949,000	10,134,000

$5,292,000 the first year and $5,388,000 the second year are from the workers' compensation fund. $1,877,000 the first year and $1,925,000 the second year are from the state government special revenue fund.

$1,000,000 each year is from the workers' compensation fund for patient safe handling grants under Minnesota Statutes, section 182.6553.

$100,000 each year is from the workers' compensation fund for the operation of the meatpacking industry workers' rights ombudsman under Minnesota Statutes, section 179.87.

Subd. 4. **Labor Standards/Apprenticeship**	2,629,000	2,995,000

Appropriations by Fund		
General	1,864,000	2,214,000
Workforce Development	765,000	781,000

The appropriation from the workforce development fund is for the apprenticeship program under Minnesota Statutes, chapter 178, and includes $100,000 each year for labor education and advancement program grants.

$360,000 the first year and $300,000 the second year from the general fund are for prevailing wage enforcement of which $60,000 in the first year is for outreach and survey participation improvements.

$800,000 the first year and $1,200,000 the second year from the general fund are for the independent contractor certification under Minnesota Statutes, section 181.723.

Subd. 5. **General Support**	6,043,000	6,006,000

This appropriation is from the workers' compensation fund.

Sec. 5. **BUREAU OF MEDIATION SERVICES**

Subdivision 1. **Total Appropriation**	**$**	**1,850,000**	**$**	**1,877,000**
The amounts that may be spent for each purpose are specified in the following subdivisions.				
Subd. 2. **Mediation Services**		1,700,000		1,727,000
Subd. 3. **Labor Management Cooperation Grants**		150,000		150,000
$150,000 each year is for grants to area labor management committees. Grants may be awarded for a 12-month period beginning July 1 each year. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.				
Sec. 6. **WORKERS' COMPENSATION COURT OF APPEALS**	**$**	**1,663,000**	**$**	**1,710,000**
This appropriation is from the workers' compensation fund.				
Sec. 7. **BOARD OF ACCOUNTANCY**	**$**	**493,000**	**$**	**499,000**
Sec. 8. **BOARD OF ARCHITECTURE, ENGINEERING, LAND SURVEYING, LANDSCAPE ARCHITECTURE, GEOSCIENCE, AND INTERIOR DESIGN**	**$**	**795,000**	**$**	**805,000**
Sec. 9. **BOARD OF BARBER EXAMINERS**	**$**	**711,000**	**$**	**724,000**
Sec. 10. **MINNESOTA BOXING COMMISSION**	**$**	**50,000**	**$**	**-0-**
To transition the commission to being a self-funded entity.				

Sec. 11. **BIOSCIENCE ZONES DESIGNATION.**

The commissioner of employment and economic development must establish a criteria for expanding the zones. The criteria must limit designating a new zone to a community that has adequate resources and infrastructure to support bioindustry, including postsecondary institutions, strong health care systems, and existing bioscience companies. It must also require that a new zone be located on a transportation corridor.

Sec. 12. **NANOTECHNOLOGY DEVELOPMENT FUND PROGRAM.**

Subdivision 1. **Program established; purpose.** The nanotechnology development fund program (NDF) is established to develop a collaborative economic development initiative between the state of Minnesota, the private sector, and multiple academic institutions to promote by small businesses an increased use of advanced nanoinstrumentation for characterization, fabrication, and other related processes; provide research consulting by knowledgeable specialists; and provide student internship opportunities to increase nanotechnology experience by working with small, medium, or large Minnesota companies. The NDF program shall be administered by the Department of Employment and Economic Development and is not a state agency.

Subd. 2. **Definition; qualifying Minnesota small business.** "Qualifying Minnesota small business" means:

(1) a Minnesota small business corporation, sole proprietorship, or partnership that has fewer than 50 employees; or

(2) a Minnesota business corporation, sole proprietorship, or partnership that:

(i) has 51 to 100 employees; and

(ii) demonstrates current financial adversity or risk or a major prospect of aiding the business's long-term outlook by significant use of nanotechnology in the business's offerings.

Subd. 3. **Fund; grants.** The commissioner shall extend onetime matching grants from the NDF to qualifying Minnesota small businesses located throughout the state to:

(1) add nanotechnology applications to products that are being developed by Minnesota small businesses to enhance distinctiveness;

(2) promote the depth, breadth, and value of technologies being developed by Minnesota businesses with the aid of nanotechnology;

(3) encourage more frequent use of nanoinstrumentation to speed businesses' product time-to-market, with higher incidence of distinct product characteristics;

(4) provide Minnesota small businesses with broader access to experienced research consultants; and

(5) increase the number of researchers experienced in working with nanoinstrumentation.

Subd. 4. **Grant application and award procedure.** (a) The commissioner may give priority to applicants:

(1) whose intellectual property would benefit from utilization of nanoinstrumentation not possessed in-house;

(2) who are currently utilizing nanoinstrumentation either at the University of Minnesota or a private sector location on a leased, hourly basis; and

(3) who wish to increase their access to experienced research consultants.

(b) The commissioner shall decide whether to award a grant to an eligible applicant based on:

(1) the applicant's planned frequency of usage of nanoinstrumentation for characterization, fabrication, and other related processes; and

(2) the applicant's demonstration of rental of nanoinstrumentation, in the form of a signed affidavit from a certified facility to confirm the one-to-one private sector investment has been met.

(c) A grant made under this section must:

(1) include verification of matching rental fees or internship stipends paid by the grantee; and

(2) be for a total amount paid to each grantee of not less than $500 nor more than $20,000 within the biennium.

Subd. 5. **Administration.** The commissioner of employment and economic development must develop and maintain a record-keeping system that specifies how funds from the NDF are applied for and distributed. Businesses receiving grants from the NDF must provide contact information, the date and time of the use of the nanoinstrumentation, proof of their matching contribution to meet the rental costs or provide an internship's stipend, and a general statement of the expected outcome from the use of the nanoinstrumentation, to the extent documentation can be made without divulging proprietary information.

Subd. 6. **Gifts and donations.** Gifts and donations, including land or interests in land, may be made to NDF. Noncash gifts and donations must be disposed of for cash as soon as the commissioner of employment and economic development can prudently maximize the value of the gift or donation. All funds must be credited to the nanotechnology development fund. All interest earned by the fund must be credited to the NDF.

Subd. 7. **Report to legislature.** By June 30 of each odd-numbered year, the commissioner of employment and economic development must submit a report to the legislature with statistics about the use of the NDF.

Sec. 13. **WORK GROUP.**

The commissioner of employment and economic development shall convene a work group to evaluate the impact of the money appropriated for wage incentives and how the wage incentive program works. The work group is to make recommendations to the legislature by January 15, 2008.

ARTICLE 3
EMPLOYMENT AND DEVELOPMENT-RELATED PROVISIONS

Section 1. Minnesota Statutes 2006, section 116J.401, is amended by adding a subdivision to read:

Subd. 4. **Use of funds for unemployed worker assistance.** Payment of employee compensation costs from the Wagner-Peyser Act referenced in subdivision 1, clause (8), must be used to provide direct benefit to unemployed and underemployed workers through the state's workforce centers. At least 75 percent of the employee compensation paid from Wagner-Peyser funds must be used for employees at workforce centers who provide direct assistance to unemployed and underemployed workers and no more than 25 percent may be used for providing hiring and human resource services for employers. The funds under this section may be used to establish an internet based labor exchange system. By July 1 of each year, the commissioner must submit a report to the committees of the legislature responsible for oversight of unemployment insurance with details on the use of Wagner-Peyser funds, including the number of employee positions funded, the location of the employees, and the use of funds for internet labor exchange system and other business assistance.

Sec. 2. **[116J.417] GREATER MINNESOTA BUSINESS DEVELOPMENT INVESTMENT FUND.**

Subdivision 1. **Eligible organization.** For the purposes of this section, "eligible organization" means an organization established pursuant to section 116J.415 which provides business financing to greater Minnesota businesses.

Subd. 2. **Investment fund establishment.** The commissioner shall establish an investment fund from which fund investments can be made in eligible organizations. The funds repaid by the eligible organizations are to be returned to the fund for subsequent reinvestment in eligible organizations.

Subd. 3. **Authorized investments.** The commissioner is authorized to make investments in eligible organizations. The commissioner shall invest funds in the form of loans to eligible organizations for the purpose of providing capital to new and expanding businesses in the form of debt or equity, or both.

Subd. 4. **Investment authorized.** The commissioner may make investments in eligible organizations under the following terms:

(1) the organization seeking an investment of funds must guarantee repayment of not less than 100 percent of the funds invested in the eligible organization;

(2) the investments are to be made in the form of a loan to the eligible organization for a term of ten years, at an interest rate of one percent;

(3) during the ten-year term of the loan, the eligible organization shall make annual interest-only payments;

(4) at the end of the ten-year term, the eligible organization is required to make a payment in the entire principal amount of the initial loan;

(5) the state investment by the commissioner in any eligible organization may not exceed $2,000,000;

(6) the full amount of state investment will be advanced to the approved eligible organization upon execution of a formal investment agreement, specifying the terms of the loan, as well as reporting and other requirements outlined in subdivision 5;

(7) the eligible organization must maintain the funds in accounts that allow the funds to be readily available for business investments;

(8) the eligible organization must make business investments totaling the entire amount of funds loaned by the state within three years of the execution of the investment agreement and subsequent transmittal of the funds; and

(9) an eligible organization that receives an investment under this section shall report annually, in a format prescribed by the commissioner, the nature and amount of the business investments made, including, for each financing transaction involving funds received pursuant to this section, all forms and amounts of financing provided by the eligible organization from sources other than the investment fund established pursuant to this section, along with the number of jobs created and private sector investment leveraged.

Subd. 5. **Requirements for state investments.** All investments are subject to an investment agreement which must include:

(1) a description of the eligible organization, including business finance experience, qualifications, and investment history;

(2) a description of the uses of investment proceeds by the eligible organization;

(3) an explanation of the investment objectives;

(4) a description of accounting and reporting standards to be used by the eligible organization; and

(5) a copy of the most recent audited financial statements of the eligible organization.

Sec. 3. Minnesota Statutes 2006, section 116J.551, subdivision 1, is amended to read:

Subdivision 1. **Grant account.** A contaminated site cleanup and development grant account is created in the general fund. Money in the account may be used, as appropriated by law, to make grants as provided in section 116J.554 and to pay for the commissioner's costs in reviewing applications and making grants. Notwithstanding section 16A.28, money appropriated to the account for this program from any source is available ~~for four years~~ until spent.

Sec. 4. Minnesota Statutes 2006, section 116J.554, subdivision 2, is amended to read:

Subd. 2. **Qualifying sites.** A site qualifies for a grant under this section, if the following criteria are met:

(1) the site is not scheduled for funding during the current or next fiscal year under the Comprehensive Environmental Response, Compensation, and Liability Act, United States Code, title 42, section 9601, et seq. or under the Environmental Response, and Liability Act under sections 115B.01 to 115B.20;

~~(2) the appraised value of the site after adjusting for the effect on the value of the presence or possible presence of contaminants using accepted appraisal methodology, or the current market value of the site as issued under section 273.121, separately taking into account the effect of the contaminants on the market value, (i) is less than 75 percent of the estimated project costs for the site or (ii) is less than or equal to the estimated cleanup costs for the site and the cleanup costs equal or exceed $3 per square foot for the site; and~~

~~(3)~~ (2) if the proposed cleanup is completed, it is expected that the site will be improved with buildings or other improvements and these improvements will provide a substantial increase in the property tax base within a reasonable period of time or the site will be used for an important publicly owned or tax-exempt facility.

Sec. 5. Minnesota Statutes 2006, section 116J.555, subdivision 1, is amended to read:

Subdivision 1. **Priorities.** (a) The legislature expects that applications for grants will exceed the available appropriations and the agency will be able to provide grants to only some of the applicant development authorities.

(b) If applications for grants for qualified sites exceed the available appropriations, the agency shall make grants for sites that, in the commissioner's judgment, provide the highest return in public benefits for the public costs incurred and that meet all the requirements provided by law. In making this judgment, the commissioner shall consider the following factors:

(1) the recommendations or ranking of projects by the commissioner of the Pollution Control Agency regarding the potential threat to public health and the environment that would be reduced or eliminated by completion of each of the response action plans;

(2) the potential increase in the property tax base of the local taxing jurisdictions, considered relative to the fiscal needs of the jurisdictions, that will result from developments that will occur because of completion of each of the response action plans;

(3) the social value to the community of the cleanup and redevelopment of the site, including the importance of development of the proposed public facilities on each of the sites;

(4) the probability that each site will be cleaned up without use of government money in the reasonably foreseeable future by considering but not limited to the current market value of the site versus the cleanup cost;

(5) the amount of cleanup costs for each site; and

(6) the amount of the commitment of municipal or other local resources to pay for the cleanup costs.

The factors are not listed in a rank order of priority; rather the commissioner may weigh each factor, depending upon the facts and circumstances, as the commissioner considers appropriate. The commissioner may consider other factors that affect the net return of public benefits for completion of the response action plan. The commissioner, notwithstanding the listing of priorities and the goal of maximizing the return of public benefits, shall make grants that distribute available money to sites both within and outside of the metropolitan area. The commissioner shall provide a written statement of the supporting reasons for each grant. Unless sufficient applications are not received for qualifying sites outside of the metropolitan area, at least 25 percent of the money provided as grants must be made for sites located outside of the metropolitan area.

Sec. 6. Minnesota Statutes 2006, section 116J.575, subdivision 1, is amended to read:

Subdivision 1. **Commissioner discretion.** The commissioner may make a grant for up to 50 percent of the eligible costs of a project. The determination of whether to make a grant for a site is within the discretion of the commissioner, subject to this section and sections 116J.571 to 116J.574 and available unencumbered money in the redevelopment account. For grants made in fiscal years 2008 and 2009, at least 75 percent of the available grant funds must be used for grants in greater Minnesota. For grants made in fiscal year 2010 and later, at least 50 percent of the available grant funds must be used for grants in greater Minnesota. If the commissioner determines that the applications for grants for projects in greater Minnesota are less than the amount of grant funds available, the commissioner may make grants for projects anywhere in Minnesota. The commissioner's decisions and application of the priorities under this section are not subject to judicial review, except for abuse of discretion.

Sec. 7. Minnesota Statutes 2006, section 116J.575, subdivision 1a, is amended to read:

Subd. 1a. **Priorities.** (a) If applications for grants exceed the available appropriations, grants shall be made for sites that, in the commissioner's judgment, provide the highest return in public benefits for the public costs incurred. "Public benefits" include job creation, bioscience development, environmental benefits to the state and region, efficient use of public transportation, efficient use of existing infrastructure, provision of affordable housing, multiuse development that constitutes community rebuilding rather than single-use development, crime reduction, blight reduction, community stabilization, and property tax base maintenance or improvement. In making this judgment, the commissioner shall give priority to redevelopment projects with one or more of the following characteristics:

(1) the need for redevelopment in conjunction with contamination remediation needs;

(2) the redevelopment project meets current tax increment financing requirements for a redevelopment district and tax increments will contribute to the project;

(3) the redevelopment potential within the municipality;

(4) proximity to public transit if located in the metropolitan area; ~~and~~

(5) redevelopment costs related to expansion of a bioscience business in Minnesota; and

~~(5)~~ (6) multijurisdictional projects that take into account the need for affordable housing, transportation, and environmental impact.

(b) The factors in paragraph (a) are not listed in a rank order of priority; rather, the commissioner may weigh each factor, depending upon the facts and circumstances, as the commissioner considers appropriate. The commissioner may consider other factors that affect the net return of public benefits for completion of the redevelopment plan. The commissioner, notwithstanding the listing of priorities and the goal of maximizing the return of public benefits, shall make grants that distribute available money to sites both within and outside of the metropolitan area. Unless sufficient applications are not received for qualifying sites outside of the metropolitan area, at least 25 percent of the money provided as grants must be made for sites located outside of the metropolitan area.

Sec. 8. Minnesota Statutes 2006, section 116J.966, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) The commissioner shall promote, develop, and facilitate trade and foreign investment in Minnesota. In furtherance of these goals, and in addition to the powers granted by section 116J.035, the commissioner may:

(1) locate, develop, and promote international markets for Minnesota products and services;

(2) arrange and lead trade missions to countries with promising international markets for Minnesota goods, technology, services, and agricultural products;

(3) promote Minnesota products and services at domestic and international trade shows;

(4) organize, promote, and present domestic and international trade shows featuring Minnesota products and services;

(5) host trade delegations and assist foreign traders in contacting appropriate Minnesota businesses and investments;

(6) develop contacts with Minnesota businesses and gather and provide information to assist them in locating and communicating with international trading or joint venture counterparts;

(7) provide information, education, and counseling services to Minnesota businesses regarding the economic, commercial, legal, and cultural contexts of international trade;

(8) provide Minnesota businesses with international trade leads and information about the availability and sources of services relating to international trade, such as export financing, licensing, freight forwarding, international advertising, translation, and custom brokering;

(9) locate, attract, and promote foreign direct investment and business development in Minnesota to enhance employment opportunities in Minnesota;

(10) provide foreign businesses and investors desiring to locate facilities in Minnesota information regarding sources of governmental, legal, real estate, financial, and business services;

(11) enter into contracts or other agreements with private persons and public entities, including agreements to establish and maintain offices and other types of representation in foreign countries, to carry out the purposes of promoting international trade and attracting investment from foreign countries to Minnesota and to carry out this section, without regard to section 16C.06; and

(12) market trade-related materials to businesses and organizations, and the proceeds of which must be placed in a special revolving account and are appropriated to the commissioner to prepare and distribute trade-related materials.

(b) The programs and activities of the commissioner of employment and economic development and the Minnesota Trade Division may not duplicate programs and activities of the commissioner of agriculture.

(c) The commissioner shall notify the chairs of the senate Finance and house Ways and Means Committees of each agreement under this subdivision to establish and maintain an office or other type of representation in a foreign country.

<u>(d) The Minnesota Trade Office shall serve as the state's office of protocol providing assistance to official visits by foreign government representatives and shall serve as liaison to the foreign diplomatic corps in Minnesota.</u>

Sec. 9. Minnesota Statutes 2006, section 116L.01, is amended by adding a subdivision to read:

<u>Subd. 4.</u> <u>**Workforce development intermediaries.**</u> <u>"Workforce development intermediaries" means public, private, or nonprofit entities that provide employment services to low-income individuals and have a demonstrated track record bringing together employers and workers, private and public funding streams, and other stakeholders to implement pathways to career advancement for low-income individuals. Entities may include, but are not limited to, nonprofit organizations, educational institutions, or the administrative entity of a local workforce service area.</u>

Sec. 10. Minnesota Statutes 2006, section 116L.04, subdivision 1a, is amended to read:

Subd. 1a. **Pathways program.** The pathways program may provide grants-in-aid for developing programs which assist in the transition of persons from welfare to work and assist individuals at or below 200 percent of the federal poverty guidelines. The program is to be operated by the board. The board shall consult and coordinate with program administrators at the Department of Employment and Economic Development to design and provide services for temporary assistance for needy families recipients.

Pathways grants-in-aid may be awarded to educational or other nonprofit training institutions<u> or to workforce development intermediaries</u> for education and training programs and services supporting education and training programs that serve eligible recipients.

Preference shall be given to projects that:

(1) provide employment with benefits paid to employees;

(2) provide employment where there are defined career paths for trainees;

(3) pilot the development of an educational pathway that can be used on a continuing basis for transitioning persons from welfare to work; and

(4) demonstrate the active participation of Department of Employment and Economic Development workforce centers, Minnesota State College and University institutions and other educational institutions, and local welfare agencies.

Pathways projects must demonstrate the active involvement and financial commitment of private business. Pathways projects must be matched with cash or in-kind contributions on at least a ~~one-to-one~~ one-half-to-one ratio by participating private business.

A single grant to any one institution shall not exceed $400,000. A portion of a grant may be used for preemployment training.

Sec. 11. Minnesota Statutes 2006, section 116L.17, subdivision 1, is amended to read:

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

(b) "Commissioner" means the commissioner of employment and economic development.

(c) "Dislocated worker" means an individual who is a resident of Minnesota at the time employment ceased or was working in the state at the time employment ceased and:

(1) has been permanently separated or has received a notice of permanent separation from public or private sector employment and is eligible for or has exhausted entitlement to unemployment benefits, and is unlikely to return to the previous industry or occupation;

(2) has been long-term unemployed and has limited opportunities for employment or reemployment in the same or a similar occupation in the area in which the individual resides, including older individuals who may have substantial barriers to employment by reason of age;

(3) has been terminated or has received a notice of termination of employment as a result of a plant closing or a substantial layoff at a plant, facility, or enterprise;

(4) has been self-employed, including farmers and ranchers, and is unemployed as a result of general economic conditions in the community in which the individual resides or because of natural disasters; or

~~(4)~~ (5) is a displaced homemaker. A "displaced homemaker" is an individual who has spent a substantial number of years in the home providing homemaking service and (i) has been dependent upon the financial support of another; and now due to divorce, separation, death, or disability of that person, must find employment to self support; or (ii) derived the substantial share of support from public assistance on account of dependents in the home and no longer receives such support.

To be eligible under this clause, the support must have ceased while the worker resided in Minnesota.

(d) "Eligible organization" means a state or local government unit, nonprofit organization, community action agency, business organization or association, or labor organization.

(e) "Plant closing" means the announced or actual permanent shutdown of a single site of employment, or one or more facilities or operating units within a single site of employment.

(f) "Substantial layoff" means a permanent reduction in the workforce, which is not a result of a plant closing, and which results in an employment loss at a single site of employment during any 30-day period for at least 50 employees excluding those employees that work less than 20 hours per week.

Sec. 12. Minnesota Statutes 2006, section 116L.20, subdivision 1, is amended to read:

Subdivision 1. **Determination and collection of special assessment.** (a) In addition to amounts due from an employer under the Minnesota unemployment insurance program, each employer, except an employer making reimbursements is liable for a special assessment levied at the rate of .10 percent per year ~~for calendar years 2006 and 2007~~ on all taxable wages, as defined in section 268.035, subdivision 24. ~~Beginning January 1, 2008, the special assessment shall be levied at a rate of .085 percent per year on all taxable wages.~~ The assessment shall become due and be paid by each employer on the same schedule and in the same manner as other amounts due from an employer under section 268.051, subdivision 1.

(b) The special assessment levied under this section shall be subject to the same requirements and collection procedures as any amounts due from an employer under the Minnesota unemployment insurance program.

Sec. 13. Minnesota Statutes 2006, section 116L.666, subdivision 1, is amended to read:

Subdivision 1. **Designation of workforce service areas.** For the purpose of administering federal, state, and local employment and training services, the commissioner shall designate the geographic boundaries for workforce service areas in Minnesota.

The commissioner shall approve a request to be a workforce service area from:

(1) a home rule charter or statutory city with a population of 200,000 or more or a county with a population of 200,000 or more; or

(2) a consortium of contiguous home rule charter or statutory cities or counties with an aggregate population of 200,000 or more that serves a substantial part of one or more labor markets.

The commissioner may approve a request to be a workforce service area from a home rule charter or statutory city or a county or a consortium of contiguous home rule charter or statutory cities or counties, without regard to population, that serves a substantial portion of a labor market area.

The commissioner shall make a final designation of workforce service areas within the state after consulting with local elected officials and the governor's Workforce Development Council. Existing service delivery areas designated under the federal Job Training Partnership Act shall be initially designated as workforce service areas providing that no other petitions are submitted by local elected officials.

The commissioner may redesignate workforce service areas<u>, upon the advice and consent of the affected local elected officials,</u> no more frequently than every two years. These redesignations must be made not later than four months before the beginning of a program year.

Sec. 14. Minnesota Statutes 2006, section 116M.18, subdivision 6a, is amended to read:

Subd. 6a. **Nonprofit corporation loans.** The board may make loans to a nonprofit corporation with which it has entered into an agreement under subdivision 1. These loans must be used to support a new or expanding business. This support may include such forms of financing as the sale of goods to the business on installment or deferred payments, lease purchase agreements, or royalty investments in the business. <u>The interest rate charged by a nonprofit corporation for a loan under this subdivision must not exceed the Wall Street Journal prime rate plus four percent. For a loan under this subdivision, the nonprofit corporation may charge a loan origination fee equal to or less than one percent of the loan value. The nonprofit corporation may retain the amount of the origination fee.</u> The nonprofit corporation must provide at least an equal match to the loan received by the board. The maximum loan available to the nonprofit corporation under this subdivision is $50,000. Loans made to the nonprofit corporation under this subdivision may be made without interest. Repayments made by the nonprofit corporation must be deposited in the revolving fund created for urban initiative grants.

Sec. 15. <u>**[116O.115] SMALL BUSINESS GROWTH ACCELERATION PROGRAM.**</u>

Subdivision 1. **Establishment; purpose.** The small business growth acceleration program is established. The purpose of the program is to (1) help qualified companies implement technology and business improvements; and (2) bridge the gap between standard market pricing for technology and business improvements and what qualified companies can afford to pay.

Subd. 2. **Qualified company.** A company is qualified to receive assistance under the small business growth acceleration program if it is a manufacturing company or a manufacturing-related service company that employs 100 or fewer full-time equivalent employees.

Subd. 3. **Applications for assistance.** A company seeking assistance under the small business growth acceleration program must file an application according to the requirements of the corporation. A company's application for small business growth acceleration program assistance must include documentation of the company's overall plan for technology and business improvement and prioritize the components of the overall plan. The application must also document the company's need for small business growth acceleration program funds in order to carry forward the highest priority components of the plan.

Subd. 4. **Fund awards; use of funds.** (a) The corporation shall establish procedures for determining which applicants for assistance under the small business growth acceleration program will receive program funding. Funding shall be awarded only to accelerate a qualified company's adoption of needed technology or business improvements when the corporation concludes that it is unlikely the improvements could be accomplished in any other way.

(b) The maximum amount of funds awarded to a qualified company under the small business growth acceleration program for a particular project must not exceed 50 percent of the total cost of a project and must not under any circumstances exceed $25,000 during a calendar year. The corporation shall not award to a qualified company small business growth acceleration program funds in excess of $50,000 per year.

(c) Any funds awarded to a qualified company under the small business growth acceleration program must be used for business services and products that will enhance the operation of the company. These business services and products must come either directly from the corporation or from a network of expert providers identified and approved by the corporation. No company receiving small business growth acceleration program funds may use the funds for refinancing, overhead costs, new construction, renovation, equipment, or computer hardware.

(d) Any funds awarded must be disbursed to the qualified company as reimbursement documented according to requirements of the corporation.

Subd. 5. **Service agreements.** The corporation shall enter a written service agreement with each company awarded funds under the small business growth acceleration program. Each service agreement shall clearly articulate the company's need for service, state the cost of the service, identify who will provide the service, and define the scope of the service that will be provided. The service agreement must also include an estimate of the financial impact of the service on the company and require the company to report the actual financial impact of the service to the corporation 24 months after the service is provided.

Subd. 6. **Reporting.** The corporation shall report annually to the legislative committees with fiscal jurisdiction over the Department of Employment and Economic Development:

(1) the funds awarded under the small business growth acceleration program during the past 12 months;

(2) the estimated financial impact of the funds awarded to each company receiving service under the program; and

(3) the actual financial impact of funds awarded during the past 24 months.

Sec. 16. **[179.86] PACKINGHOUSE WORKERS BILL OF RIGHTS.**

Subdivision 1. **Definitions.** For the purposes of this section and section 179.87:

(1) "employer" means any person or business entity having 25 or more employees in the meatpacking industry; and

(2) "meatpacking industry" means business operations in which slaughtering, butchering, meat canning, meat packing, meat manufacturing, poultry canning, poultry packing, poultry manufacturing, pet food manufacturing, processing of meatpacking products, or rendering is carried on. Meatpacking products include livestock and poultry products.

Subd. 2. **Right to adequate facilities.** An employer must provide its employees:

(1) adequate and working restroom facilities;

(2) adequate room for meal and rest breaks;

(3) adequate locker facilities; and

(4) adequate time for necessary restroom and meal breaks as required under chapter 177; United States Code, title 29, chapter 15; and United States Code, title 42, chapter 126, or a valid collective bargaining agreement.

Subd. 3. **Right to adequate equipment and training.** An employer must furnish its employees with equipment and training that is adequate to perform the job task assigned. An employer must make ongoing skill development and training opportunities, including supervisory training, available to employees.

Subd. 4. **Information provided to employee by employer.** (a) An employer must provide an explanation in an employee's native language of the employee's rights and duties as an employee either person-to-person or through written materials as required by state or federal law, or a valid collective bargaining agreement that, at a minimum, includes:

(1) a complete description of the salary and benefits plans as they relate to the employee as required under chapter 181;

(2) a job description for the employee's position as required under chapter 181;

(3) a description of leave policies as required under chapter 181 and United States Code, title 29, chapter 28;

(4) a description of the work hours and work hours policy as required under chapter 181; United States Code, title 29, chapter 201; or a valid collective bargaining agreement; and

(5) a description of the occupational hazards known to exist for the position as required under chapters 181 and 182 and United States Code, title 29, chapter 15.

(b) The explanation must also include information on the following employee rights as protected by state or federal law and a description of where additional information about those rights may be obtained:

(1) the right to organize and bargain collectively as required under this chapter and chapter 177, and United States Code, title 29, chapter 7;

(2) the right to a safe workplace as required under chapters 181 and 182 and United States Code, title 29, chapter 15; and

(3) the right to be free from discrimination as required under this chapter and chapters 181, 182, and 363A, and United States Code, title 42, chapter 21.

Subd. 5. **Civil action.** A person aggrieved as a result of a violation of this section may file suit in any district court of this state. If the court finds that the respondent has intentionally violated this section, the court may award damages up to and including an amount equal to the original damages and may provide injunctive relief.

Subd. 6. **Criminal penalty.** An employer who violates this section is guilty of a misdemeanor.

Sec. 17. **[179.87] MEATPACKING INDUSTRY WORKERS RIGHTS OMBUDSMAN.**

Subdivision 1. **Position established.** The position of meatpacking industry workers rights ombudsman is established within the Department of Labor and Industry. The ombudsman shall be an employee of the department. The ombudsman shall be appointed by the commissioner in consultation with the chairs of the standing committees of the senate and house of representatives with jurisdiction over labor and employment issues in accordance with the preference established in subdivision 5.

Subd. 2. **Duties.** The ombudsman shall inspect and review the practices and procedures of meatpacking operations in the state. The ombudsman shall work to ensure workers rights under section 179.86 are protected.

Subd. 3. **Access.** The ombudsman or designated representatives of the ombudsman shall have access to all meatpacking operations in the state at any time meatpacking products are being processed and industry workers are on the job.

Subd. 4. **Office.** Necessary office space, furniture, equipment, and supplies as well as necessary assistance for the ombudsman shall be provided by the Department of Labor and Industry.

Subd. 5. **Language preference.** Preference shall be given to applicants for the ombudsman position who are fluent in languages in addition to English.

Subd. 6. **Report.** The ombudsman shall, on or before December 1 of each year, submit a report to the members of the legislature and the governor regarding any recommended actions the ombudsman deems necessary or appropriate to provide for the fair treatment of workers in the meatpacking industry.

Sec. 18. Minnesota Statutes 2006, section 181.78, is amended by adding a subdivision to read:

Subd. 4. **Forfeiture of employer rights.** (a) This subdivision applies to an invention or proposal by an employee in which the employer has an enforceable interest by contract or otherwise.

(b) An employer who has a right to develop or utilize an invention or proposal must make a substantial investment in the invention or proposal within five years of the submission of the invention or proposal or forfeit all rights and interests in the invention or proposal to the employee.

(c) An employee who has acquired the rights and interests of an employer under paragraph (b) may transfer that interest in the invention or proposal to anyone.

(d) An employer must notify in writing an employee who submits an invention or proposal to the employer of the employee's right under this subdivision within ten days of the submission. The employer must date and describe the proposal or invention received by the employer and provide a copy to the employee.

Sec. 19. **[181A.115] PROHIBITED EMPLOYMENT RELATING TO THE PRESENCE OF LIQUOR.**

No minor under the age of 18 shall be employed in any rooms constituting the place in which intoxicating liquors or 3.2 percent malt liquors are served or consumed or in any tasks involving the serving, dispensing, or handling of such liquors that are consumed on the premises except that:

(1) minors who have reached the age of 16 may be employed to perform busing or dishwashing services in those rooms or areas of a restaurant, hotel, motel, or resort where the presence of intoxicating liquor is incidental to food service or preparation;

(2) minors who have reached the age of 16 may be employed to perform busing or dishwashing services or to provide waiter or waitress service in rooms or areas where the presence of 3.2 percent malt liquor is incidental to food service or preparation;

(3) minors who have reached the age of 16 may be employed to provide musical entertainment in those rooms or areas where the presence of intoxicating liquor and 3.2 percent malt liquor is incidental to food service or preparation; and

(4) minors are not prevented from working at tasks which are not prohibited by law in establishments where liquor is sold, served, dispensed, or handled in those rooms or areas where no liquor is consumed or served.

Sec. 20. Minnesota Statutes 2006, section 182.65, subdivision 2, is amended to read:

Subd. 2. **Legislative findings and purpose.** The legislature finds that the burden on employers and employees of this state resulting from personal injuries and illnesses arising out of work situations is substantial; that the prevention of these injuries and illnesses is an important objective of the government of this state; that the greatest hope of attaining this objective lies in programs of research and education, and in the earnest cooperation of government, employers and employees; and that a program of regulation and enforcement is a necessary supplement to these more basic programs.

The legislature declares it to be its purpose and policy through the exercise of its powers to assure so far as possible every worker in the state of Minnesota safe and healthful working conditions and to preserve our human resources by:

(a) authorizing the Occupational Safety and Health Advisory Council to advise, consult with or recommend on any matters relating to the Minnesota occupational safety and health plan to the commissioner of labor and industry and by authorizing the commissioner of labor and industry to promulgate and enforce mandatory occupational safety and health standards applicable to employers and employees in the state of Minnesota;

(b) encouraging employers and employees to increase their efforts to reduce the number of occupational safety and health hazards at their places of employment, and to stimulate employers and employees to institute new and to perfect existing programs for providing safe and healthful working conditions;

(c) providing that employers and employees have separate but dependent responsibilities and rights with respect to achieving safe and healthful working conditions;

(d) providing for research in the field of occupational safety and health; including the psychological factors involved, and by developing innovative methods, techniques, and approaches for dealing with occupational safety and health problems;

(e) exploring ways to discover latent diseases, establishing causal connections between diseases and work in environmental conditions, and conducting other research relating to health problems, in recognition of the fact that occupational health standards present problems often different from those involved in occupational safety;

(f) utilizing advances already made by federal laws and regulations providing safe and healthful working conditions;

(g) providing criteria which will assure insofar as practicable that no employee will suffer diminished health, functional capacity, or life expectancy as a result of work experience;

(h) providing an effective enforcement program which shall include <u>locating enforcement personnel in areas of the state with a higher incidence of workplace fatalities, injuries, and complaints and</u> a prohibition against giving advance notice of an inspection and sanctions for any individual violating this prohibition;

(i) providing for appropriate reporting procedures with respect to occupational safety and health, which procedures will help achieve the objectives of this chapter and accurately describe the nature of the occupational safety and health problem;

(j) encouraging joint labor-management efforts to reduce injuries and diseases arising out of employment;

(k) providing consultation to employees and employers which will aid them in complying with their responsibilities under this chapter where such consultation does not interfere with the effective enforcement of this chapter; and

(l) providing for training programs to increase the number and competence of personnel engaged in the field of occupational safety and health.

Sec. 21. **[182.6551] CITATION.**

Sections 182.6551 to 182.6553 may be cited as the "Safe Patient Handling Act."

Sec. 22. **[182.6552] DEFINITIONS.**

Subdivision 1. **Direct patient care worker.** "Direct patient care worker" means an individual doing the job of directly providing physical care to patients including nurses, as defined by section 148.171, who provide physical care to patients.

Subd. 2. **Health care facility.** "Health care facility" means a hospital as defined in section 144.50, subdivision 2; an outpatient surgical center as defined in section 144.55, subdivision 2; and a nursing home as defined in section 144A.01, subdivision 5.

Subd. 3. **Safe patient handling.** "Safe patient handling" means a process, based on scientific evidence on causes of injuries, that uses safe patient handling equipment rather than people to transfer, move, and reposition patients in all health care facilities to reduce workplace injuries. This process also reduces the risk of injury to patients.

Subd. 4. **Safe patient handling equipment.** "Safe patient handling equipment" means engineering controls, lifting and transfer aids, or mechanical assistive devices used by nurses and other direct patient care workers instead of manual lifting to perform the acts of lifting, transferring, and repositioning health care facility patients and residents.

Sec. 23. **[182.6553] SAFE PATIENT HANDLING PROGRAM.**

Subdivision 1. **Safe patient handling program required.** (a) By July 1, 2008, every licensed health care facility in the state shall adopt a written safe patient handling policy establishing the facility's plan to achieve by January 1, 2011, the goal of minimizing manual lifting of patients by nurses and other direct patient care workers by utilizing safe patient handling equipment.

(b) The program shall address:

(1) assessment of hazards with regard to patient handling;

(2) the acquisition of an adequate supply of appropriate safe patient handling equipment;

(3) initial and ongoing training of nurses and other direct patient care workers on the use of this equipment;

(4) procedures to ensure that physical plant modifications and major construction projects are consistent with program goals; and

(5) periodic evaluations of the safe patient handling program.

Subd. 2. **Safe patient handling committee.** (a) By July 1, 2008, every licensed health care facility in the state shall establish a safe patient handling committee either by creating a new committee or assigning the functions of a safe patient handling committee to an existing committee.

(b) Membership of a safe patient handling committee or an existing committee must meet the following requirements:

(1) at least half the members shall be nonmanagerial nurses and other direct patient care workers; and

(2) in a health care facility where nurses and other direct patient care workers are covered by a collective bargaining agreement, the union shall select the committee members proportionate to its representation of nonmanagerial workers, nurses, and other direct patient care workers.

(c) A health care organization with more than one covered health care facility may establish a committee at each facility or one committee to serve this function for all the facilities. If the organization chooses to have one overall committee for multiple facilities, at least half of the members of the overall committee must be nonmanagerial nurses and other direct patient care workers and each facility must be represented on the committee.

(d) Employees who serve on a safe patient handling committee must be compensated by their employer for all hours spent on committee business.

Subd. 3. **Facilities with existing programs.** A facility that has already adopted a safe patient handling policy that satisfies the requirements of subdivision 1, and established a safe patient handling committee by July 1, 2008, is considered to be in compliance with those requirements. The committee must continue to satisfy the requirements of subdivision 2, paragraph (b), on an ongoing basis.

Subd. 4. **Committee duties.** A safe patient handling committee shall:

(1) complete a patient handling hazard assessment that:

(i) considers patient handling tasks, types of nursing units, patient populations, and the physical environment of patient care areas;

(ii) identifies problems and solutions;

(iii) identifies areas of highest risk for lifting injuries; and

(iv) recommends a mechanism to report, track, and analyze injury trends;

(2) make recommendations on the purchase, use, and maintenance of an adequate supply of appropriate safe patient handling equipment;

(3) make recommendations on training of nurses and other direct patient care workers on use of safe patient handling equipment, initially when the equipment arrives at the facility and periodically afterwards;

(4) conduct annual evaluations of the safe patient handling implementation plan and progress toward goals established in the safe patient handling policy; and

(5) recommend procedures to ensure that, when remodeling of patient care areas occurs, the plans incorporate safe patient handling equipment or the physical space and construction design needed to accommodate safe patient handling equipment at a later date.

Subd. 5. **Training materials.** The commissioner shall make training materials on implementation of this section available to all health care facilities at no cost as part of the training and education duties of the commissioner under section 182.673.

Subd. 6. **Enforcement.** This section shall be enforced by the commissioner under section 182.661. A violation of this section is subject to the penalties provided under section 182.666.

Subd. 7. **Grant program.** The commissioner may make grants to health care facilities to acquire safe patient handling equipment and for training on safe patient handling and safe patient handling equipment. Grants to any one facility may not exceed $40,000. A grant must be matched on a dollar-for-dollar basis by the grantee. The commissioner shall establish a grant application process. The commissioner may give priority for grants to facilities that demonstrate that acquiring safe patient handling equipment will impose a financial hardship on the facility. For health care facilities that provide evidence of hardship, the commissioner may waive the 50 percent match requirement and may grant such a facility more than $40,000. Health care facilities that the commissioner determines are experiencing hardship shall not be required to meet the safe patient handling requirements until July 1, 2012.

Sec. 24. Minnesota Statutes 2006, section 268.085, subdivision 3, is amended to read:

Subd. 3. **Payments that delay unemployment benefits.** (a) An applicant shall not be eligible to receive unemployment benefits for any week with respect to which the applicant is receiving, has received, or has filed for payment, equal to or in excess of the applicant's weekly unemployment benefit amount, in the form of:

(1) vacation pay paid upon temporary, indefinite, or seasonal separation. This clause shall not apply to vacation pay paid upon a permanent separation from employment;

(2) severance pay, bonus pay, sick pay, and any other money payments, except earnings under subdivision 5, and back pay under subdivision 6, paid by an employer because of, upon, or after separation from employment, but only if the money payment is

considered wages at the time of payment under section 268.035, subdivision 29, or United States Code, title 26, section 3121, clause (2), of the Federal Insurance Contribution Act~~;~~. This clause does not apply to the first $10,000 of any amount of severance pay, bonus pay, sick pay, or any other payments paid to an employee with annual salary or wages under $75,000; or

(3) pension, retirement, or annuity payments from any plan contributed to by a base period employer including the United States government, except Social Security benefits which are provided for in subdivision 4. The base period employer contributed to the plan if the contribution is excluded from the definition of wages under section 268.035, subdivision 29, clause (1), or United States Code, title 26, section 3121, clause (2), of the Federal Insurance Contribution Act.

An applicant shall not be considered to have received the lump sum payment if the applicant immediately deposits that payment in a qualified pension plan or account; or

(4) holiday pay.

(b) This subdivision shall apply to all the weeks of payment and shall be applied to the period immediately following the last day of employment. The number of weeks of payment shall be determined as follows:

(1) if the payments are made periodically, the total of the payments to be received shall be divided by the applicant's last level of regular weekly pay from the employer; or

(2) if the payment is made in a lump sum, that sum shall be divided by the applicant's last level of regular weekly pay from the employer.

(c) If the payment is less than the applicant's weekly unemployment benefit amount, unemployment benefits shall be reduced by the amount of the payment. If the computation of reduced unemployment benefits is not a whole dollar, it shall be rounded down to the next lower whole dollar.

EFFECTIVE DATE. This section is effective for unemployment benefits paid on or after January 1, 2006, regardless of when the continued request was filed or the week for which the unemployment benefits are paid.

Sec. 25. Minnesota Statutes 2006, section 268.196, is amended by adding a subdivision to read:

Subd. 5. **Unemployment insurance benefits telephone system.** The commissioner must ensure that the telephone system used for unemployment insurance benefits provides an option for any caller to speak to an unemployment insurance specialist. An individual who calls any of the publicized telephone numbers seeking information about applying for benefits or on the status of a claim must have the option to speak on the telephone to a

<u>specialist who can provide direct assistance or can direct the caller to the person or office that is able to respond to the caller's needs.</u>

Sec. 26. Minnesota Statutes 2006, section 268A.01, subdivision 13, is amended to read:

Subd. 13. **Supported employment.** <u>(a)</u> "Supported employment" means employment of a person with a disability so severe that the person needs ongoing training and support to get and keep a job in which:

(1) the person engages in paid work in a position removed from the service vendor's site where individuals without disabilities who do not require public subsidies also may be employed;

(2) public funds are necessary to provide ongoing training and support services throughout the period of the person's employment; and

(3) the person has the opportunity for social interaction with individuals who do not have disabilities and who are not paid caregivers.

<u>(b) If the commissioner has certified a rehabilitation facility setting as integrated, then employment at that site may be considered supported employment.</u>

Sec. 27. Minnesota Statutes 2006, section 268A.01, is amended by adding a subdivision to read:

<u>Subd. 14.</u> <u>**Affirmative business enterprise employment.**</u> <u>"Affirmative business enterprise employment" means employment which provides paid work on the premises of an affirmative business enterprise as certified by the commissioner.</u>

<u>Affirmative business enterprise employment is considered community employment for purposes of funding under Minnesota Rules, parts 3300.1000 to 3300.2055, provided that the wages for individuals reported must be at or above customary wages for the same employer. The employer must also provide one benefit package that is available to all employees.</u>

Sec. 28. Minnesota Statutes 2006, section 268A.085, subdivision 1, is amended to read:

Subdivision 1. **Appointment; membership.** Every city, town, county, nonprofit corporation, or combination thereof establishing a rehabilitation facility shall appoint a rehabilitation facility board of no fewer than ~~nine~~ <u>seven voting</u> members before becoming eligible for the assistance provided by sections 268A.06 to 268A.15. When any city, town, or county singly establishes such a rehabilitation facility, the board shall be appointed by the chief executive officer of the city or the chair of the governing board of the county or town. When any combination of cities, towns, counties, or nonprofit corporations establishes a rehabilitation facility, the chief executive officers of the cities, nonprofit corporations, and the chairs of the governing bodies of the counties or towns shall appoint the board. If a nonprofit corporation singly establishes a rehabilitation facility, the corporation shall appoint the board of directors. Membership on a board shall be representative of the community served and shall include a person with a disability. ~~One-third to one-half of the board shall be representative of industry or business. The remaining members should be representative of lay associations for persons with a disability, labor, the general public, and education, welfare, medical, and health professions. Nothing in sections 268A.06 to 268A.15 shall be construed to preclude the appointment of elected or appointed public officials or members of the board of directors of the sponsoring nonprofit corporation to the board, so long as the representation described above is preserved.~~ If a county establishes an extended employment program and manages the program with county employees, the governing board shall be the county board of commissioners, and other provisions of this chapter pertaining to membership on the governing board do not apply.

Sec. 29. Minnesota Statutes 2006, section 268A.15, is amended by adding a subdivision to read:

Subd. 9. **Integrated setting.** At the commissioner's discretion, paid work on the premises of a rehabilitation facility may be certified as an integrated setting after a site review by the department.

Sec. 30. Minnesota Statutes 2006, section 462.39, is amended by adding a subdivision to read:

Subd. 5. **Local planning assistance.** A regional development commission or, in regions not served by regional development commissions, a regional organization selected by the commissioner of employment and economic development, may develop a program to support planning on behalf of local units of government. The local planning must be related to issues of regional or statewide significance and may include, but is not limited to, the following:

(1) local planning and development assistance, which may include local zoning ordinances and land use plans;

(2) community or economic development plans, which may include workforce development plans, housing development plans and market analysis, JOBZ administration, grant writing assistance, and grant administration;

(3) environment and natural resources plans, which may include solid waste management plans, wastewater management plans, and renewable energy development plans;

(4) rural community health services; and

(5) development of geographical information systems to serve regional needs, including hardware and software purchases and related labor costs.

Each regional development commission or organization shall submit to the commissioner of employment and economic development an annual work program that outlines the work items for the upcoming year and establishes the relationship of the work items to development issues of regional or statewide significance. The entity completing the annual work program and identifying the statewide development issues shall consider input from the Departments of Employment and Economic Development, Natural Resources, Transportation, Agriculture, Commerce, and other state agencies as appropriate to the issues.

Sec. 31. **WORKFORCE ENHANCEMENT FEE.**

If the commissioner of employment and economic development determines that the need for services under the dislocated worker program substantially exceeds the resources that will be available for the program, the commissioner may increase the special assessment levied under Minnesota Statutes, section 116L.20, subdivision 1, to no more than .12 percent of taxable wages.

Sec. 32. **FEDERAL PROCUREMENT LIAISON.**

The commissioner of employment and economic development must establish and operate a technology and commercialization unit in the Department of Employment and Economic Development. Appropriation for this purpose must be used to: coordinate public and private efforts to procure federal funding for collaborative research and development projects of primary benefit to small- and medium-sized businesses; promote contractual relationships between Minnesota businesses who, as recipients of federal grants, are prime contractors, and appropriate Minnesota-based subcontractors; assess the research and development capabilities of small- and medium-sized businesses; undertake referral activities to link Minnesota companies with federal requests for proposal opportunities; and develop a framework for Minnesota companies to establish sole-sourcing relationships with federal agencies.

The commissioner must report to the committees in the house of representatives and the senate having jurisdiction over bioscience and technology issues on the activities of the technology and commercialization unit by June 30 of each year.

Sec. 33. **LOCATION OF NORTHERN MINNESOTA INSPECTORS.**

By December 31, 2007, the commissioner of labor and industry must assign three occupational safety and health inspectors to one or more offices on the Iron Range and one inspector to an office in Bemidji.

Sec. 34. **ROLE OF STATE LEGISLATURE IN TRADE POLICY.**

(a) It shall be the policy of the state that approval for the state to be bound by any trade agreement requires the consent of the state legislature.

(b) Four state legislative contacts must be informed by the governor when any trade agreement arrives in the governor's office. The four contacts are the majority and minority leader of the senate or their designated legislators, and the speaker and minority leader in the house of representatives or their designated legislators. The legislature declares that the purposes of the state contacts are to:

(1) serve as the state's official legislative liaisons with the governor and the state legislature on trade-related matters;

(2) serve as the legislature's designated recipients from the governor of federal requests for consent to consultation regarding investment, procurement, services, or other provisions of international trade agreements, which impinge on state law or regulatory authority reserved to the states;

(3) transmit information regarding federal requests from the governor to all appropriate legislative committees;

(4) issue a formal request to the Department of Employment and Economic Development and all appropriate state agencies to provide analysis of all proposed trade agreements' impact on state legislative authority and the economy of the state;

(5) inform all members of the legislature on a regular basis about ongoing trade negotiations and dispute settlement proceedings with implications for the state more generally;

(6) communicate the concerns of the legislature to the governor and the United States trade representative regarding ongoing and proposed trade negotiations; and

(7) notify the governor and the United States trade representative of the outcome of any legislative action.

(c) The following actions are required before the state shall consent to the terms of a trade agreement:

(1) when a federal trade request has been received, the governor must submit the request to the legislative contacts on a day both houses are in session. The request must contain a copy of the final legal text of the agreement together with:

(i) a report by the Department of Employment and Economic Development in consultation with, at a minimum, the following agencies: Department of Administration, Department of Labor and Industry, Department of Agriculture, Department of Natural Resources, and the Minnesota Pollution Control Agency. The report shall include an analysis of how the agreement of the state to the specific provisions of the agreement will change or affect existing state law;

(ii) a statement of any administrative action proposed to implement these trade agreement provisions in the state; and

(iii) a draft of legislation authorizing the state to sign on to the specific listed provisions of the agreement in question;

(2) at least one public hearing, with adequate public notice, shall occur before the legislature votes on the bill; and

(3) the bill authorizing the state to sign on to specific listed provisions of an agreement is enacted into law.

(d) It is the sense of this legislature that Congress should pass legislation instructing the United States trade representative to fully and formally consult individual state legislatures regarding procurement, services, investment, or any other trade agreement rules that impact state laws or authority before negotiations begin and as they develop, and to seek consent from state legislatures in addition to governors prior to binding states to conform their laws to the terms of international commercial agreements. Such legislation is necessary to ensure the prior informed consent of the state with regard to future international trade and investment agreements.

(e) The state attorney general shall notify the United States trade representative of the policies in paragraph (d) in writing no later than 30 days after its effective date, and shall provide copies of the notice to the president of the senate, speaker of the house of representatives, the governor, and the state's congressional delegation.

Sec. 35. **STUDY; SAFE PATIENT HANDLING.**

(a) The commissioner of labor and industry shall study ways to require workers' compensation insurers to recognize compliance with Minnesota Statutes, section 182.6553, in the workers' compensation premiums of health care and long-term care facilities. The commissioner shall report by January 15, 2008, the results of the study to the chairs of the policy committees of the legislature with primary jurisdiction over workers' compensation issues.

(b) By January 15, 2008, the commissioner must make recommendations to the legislature regarding funding sources available to health care facilities for safe patient handling programs and equipment, including, but not limited to, low interest loans, interest free loans, and federal, state, or county grants.

Sec. 36. **WORK GROUP; SAFE PATIENT HANDLING.**

The Minnesota State Council on Disability shall convene a work group comprised of representatives from the Minnesota Medical Association and other organizations representing clinics, disability advocates, and direct care workers, to do the following:

(1) assess the current options for and use of safe patient handling equipment in unlicensed outpatient clinics, physician offices, and dental settings;

(2) identify barriers to the use of safe patient handling equipment in these settings; and

(3) define clinical settings that move patients to determine applicability of the Safe Patient Handling Act.

The work group must report to the legislature by January 15, 2008, including reports to the chairs of the senate and house of representatives committees on workforce development.

Sec. 37. **EFFECT ON RULES.**

The commissioner of labor and industry shall amend Minnesota Rules, part 5200.0910, to conform to Minnesota Statutes, section 181A.115. The commissioner may use the good cause exemption in Minnesota Statutes, section 14.388, in adopting the amendment required by this section.

Sec. 38. **PUBLIC FACILITIES AUTHORITY FUNDING.**

To the greatest practical extent, projects on the Public Facilities Authority's 2007 intended use plan, the listings for which were based on the Pollution Control Agency's 2006 project priority list, shall be carried over to the 2008 intended use plan. Projects that qualified for funding from the Public Facilities Authority under Laws 2006, chapter 258, section 21, that could not be certified by the Pollution Control Agency by the applicable deadline shall have until May 1, 2008, or six months after the Minnesota Supreme Court issues an opinion in the cities of Maple Lake and Annandale matter, whichever is later, to obtain the required certification from the Pollution Control Agency.

Sec. 39. **REPEALER.**

Minnesota Statutes 2006, section 16C.18, subdivision 2, is repealed.

ARTICLE 4
LICENSING AND WAGES

Section 1. **[154.465] HAIR BRAIDING.**

Subdivision 1. **Registration.** Any person engaged in hair braiding solely for compensation as a profession, except persons licensed as cosmetologists, shall register with the Minnesota Board of Barber and Cosmetology Examiners in a form determined by the board.

Subd. 2. **Definition.** "Hair braiding" means a natural form of hair manipulation that results in tension on hair strands by beading, braiding, cornrowing, extending, lacing, locking, sewing, twisting, weaving, or wrapping human hair, natural fibers, synthetic fibers, and hair extensions into a variety of shapes, patterns, and textures predominantly by hand and by only using simple braiding devices, and maintenance thereof. Hair braiding includes what is commonly known as "African-style hair braiding" or "natural hair care" but is not limited to any particular cultural, ethnic, racial, or religious forms of hair styles. Hair braiding includes the making of customized wigs from natural hair, natural fibers, synthetic fibers, and hair extensions. Hair braiding includes the use of topical agents such as conditioners, gels, moisturizers, oils, pomades, and shampoos. Hair braiding does not involve the use of penetrating chemical hair treatments, chemical hair coloring agents, chemical hair straightening agents, chemical hair joining agents, permanent wave styles, or chemical hair bleaching agents applied to growing human hair. For purposes of this section, "simple hair braiding devices" means clips, combs, curlers, curling irons, hairpins, rollers, scissors, needles, thread, and hair binders including adhesives, if necessary, that are required solely for hair braiding.

Subd. 3. **Requirements.** In order to qualify for initial registration, any person engaged in hair braiding solely for compensation as a profession shall satisfactorily complete instruction at either an accredited school or by an individual, except persons licensed as cosmetologists approved by the board. Instruction includes coursework covering the topics of health, safety, sanitation, and state laws related to cosmetology not to exceed 30 hours. The coursework is encouraged to be provided in a foreign language format and such availability shall be reported to and posted by the Minnesota Board of Barber and Cosmetology Examiners.

Subd. 4. **Curriculum.** An accredited school or an individual approved by the board desiring to provide the coursework required under subdivision 3 shall have curriculum in place by January 1, 2008.

EFFECTIVE DATE. This section is effective July 1, 2008, except subdivision 4 is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2006, section 177.27, subdivision 1, is amended to read:

Subdivision 1. **Examination of records.** The commissioner may enter during reasonable office hours or upon request and inspect the place of business or employment of any employer of employees working in the state, to examine and inspect books, registers, payrolls, and other records of any employer that in any way relate to wages, hours, and other conditions of employment of any employees. The commissioner may transcribe any or all of the books, registers, payrolls, and other records as the commissioner deems necessary or appropriate and may question the employees to ascertain compliance with sections 177.21 to ~~177.35~~ 177.435. The commissioner may investigate wage claims or complaints by an employee against an employer if the failure to pay a wage may violate Minnesota law or an order or rule of the department.

Sec. 3. Minnesota Statutes 2006, section 177.27, subdivision 4, is amended to read:

Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an employer to comply with sections 177.21 to ~~177.35~~ 177.435, 181.02, 181.03, 181.031, 181.032, 181.101, 181.11, 181.12, 181.13, 181.14, 181.145, 181.15, ~~and~~ 181.79, 181.932, and 181.9325, or with any rule promulgated under section 177.28. The department shall serve the order upon the employer or the employer's authorized representative in person or by certified mail at the employer's place of business. An employer who wishes to contest the order must file written notice of objection to the order with the commissioner within 15 calendar days after being served with the order. A contested case proceeding must then be held in accordance with sections 14.57 to 14.69. If, within 15 calendar days after being served with the order, the employer fails to file a written notice of objection with the commissioner, the order becomes a final order of the commissioner.

Sec. 4. Minnesota Statutes 2006, section 177.27, subdivision 5, is amended to read:

Subd. 5. **Civil actions.** (a) The commissioner may bring an action in the district court where an employer resides or where the commissioner maintains an office to enforce or require compliance with orders issued under subdivision 4.

(b) If the district court determines that a violation of section 181.932 or 181.9325 occurred, the court may order any appropriate relief, including but not limited to reinstatement, back pay, restoration of lost service credit, if appropriate, compensatory damages, and the expungement of any adverse records of a state employee or applicant for state employment who was the subject of the alleged acts of misconduct, and any appropriate relief as described in section 181.936.

Sec. 5. Minnesota Statutes 2006, section 177.27, subdivision 8, is amended to read:

Subd. 8. **Court actions; suits brought by private parties.** An employee may bring a civil action seeking redress for a violation or violations of sections 177.21 to ~~177.35~~ 177.44 directly to district court. An employer who pays an employee less than the wages and overtime compensation to which the employee is entitled under sections 177.21 to ~~177.35~~ 177.44 is liable to the employee for the full amount of the wages, gratuities, and overtime compensation, less any amount the employer is able to establish was actually paid to the employee and for an additional equal amount as liquidated damages. In addition, in an action under this subdivision the employee may seek damages and other appropriate relief provided by subdivision 7 and otherwise provided by law. An agreement between the employee and the employer to work for less than the applicable wage is not a defense to the action.

Sec. 6. Minnesota Statutes 2006, section 177.27, subdivision 9, is amended to read:

Subd. 9. **District court jurisdiction.** Any action brought under subdivision 8 may be filed in the district court of the county wherein a violation or violations of sections 177.21 to ~~177.35~~ 177.44 are alleged to have been committed, where the respondent resides or has a principal place of business, or any other court of competent jurisdiction. The action may be brought by one or more employees.

Sec. 7. Minnesota Statutes 2006, section 177.27, subdivision 10, is amended to read:

Subd. 10. **Attorney fees and costs.** In any action brought pursuant to subdivision 8, the court shall order an employer who is found to have committed a violation or violations of sections 177.21 to ~~177.35~~ 177.44 to pay to the employee or employees reasonable costs, disbursements, witness fees, and attorney fees.

Sec. 8. Minnesota Statutes 2006, section 177.27, is amended by adding a subdivision to read:

Subd. 11. **Investigation of certain complaints.** (a) The commissioner shall conduct an investigation of any matter that alleges a violation of sections 181.932 and 181.9325. The identity of the person providing the information that initiated the investigation shall be classified as private data, pursuant to section 13.02, subdivision 12, except that the identity may be disclosed to a law enforcement agency that is conducting a criminal investigation of the matter.

(b) For each investigation completed, if the commissioner determines that there is reasonable cause to believe that an employer has violated section 181.932 or 181.9325, the commissioner shall report the nature and details of the alleged violation to the head of the employing agency or the appropriate appointing authority. If appropriate, the commissioner shall report this information to the attorney general, the policy committees of the house of representatives and senate having jurisdiction over the subject involved, and to any other authority that the commissioner deems appropriate. In any case in which the commissioner submits a report of alleged violations to the head of the employing agency or appropriate appointing authority, that individual shall report to the commissioner with respect to any action taken by the individual regarding the activity, the first report being transmitted no later than 30 days after the date of the auditor's report, and monthly thereafter until final action has been taken.

(c) This subdivision shall not limit any authority conferred upon the attorney general or other department or agency of government to investigate and prosecute any matter.

(d) The commissioner shall have all the powers and authority described in this section to conduct investigations pursuant to this subdivision.

Sec. 9. **[177.275] INVESTIGATION PROCEDURE.**

(a) The commissioner shall initiate an investigation of a written complaint of reprisal or retaliation in public employment as prohibited by section 181.932 or 181.9325 within ten working days of its submission. The commissioner shall complete findings of the investigation within 60 working days thereafter, and shall provide a copy of the findings to the complaining employee or applicant for employment and to the appropriate supervisor, manager, employee, or appointing authority. When the allegations contained in a complaint of reprisal or retaliation are the same as, or similar to, those contained in another appeal, the commissioner may consolidate the appeals into the most appropriate format. In these cases, the time limits described in this subdivision shall not apply.

(b) If the commissioner finds that the supervisor, manager, employee, or appointing power retaliated against the complainant for engaging in protected whistle-blower activities, the commissioner may issue a compliance order under section 177.27, subdivision 4.

(c) In order for the governor and the legislature to determine the need to continue or modify state personnel procedures as they relate to the investigations of reprisals or retaliation for the disclosure of information by public employees, the commissioner, by June 30 of each year, shall submit a report to the governor and the legislature regarding complaints filed, hearings held, and legal actions taken under this section.

Sec. 10. Minnesota Statutes 2006, section 177.28, subdivision 1, is amended to read:

Subdivision 1. **General authority.** The commissioner may adopt rules, including definitions of terms, to carry out the purposes of sections 177.21 to ~~177.35~~ 177.44, to prevent the circumvention or evasion of those sections, and to safeguard the minimum wage and overtime rates established by sections 177.24 and 177.25.

Sec. 11. Minnesota Statutes 2006, section 177.30, is amended to read:

177.30 KEEPING RECORDS; PENALTY.

Every employer subject to sections 177.21 to ~~177.35~~ 177.44 must make and keep a record of:

(1) the name, address, and occupation of each employee;

(2) the rate of pay, and the amount paid each pay period to each employee;

(3) the hours worked each day and each workweek by the employee; ~~and~~

(4) for each employer subject to sections 177.41 to 177.44, and while performing work on public works projects funded in whole or in part with state funds, the prevailing wage master job classification of each employee working on the project for each hour worked; and

~~(4)~~ (5) other information the commissioner finds necessary and appropriate to enforce sections 177.21 to 177.35. The records must be kept for three years in or near the premises where an employee works except each employer subject to sections 177.41 to 177.44, and while performing work on public works projects funded in whole or in part with state funds, the records must be kept for three years after the contracting authority has made final payment on the public works project.

The commissioner may fine an employer up to $1,000 for each failure to maintain records as required by this section. This penalty is in addition to any penalties provided under section 177.32, subdivision 1. In determining the amount of a civil penalty under this subdivision, the appropriateness of such penalty to the size of the employer's business and the gravity of the violation shall be considered.

Sec. 12. Minnesota Statutes 2006, section 177.43, subdivision 3, is amended to read:

Subd. 3. **Contract requirements.** The contract must specifically state the prevailing wage rates, prevailing hours of labor, and hourly basic rates of pay. The contract must also provide that the contracting authority may demand and the contractor or subcontractor shall furnish to the contracting authority, copies of any and all payrolls, and that the contracting authority may examine all records relating to wages paid laborers or mechanics on work to which sections 177.41 to 177.44 apply. The requirements of this subdivision are in addition to any other requirements or authority set forth in other laws or rules for work to which sections 177.41 to 177.44 apply.

Sec. 13. Minnesota Statutes 2006, section 177.43, subdivision 4, is amended to read:

Subd. 4. **Determination by commissioner; posting; petition for reconsideration.** The prevailing wage rates, prevailing hours of labor, and hourly basic rates of pay for all trades and occupations required in any project must be ascertained before the state asks for bids. The commissioner of labor and industry shall investigate as necessary to ascertain the information. ~~The commissioner~~ Each contractor and subcontractor performing work on a public project shall keep the information posted on the project in at least one conspicuous place for the information of the employees working on the project. A person aggrieved by a final determination of the commissioner may petition the commissioner for reconsideration of findings. A person aggrieved by a decision of the commissioner after reconsideration may, within 20 days after the decision, petition the commissioner for a public hearing in the manner of a contested case under sections 14.57 to 14.61.

Sec. 14. Minnesota Statutes 2006, section 177.43, subdivision 6, is amended to read:

Subd. 6. **Examination of records; investigation by the department.** The Department of Labor and Industry shall enforce this section. The department may demand, and the contractor and subcontractor shall furnish to the department, copies of any or all payrolls. The department may examine all records relating to wages paid laborers or mechanics on work to which sections 177.41 to 177.44 apply. The department shall employ at least three investigators to perform on-site project reviews, receive and investigate complaints of violations of this section, and conduct training and outreach to contractors and contracting authorities for public works projects financed in whole or in part with state funds.

Sec. 15. Minnesota Statutes 2006, section 177.43, is amended by adding a subdivision to read:

Subd. 6a. **Prevailing wage violations.** Upon issuing a compliance order to an employer pursuant to section 177.27, subdivision 4, for violation of sections 177.41 to 177.44, the commissioner shall issue a withholding order to the contracting authority ordering the contracting authority to withhold payment of sufficient sum to the prime or general contractor on the project to satisfy the back wages assessed or otherwise cure the violation, and the contracting authority must withhold the sum ordered until the compliance order has become a final order of the commissioner and has been fully paid or otherwise resolved by the employer.

During an investigation of a violation of sections 177.41 to 177.44 which the commissioner reasonably determines is likely to result in the finding of a violation of sections 177.41 to 177.44 and the issuance of a compliance order pursuant to section 177.27, subdivision 4, the commissioner may notify the contracting authority of the determination and the amount expected to be assessed and the contracting authority shall give the commissioner 90 days' prior notice of the date the contracting authority intends to make final payment.

Sec. 16. **[181.723] INDEPENDENT CONTRACTORS.**

Subdivision 1. **Scope.** The definitions in this subdivision apply to this section.

(a) "Person" means any individual, limited liability corporation, corporation, partnership, incorporated or unincorporated association, sole proprietorship, joint stock company, or any other legal or commercial entity.

(b) "Department" means the Department of Labor and Industry.

(c) "Commissioner" means the commissioner of labor and industry or a duly designated representative of the commissioner who is either an employee of the Department of Labor and Industry or person working under contract with the Department of Labor and Industry.

(d) "Individual" means a human being.

(e) "Day" means calendar day unless otherwise provided.

(f) "Knowingly" means knew or could have known with the exercise of reasonable diligence.

(g) "Document" or "documents" includes papers; books; records; memoranda; data; contracts; drawings; graphs; charts; photographs; digital, video, and audio recordings; records; accounts; files; statements; letters; e-mails; invoices; bills; notes; and calendars maintained in any form or manner.

Subd. 2. **Limited application.** This section only applies to individuals performing public or private sector commercial or residential building construction or improvement services.

Subd. 3. **Employee-employer relationship.** Except as provided in subdivision 4, for purposes of chapters 176, 177, 181A, 182, and 268, as of January 1, 2009, an individual who performs services for a person that are in the course of the person's trade, business, profession, or occupation is an employee of that person and that person is an employer of the individual.

Subd. 4. **Independent contractor.** An individual is an independent contractor and not an employee of the person for whom the individual is performing services in the course of the person's trade, business, profession, or occupation only if (a) the individual holds a current independent contractor exemption certificate issued by the commissioner; and (b) the individual is performing services for the person under the independent contractor exemption certificate as provided in subdivision 6. The requirements in clauses (a) and (b) must be met in order to qualify as an independent contractor and not as an employee of the person for whom the individual is performing services in the course of the person's trade, business, profession, or occupation.

Subd. 5. **Application.** To obtain an independent contractor exemption certificate, the individual must submit, in the manner prescribed by the commissioner, a complete application and the certificate fee required under subdivision 14.

(a) A complete application must include all of the following information:

(1) the individual's full name;

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

(3) the individual's business name, address, and telephone number;

(4) the services for which the individual is seeking an independent contractor exemption certificate;

(5) the individual's Social Security number;

(6) the individual's or the individual's business federal employer identification number, if a number has been issued to the individual or the individual's business;

(7) any information or documentation that the commissioner requires by rule that will assist the department in determining whether to grant or deny the individual's application; and

(8) The individual's sworn statement that the individual meets all of the following conditions:

(i) the individual maintains a separate business with the individual's own office, equipment, materials, and other facilities;

(ii) the individual holds or has applied for a federal employer identification number or has filed business or self-employment income tax returns with the federal Internal Revenue Service if the person has performed services in the previous year for which the individual is seeking the independent contractor exemption certificate;

(iii) the individual operates under contracts to perform specific services for specific amounts of money and under which the individual controls the means of performing the services;

(iv) the individual incurs the main expenses related to the service that the individual performs under contract;

(v) the individual is responsible for the satisfactory completion of services that the individual contracts to perform and is liable for a failure to complete the service;

(vi) the individual receives compensation for service performed under a contract on a commission or per-job or competitive bid basis and not on any other basis;

(vii) the individual may realize a profit or suffer a loss under contracts to perform service;

(viii) the individual has continuing or recurring business liabilities or obligations; and

(ix) the success or failure of the individual's business depends on the relationship of business receipts to expenditures.

(b) Within 30 days of receiving a complete application and the certificate fee, the commissioner must either grant or deny the application. The commissioner may deny an application for an independent contractor exemption certificate if the individual has not submitted a complete application and certificate fee or if the individual does not meet all of the conditions for holding the independent contractor exemption certificate. The commissioner may revoke an independent contractor exemption certificate if the commissioner determines that the individual no longer meets all of the conditions for holding the independent contractor exemption certificate, commits any of the actions set out in subdivision 7, or fails to cooperate with a department investigation into the continued validity of the individual's certificate. Once issued, an independent contractor exemption certificate remains in effect for two years unless:

(1) revoked by the commissioner; or

(2) canceled by the individual.

(c) If the department denies an individual's original or renewal application for an independent contractor exemption certificate or revokes an independent contractor exemption certificate, the commissioner shall issue to the individual an order denying or revoking the certificate. The commissioner may issue an administrative penalty order to an individual or person who commits any of the actions set out in subdivision 7.

(d) An individual or person to whom the commissioner issues an order under paragraph (c) shall have 30 days after service of the order to request a hearing. The request for hearing must be in writing and must be served on or faxed to the commissioner at the address or fax number specified in the order by the 30th day after service of the order. If the individual does not request a hearing or if the individual's request for a hearing is not served on or faxed to the commissioner by the 30th day after service of the order, the order shall become a final order of the commissioner and will not be subject to review by any court or agency. The date on which a request for hearing is served by mail shall be the postmark date on the envelope in which the request for hearing is mailed. If the individual serves or faxes a timely request for hearing, the hearing shall be a contested case hearing and shall be held in accordance with chapter 14.

Subd. 6. **Qualifications for exemption certificate.** An individual is performing services for a person under an independent contractor exemption certificate if:

(a) the individual is performing services listed on the individual's independent contractor exemption certificate;

(b) at the time the individual is performing services listed on the individual's independent contractor exemption certificate, the individual meets all of the following conditions:

(1) the individual maintains a separate business with the individual's own office, equipment, materials, and other facilities;

(2) the individual holds or has applied for a federal employer identification number or has filed business or self-employment income tax returns with the federal Internal Revenue Service if the individual performed services in the previous year for which the individual has the independent contractor exemption certificate;

(3) the individual is operating under contract to perform the specific services for the person for specific amounts of money and under which the individual controls the means of performing the services;

(4) the individual is incurring the main expenses related to the services that the individual is performing for the person under the contract;

(5) the individual is responsible for the satisfactory completion of the services that the individual has contracted to perform for the person and is liable for a failure to complete the services;

(6) the individual receives compensation from the person for the services performed under the contract on a commission or per-job or competitive bid basis and not on any other basis;

(7) the individual may realize a profit or suffers a loss under the contract to perform services for the person;

(8) the individual has continuing or recurring business liabilities or obligations; and

(9) the success or failure of the individual's business depends on the relationship of business receipts to expenditures.

Subd. 7. **Prohibited activities.** (a) An individual shall not:

(1) perform work as an independent contractor who meets the qualifications under subdivision 6, without first obtaining from the department an independent contractor exemption certificate;

(2) perform work as an independent contractor when the department has denied or revoked the individual's independent contractor exemption certificate;

(3) transfer to another individual or allow another individual to use the individual's independent contractor exemption certificate;

(4) alter or falsify an independent contractor exemption certificate;

(5) misrepresent the individual's status as an independent contractor; or

(6) make a false material statement, representation, or certification; omit material information; or alter, conceal, or fail to file a document required by this section or any rule promulgated by the commissioner under rulemaking authority set out in this section.

(b) A person shall not:

(1) require an individual through coercion, misrepresentation, or fraudulent means to adopt independent contractor status;

(2) knowingly misrepresent that an individual who has not been issued an independent contractor exemption certificate or is not performing services for the person under an independent contractor exemption certificate is an independent contractor; or

(3) make a false material statement, representation, or certification; omit material information; or alter, conceal, or fail to file a document required by this section or any rule promulgated by the commissioner under rulemaking authority set out in this section.

(c) A person for whom an individual is performing services must obtain a copy of the individual's independent contractor exemption certificate before services may commence. A copy of the independent contractor exemption certificate must be retained for five years from the date of receipt by the person for whom an individual is performing services.

Subd. 8. **Remedies.** An individual or person who violates any provision of subdivision 7 is subject to a penalty to be assessed by the department of up to $5,000 for each violation. The department shall deposit penalties in the assigned risk safety account.

Subd. 9. **Commissioner's powers.** (a) In order to carry out the purposes of this section, the commissioner may:

(1) administer oaths and affirmations, certify official acts, interview, question, take oral or written statements, and take depositions;

(2) request, examine, take possession of, photograph, record, and copy any documents, equipment, or materials;

(3) at a time and place indicated by the commissioner, request persons to appear before the commissioner to give testimony and produce documents, equipment, or materials;

(4) issue subpoenas to compel persons to appear before the commissioner to give testimony and produce documents, equipment, or materials; and

(5) with or without notice, enter without delay upon any property, public or private, for the purpose of taking any action authorized under this subdivision or the applicable law, including obtaining information or conducting inspections or investigations.

(b) Persons requested by the commissioner to give testimony or produce documents, equipment, or materials shall respond within the time and in the manner specified by the commissioner. If no time to respond is specified in the request, then a response shall be submitted within 30 days of the commissioner's service of the request.

(c) Upon the refusal or anticipated refusal of a property owner, lessee, property owner's representative, or lessee's representative to permit the commissioner's entry onto property as provided in paragraph (a), the commissioner may apply for an administrative inspection order in the Ramsey County District Court or, at the commissioner's discretion, in the district court in the county in which the property is located. The commissioner may anticipate that a property owner or lessee will refuse entry if the property owner, lessee, property owner's representative, or lessee's representative has refused to permit entry on a prior occasion or has informed the commissioner that entry will be refused. Upon showing of administrative probable cause by the commissioner, the district court shall issue an administrative inspection order that compels the property owner or lessee to permit the commissioner to enter the property for the purposes specified in paragraph (a).

(d) Upon the application of the commissioner, a district court shall treat the failure of any person to obey a subpoena lawfully issued by the commissioner under this subdivision as a contempt of court.

Subd. 10. **Notice requirements.** Unless otherwise specified, service of a document on a person under this section may be by mail, by personal service, or in accordance with any consent to service filed with the commissioner. Service by mail shall be accomplished in the manner provided in Minnesota Rules, part 1400.5550, subpart 2. Personal service shall be accomplished in the manner provided in Minnesota Rules, part 1400.5550, subpart 3.

Subd. 11. **Facsimile; timely service.** When this section permits a request for hearing to be served by facsimile on the commissioner, the facsimile shall not exceed 15 pages in length. The request shall be considered timely served if the facsimile is received by the commissioner, at the facsimile number identified by the commissioner in the order, no later than 4:30 p.m. central time on the last day permitted for faxing the request. Where the quality or authenticity of the faxed request is at issue, the commissioner may require the original request to be filed. Where the commissioner has not identified quality or authenticity of the faxed request as an issue and the request has been faxed in accordance with this subdivision, the person faxing the request does not need to file the original request with the commissioner.

Subd. 12. **Time period computation.** In computing any period of time prescribed or allowed by this section, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, Sunday, or legal holiday, in which event the period runs until the next day which is not a Saturday, Sunday, or legal holiday.

Subd. 13. **Rulemaking.** The commissioner may, in consultation with the commissioner of revenue and the commissioner of employment and economic development, adopt, amend, suspend, and repeal rules under the rulemaking provisions of chapter 14 that relate to the commissioner's responsibilities under this section. This subdivision is effective the day following final enactment.

Subd. 14. **Fee.** The certificate fee for the original application and for the renewal of an independent contractor exemption certificate shall be $150. If an individual simultaneously submits an application for both an independent contractor exemption certificate under this section and a license under section 326.84, the application fee for the independent contractor exemption certificate shall be reduced to $100. Fees collected under this subdivision are deposited in the general fund.

Subd. 15. **Notice to commissioner; review by commissioner of revenue.** When the commissioner has reason to believe that an individual who holds a certificate has failed to maintain all the conditions required by subdivision 3 or is not performing services for a person under the independent contractor exemption certificate, the commissioner must notify the commissioner of revenue and the commissioner of employment and economic development. Upon receipt of notification from the commissioner that an individual who holds a certificate has failed to maintain all the conditions required by subdivision 3 or is not performing services for a person under the independent contractor exemption certificate, the commissioner of revenue must review the information returns required under section 6041A of the Internal Revenue Code. The commissioner of revenue shall also review the submitted certification that is applicable to returns audited or investigated under section 289A.35.

Subd. 16. **Data classified.** Certifications issued by the commissioner are public data. Applications and required documentation submitted by an individual is private data on an individual. Upon request of the Department of Revenue or the Department of Employment and Economic Development, the commissioner may release to the Department of Revenue and the Department of Employment and Economic Development applications and required documentation submitted by individuals and investigative data that relates to the department's issuance or denial of applications and the department's revocations of certificates. Except as otherwise provided by this subdivision, the department's investigative data shall be classified as provided in chapter 13.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 17. **[181.724] PERFORMERS IN RECORDED MEDIA INDUSTRY.**

Subdivision 1. **Definitions.** The definitions in this subdivision apply to section 181.724.

(a) "Performer" means actor, announcer, singer, dancer, narrator, stunt-person, extra, or any other individual generically or customarily referred to as talent in the recorded media industry.

(b) "Recorded media industry" means radio or television commercial production, nonbroadcast audio or video production, sound recording, audio or video production for the internet, or any other recording technology.

(c) "Individual" means a human being.

(d) "Person" means any individual, limited liability corporation, corporation, partnership, incorporated or unincorporated association, sole proprietorship, joint stock company, or any other legal or commercial entity.

Subd. 2. **Limited application.** This section applies only to individuals who are performers in the recorded media industry. This section does not apply to live performances.

Subd. 3. **Employee-employer relationship.** For the purposes of chapters 176, 177, 181A, 182, and 268, an individual who provides services as a performer in the recorded media industry for a person that are in the course of the person's trade, business, profession, or occupation is an employee of that person and that person is an employer of the individual.

Subd. 4. **Civil remedy.** An individual who has been injured by a violation of this section may bring a civil action for damages against the violator. If the individual is an employee of the violator of this section, the employee's representative, as defined in section 179.01, subdivision 5, may bring a civil action for damages against the violator on behalf of the employee. The court may award attorney fees, costs, and disbursement to an individual recovering under this section.

Subd. 5. **Reporting of violations.** Any court finding that a violation of this section has occurred shall transmit a copy of its findings of fact and conclusions of law to the commissioner of labor and industry. The commissioner of labor and industry shall report the finding to relevant state and federal agencies, including the commissioner of commerce, the commissioner of employment and economic development, the commissioner of revenue, the federal Internal Revenue Service, and the United States Department of Labor.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 18. Minnesota Statutes 2006, section 181.932, subdivision 1, is amended to read:

Subdivision 1. **Prohibited action.** An employer shall not discharge, discipline, threaten, otherwise discriminate against, or penalize an employee regarding the employee's compensation, terms, conditions, location, or privileges of employment because:

(a) the employee, or a person acting on behalf of an employee, in good faith, reports a violation or suspected violation of any federal or state law or rule adopted pursuant to law to an employer or to any governmental body or law enforcement official and the alleged violation involves a matter of public concern, including, but not limited to, violations that create a specific danger to the public health, safety, or environment;

(b) the employee is requested by a public body or office to participate in an investigation, hearing, inquiry;

(c) the employee refuses an employer's order to perform an action that the employee has an objective basis in fact to believe violates any state or federal law or rule or regulation adopted pursuant to law which violation the employee reasonably believes is a matter of public concern, including, but not limited to, violations that create a specific danger to the public health, safety, or environment, and the employee informs the employer that the order is being refused for that reason; ~~or~~

(d) the employee, in good faith, reports a situation in which the quality of health care services provided by a health care facility, organization, or health care provider violates a standard established by federal or state law or a professionally recognized national clinical or ethical standard and potentially places the public at risk of harm~~.~~;

(e) a public employee refuses to alter, dilute, or suppress the objective representation or communication of scientific or technical data or findings, including but not limited to, findings of economic or environmental impact, or findings indicating consequences for the public's health or safety; or

(f) a public employee communicates the findings of a scientific or technical study that the employee, in good faith, believes to be truthful and accurate, including reports to a governmental body or law enforcement official.

The disclosures protected pursuant to this section do not authorize the disclosure of trade secret information otherwise protected by law.

Sec. 19. **[181.9325] USE OF AUTHORITY TO INFLUENCE OR INTERFERE WITH DISCLOSURE OF INFORMATION.**

(a) A public employer may not directly or indirectly use or attempt to use the employer's official authority or influence for the purpose of intimidating, threatening, coercing, or attempting to intimidate, threaten, or coerce any person for the purpose of interfering with the rights described in section 181.932, or for the purpose of persuading the person to waive or disclaim any other legal rights related to the person's employment.

(b) For purposes of this section, "use of official authority or influence" includes: promising to confer, or conferring, any benefit; effecting, or threatening to effect, any reprisal; or taking, or directing others to take, or recommending, processing, or approving, any personnel action, including but not limited to appointment, promotion, transfer, assignment, performance evaluation, suspension, or other disciplinary action.

Sec. 20. Minnesota Statutes 2006, section 181.935, is amended to read:

181.935 INDIVIDUAL REMEDIES; PENALTY.

(a) In addition to any remedies otherwise provided by law, an employee injured by a violation of section 181.932 or 181.9325 may bring a civil action to recover any and all damages recoverable at law, together with costs and disbursements, including reasonable attorney's fees, and may receive such injunctive and other equitable relief as determined by the court.

(b) An employer who failed to notify, as required under section 181.933 or 181.934, an employee injured by a violation of section 181.932 is subject to a civil penalty of $25 per day per injured employee not to exceed $750 per injured employee.

Sec. 21. **[181.936] REPRISALS FOR DISCLOSURE OF IMPROPER GOVERNMENTAL ACTIVITIES; COMPLAINT PROCEDURE; PENALTIES.**

(a) A public employee or applicant for public employment who files a written complaint with the employee's or applicant's supervisor, manager, or the appointing power alleging actual or attempted acts of reprisal, retaliation, threats, coercion, or similar improper acts prohibited by section 181.9325, may also file a copy of the written complaint with the commissioner of labor and industry, together with a sworn statement that the contents of the written complaint are true, or are believed by the affiant to be true, under penalty of perjury. The complaint filed with the commissioner shall be filed within 12 months of the most recent act of reprisal complained about.

(b) Any person who intentionally engages in acts of reprisal, retaliation, threats, coercion, or similar acts against a public employee or applicant for public employment for having made a protected disclosure under section 181.932, is subject to a fine not to exceed $10,000 and imprisonment in the county jail for a period not to exceed one year.

(c) In addition to all other penalties provided by law, any person who intentionally engages in acts of reprisal, retaliation, threats, coercion, or similar acts against a public employee or applicant for public employment for having made a protected disclosure shall be liable in an action for damages brought against the person by the injured party. Punitive damages may be awarded by the court where the acts of the offending party are proven to be malicious. Where liability has been established, the injured party shall also be entitled to reasonable attorney fees as provided by law. However, any action for damages shall not be available to the injured party unless the injured party has first filed a complaint with the commissioner of labor and industry under paragraph (a), and the department has issued, or failed to issue, findings under section 177.275.

(d) This section is not intended to prevent an appointing power, manager, or supervisor from taking, directing others to take, recommending, or approving any personnel action or from taking or failing to take a personnel action with respect to any public employee or applicant for public employment if the appointing power, manager, or supervisor reasonably believes any action or inaction is justified on the basis of evidence separate and apart from the fact that the person has made a protected disclosure under section 181.932.

(e) In any civil action or administrative proceeding, once it has been demonstrated by a preponderance of evidence that an activity protected by sections 177.27, 177.275, 181.932, and 181.9325 was a contributing factor in the alleged retaliation against a former, current, or prospective employee, the burden of proof shall be on the supervisor, manager, or appointing power to demonstrate by clear and convincing evidence that the alleged action would have occurred for legitimate, independent reasons even if the employee had not engaged in protected disclosures or refused an illegal order. If the supervisor, manager, or appointing power fails to meet this burden of proof in an adverse action against the employee in any administrative review, challenge, or adjudication in which retaliation has been demonstrated to be a contributing factor, the employee shall have a complete affirmative defense in the adverse action.

(f) Nothing in sections 177.27, 177.275, 181.932, and 181.9325 shall be deemed to diminish the rights, privileges, or remedies of any employee under any other federal or state law or under any employment contract or collective bargaining agreement.

Sec. 22. Minnesota Statutes 2006, section 325E.37, subdivision 6, is amended to read:

Subd. 6. **Scope; limitations.** (a) This section applies to a sales representative who, during some part of the period of the sales representative agreement:

(1) is a resident of Minnesota or maintains that person's principal place of business in Minnesota; or

(2) whose geographical territory specified in the sales representative agreement includes part or all of Minnesota.

(b) To be effective, any demand for arbitration under subdivision 5 must be made in writing and delivered to the principal on or before one year after the effective date of the termination of the agreement.

(c) A provision in any contract between a sales representative dealing in plumbing equipment or supplies and a principal purporting to waive any provision of this act, whether by express waiver or by a provision stipulating that the contract is subject to the laws of another state, shall be void.

Sec. 23. Minnesota Statutes 2006, section 326.37, subdivision 1, is amended to read:

Subdivision 1. **Rules.** The state ~~commissioner of health~~ Plumbing Board may, by rule, prescribe minimum standards which shall be uniform, and which standards shall thereafter be effective for all new plumbing installations, including additions, extensions, alterations, and replacements connected with any water or sewage disposal system owned or operated by or for any municipality, institution, factory, office building, hotel, apartment building, or any other place of business regardless of location or the population of the city or town in which located. Notwithstanding the provisions of Minnesota Rules, part 4715.3130, as they apply to review of plans and specifications, the commissioner may allow plumbing construction, alteration, or extension to proceed without approval of the plans or specifications by the commissioner.

Except for powers granted to the Plumbing Board, the commissioner of labor and industry shall administer the provisions of sections 326.37 to 326.45 and for such purposes may employ plumbing inspectors and other assistants.

Sec. 24. Minnesota Statutes 2006, section 326.37, is amended by adding a subdivision to read:

Subd. 4. **Air admittance valves and water-free urinals prohibited.** (a) Mechanical devices and fittings with internal moving parts are prohibited from installation in plumbing venting systems.

(b) All urinals covered under the jurisdiction of the state plumbing code must have a water flush device with a volume of not more than one gallon per use.

Sec. 25. **[326.372] PLUMBING BOARD.**

Subdivision 1. **Composition.** (a) The Plumbing Board shall consist of 12 voting members who must be residents of the state, appointed by the governor, and confirmed by the senate. The commissioner of labor and industry or the commissioner's designee shall be a voting member. The first appointed board members shall serve an initial term of four years, except where designated otherwise. The governor shall then reappoint the current members or appoint replacement members, all or in part, to subsequent three-year terms. Midterm vacancies shall be filled for the remaining portion of the term. Vacancies occurring with less than six months time remaining in the term shall be filled for the existing term and the following three-year term. Of the 11 appointed members, the composition shall be as follows:

(1) two members shall be municipal plumbing inspectors, one from the seven-county metro area and one from greater Minnesota;

(2) one member shall be a licensed mechanical engineer;

(3) two members serving an initial term of three years shall be plumbing contractors or the representative of the contractor, engaged in a commercial scope of plumbing contracting, one from the metropolitan area and one from greater Minnesota;

(4) two members serving an initial term of three years shall be plumbing contractors or their representatives, engaged in the residential scope of plumbing contracting, one from the metro area and one from greater Minnesota;

(5) two members serving an initial term of two years shall be plumbing journeypersons engaged in a commercial scope of plumbing systems installation, one from the metro area and one from greater Minnesota; and

(6) two members serving an initial term of two years shall be plumbing journeypersons engaged in a residential scope of plumbing systems installation, one from the metro area and one from greater Minnesota.

(b) Except for the licensed mechanical engineer, all persons appointed to the council must possess a current Minnesota plumbing license and maintain the license for the duration of their term.

Subd. 2. **Powers.** (a) The board shall have the power to:

(1) elect its chair;

(2) specify the plumbing code that must be followed in this state;

(3) maintain a review process to make determinations regarding any complaints, code amendments, code compliance, and code clarifications filed with the board;

(4) adopt rules necessary for the regulation and licensing of contractors, journeypersons, apprentices, and other persons engaged in the design, installation, and alteration of plumbing systems that would include the issuing, renewing, revoking, refusing to renew, and suspending a plumbing license, except for persons licensed under sections 326.02 to 326.15;

(5) adopt rules necessary for continuing education for individuals regulated and licensed under this section;

(6) make recommendations to the commissioner regarding educational requirements for plumbing inspectors; and

(7) pay expenses deemed necessary in the performance of board duties, including:

(i) rent, utilities, and supplies in the manner and amount specified in section 43A.18, subdivision 2; and

(ii) per diem and expenses for its members as provided in section 15.0575, subdivision 3.

(b) Requests under the review process in paragraph (a), clause (3), may originate with the municipal inspectors, the plumbing contractors or their employees, and other persons engaged in the design, installation, and alteration of plumbing systems. The board shall make its findings known to all parties and the commissioner of labor and industry within the time period specified by the board.

Subd. 3. **Fees and finances.** The board shall submit an annual budget to the commissioner of labor and industry. The commissioner shall collect fees under section 326.42 necessary for the operation and continuance of the board. The commissioner is responsible for the enforcement of the codes and licensing requirements determined by the board. The board shall recommend the fees for licenses and certification under this section. The commissioner of finance shall make a quarterly certification of the amount necessary to pay expenses required for operation of the board under subdivision 2, paragraph (a), clause (6). The certified amount is appropriated in fiscal years 2008 and 2009 to the board for those purposes from the fees collected under section 326.42.

Subd. 4. **Transfer of authority; Plumbing Board.** The authority of the commissioners of health and labor and industry to adopt rules relating to plumbers is transferred to the Plumbing Board. Licenses and permits currently in effect remain in effect according to their terms unless affected by board action. Rules adopted by the commissioner of health or labor and industry remain in effect until amended or repealed by the board. The commissioner of administration may not use the authority under section 16B.37 to modify the transfers of authority in this act.

Subd. 5. **First meeting; appointments for Plumbing Board.** The governor must complete the appointments required by section 326.372 no later than July 1, 2007. The commissioner of labor and industry shall convene the first meeting of the Plumbing Board no later than September 1, 2007.

Sec. 26. Minnesota Statutes 2006, section 326.38, is amended to read:

326.38 LOCAL REGULATIONS.

Any city having a system of waterworks or sewerage, or any town in which reside over 5,000 people exclusive of any statutory cities located therein, or the metropolitan airports commission, may, by ordinance, adopt local regulations providing for plumbing permits, bonds, approval of plans, and inspections of plumbing, which regulations are not in conflict with the plumbing standards on the same subject prescribed by the state ~~commissioner of health~~ Plumbing Board. No city or such town shall prohibit plumbers licensed by the state commissioner of ~~health~~ labor and industry from engaging in or working at the business, except cities and statutory cities which, prior to April 21, 1933, by ordinance required the licensing of plumbers. No city or town may require a license for persons performing building sewer or water service installation who have completed pipe laying training as prescribed by the commissioner of labor and industry. Any city by ordinance may prescribe regulations, reasonable standards, and inspections and grant permits to any person, firm, or corporation engaged in the business of installing water softeners, who is not licensed as a master plumber or journeyman plumber by the state commissioner of ~~health~~ labor and industry, to connect water softening and water filtering equipment to private residence water distribution systems, where provision has been previously made therefor and openings left for that purpose or by use of cold water connections to a domestic water heater; where it is not necessary to rearrange, make any extension or alteration of, or addition to any pipe, fixture or plumbing connected with the water system except to connect the water softener, and provided the connections so made comply with minimum standards prescribed by the state ~~commissioner of health~~ Plumbing Board.

Sec. 27. Minnesota Statutes 2006, section 326.40, subdivision 1, is amended to read:

Subdivision 1. **License required~~; master and journeyman plumbers~~.** ~~In any city now or hereafter having 5,000 or more population, according to the last federal census, and having a system of waterworks or sewerage,~~ (a) No person, firm, or corporation shall engage in or work at the business of a master plumber ~~or~~, restricted master plumber, journeyman plumber, and restricted journeyman plumber unless licensed to do so by the state commissioner of ~~health~~ labor and industry. A license is not required for persons performing building sewer or water service installation who have completed pipe laying training as prescribed by the commissioner of labor and industry. A master plumber may also work as a journeyman plumber, a restricted journeyman plumber, and a restricted master plumber. A journeyman plumber may also work as a restricted journeyman plumber. Anyone not so licensed may do plumbing work which complies with the provisions of the minimum standard prescribed by the state ~~commissioner of health~~ Plumbing Board on premises or that part of premises owned and actually occupied by the worker as a residence, unless otherwise forbidden to do so by a local ordinance.

~~In any such city~~ (b) No person, firm, or corporation shall engage in the business of installing plumbing nor install plumbing in connection with the dealing in and selling of plumbing material and supplies unless at all times a licensed master plumber, or in cities and towns with a population of fewer than 5,000 according to the federal census a restricted master plumber, who shall be responsible for proper installation, is in charge of the plumbing work of the person, firm, or corporation.

The ~~Department of Health~~ Plumbing Board shall prescribe rules, not inconsistent herewith, for the examination and licensing of plumbers.

Sec. 28. Minnesota Statutes 2006, section 326.401, subdivision 2, is amended to read:

Subd. 2. **Journeyman exam.** A plumber's apprentice who has completed four years of practical plumbing experience is eligible to take the journeyman plumbing examination. Up to 24 months of practical plumbing experience prior to registration as an apprentice may be applied to the four-year experience requirement. However, none of this practical plumbing experience may be applied if the person did not have any practical plumbing experience in the 12-month period immediately prior to registration. The ~~commissioner~~ Plumbing Board may adopt rules to evaluate whether the person's past practical plumbing experience is applicable in preparing for the journeyman's examination. If two years after completing the training the person has not taken the examination, the four years of experience shall be forfeited.

The commissioner may allow an extension of the two-year period for taking the exam for cases of hardship or other appropriate circumstances.

Sec. 29. **[326.402] RESTRICTED PLUMBER LICENSE.**

Subdivision 1. **Licensure.** The commissioner of labor and industry shall grant a restricted journeyman or master plumber license to an individual if:

(1) the individual completes an application with information required by the commissioner of labor and industry;

(2) the completed application is accompanied by a fee of $90;

(3) the commissioner of labor and industry receives the completed application and fee before January 1, 2008;

(4) the completed application demonstrates that the applicant has had at least two years for a restricted journeyman plumber license or four years for a restricted master plumber license of practical plumbing experience in the plumbing trade prior to the application; and

(5) during the entire time for which the applicant is claiming experience in contracting for plumbing work under clause (4), the applicant was in compliance with all applicable requirements of section 326.40.

Subd. 2. **Use of license.** A restricted master plumber and restricted journeyman plumber may engage in the plumbing trade in all areas of the state except in cities and towns with a population of more than 5,000 according to the federal census.

Subd. 3. **Application period.** Applications for restricted master plumber and restricted journeyman plumber licenses must be submitted to the commissioner prior to January 1, 2008.

Subd. 4. **Renewal; use period for license.** A restricted master plumber and restricted journeyman plumber license must be renewed annually for as long as that licensee engages in the plumbing trade. Failure to renew a restricted master plumber and restricted journeyman plumber license within 12 months after the expiration date will result in permanent forfeiture of the restricted master plumber and restricted journeyman plumber license.

Subd. 5. **Prohibition of transference.** A restricted master plumber and restricted journeyman plumber license may not be transferred or sold to any other person.

Subd. 6. **Bond; insurance.** A restricted master plumber licensee is subject to the bond and insurance requirements of section 326.40, subdivision 2, unless the exemption provided by section 326.40, subdivision 3, applies.

Subd. 7. **Fee.** The annual fee for the restricted master plumber and restricted journeyman plumber licenses is the same fee as for a master or journeyman plumber license, respectively.

Sec. 30. Minnesota Statutes 2006, section 326.405, is amended to read:

326.405 RECIPROCITY WITH OTHER STATES.

~~The commissioner of health may license without examination, upon payment of the required fee, nonresident applicants who are licensed under the laws of a state having standards for licensing plumbers which the commissioner determines are substantially equivalent to the standards of this state if the other state grants similar privileges to Minnesota residents duly licensed in this state.~~ The commissioner may issue a temporary license without examination, upon payment of the required fee, nonresident applicants who are licensed under the laws of a state having standards for licensing which the commissioner determines are substantially equivalent to the standards of this state if the other state grants similar privileges to Minnesota residents duly licensed in this state. Applicants who receive a temporary license under this section may acquire an aggregate of 24 months of experience before they have to apply and pass the licensing examination. Applicants must register with the commissioner of labor and industry and the commissioner shall set a fee for a temporary license. Applicants have five years in which to comply with this section.

Sec. 31. Minnesota Statutes 2006, section 326.42, subdivision 1, is amended to read:

Subdivision 1. **Application.** Applications for plumber's license shall be made to the state commissioner of ~~health~~ labor and industry, with fee. Unless the applicant is entitled to a renewal, the applicant shall be licensed by the state commissioner of ~~health~~ labor and industry only after passing a satisfactory examination administered by the ~~examiners~~ commissioner of labor and industry, based upon rules adopted by the Plumbing Board showing fitness. Examination fees for both journeyman and master plumbers shall be in an amount prescribed by the state commissioner of ~~health~~ labor and industry pursuant to section 144.122. Upon being notified that of having successfully passed the examination for original license the applicant shall submit an application, with the license fee herein provided. License fees shall be in an amount prescribed by the state commissioner of ~~health~~ labor and industry pursuant to section 144.122. Licenses shall expire and be renewed as prescribed by the commissioner pursuant to section 144.122.

Sec. 32. Minnesota Statutes 2006, section 341.28, subdivision 2, is amended to read:

Subd. 2. **Regulatory authority; tough person contests.** All tough person contests, including amateur tough person contests, are subject to this chapter. All tough person contests are subject to American Boxing Commission (ABC) rules. Every contestant in a tough person contest shall have a physical examination prior to their bouts. Every contestant in a tough person contest shall wear padded gloves that weigh at least 12 ounces. All tough person bouts are limited to two-minute rounds and a maximum of four total rounds. Officials at tough person bouts shall be licensed under this chapter.

Sec. 33. Minnesota Statutes 2006, section 341.28, is amended by adding a subdivision to read:

Subd. 3. **Regulatory authority; similar sporting events.** All mixed martial arts, ultimate fight contests, and similar sporting events are subject to this chapter.

Sec. 34. Minnesota Statutes 2006, section 341.32, subdivision 2, is amended to read:

Subd. 2. **Expiration and renewal.** A license ~~expires December 31 at midnight in the year of its issuance~~ issued after the effective date of this act is valid for one year from the date it is issued and may be renewed by filing an application for renewal with the commission and payment of the license fee. An application for a license and renewal of a license must be on a form provided by the commission. There is a 30-day grace period during which a license may be renewed if a late filing penalty fee equal to the license fee is submitted with the regular license fee. A licensee that files late shall not conduct any activity regulated by this chapter until the commission has renewed the license. If the licensee fails to apply to the commission within the 30-day grace period, the licensee must apply for a new license under subdivision 1.

Sec. 35. Minnesota Statutes 2006, section 341.321, is amended to read:

341.321 FEE SCHEDULE.

(a) The fee schedule for licenses issued by the Minnesota Boxing Commission is as follows:

(1) referees, ~~$35~~ $45 for each initial license and each renewal;

(2) promoters, $400 for each initial license and each renewal;

(3) judges and knockdown judges, ~~$25~~ $45 for each initial license and each renewal;

(4) trainers, ~~$35~~ $45 for each initial license and each renewal;

(5) ring announcers, ~~$25~~ $45 for each initial license and each renewal;

(6) boxers' seconds, ~~$25~~ $45 for each initial license and each renewal;

(7) timekeepers, ~~$25~~ $45 for each initial license and each renewal; ~~and~~

(8) boxers, ~~$35~~ $45 for each initial license and each renewal~~.~~;

(9) managers, $45 for each initial license and each renewal; and

(10) ringside physicians, $45 for each initial license and each renewal.

(b) The commission shall establish and assess an event fee for each sporting event. The event fee is set at a minimum of $1,500 per event or a percentage of the ticket sales as determined by the commission when the sporting event is scheduled.

(c) All fees collected by the Minnesota Boxing Commission must be deposited in the Boxing Commission account in the special revenue fund.

Sec. 36. Minnesota Statutes 2006, section 541.051, is amended to read:

541.051 LIMITATION OF ACTION FOR DAMAGES BASED ON SERVICES OR CONSTRUCTION TO IMPROVE REAL PROPERTY.

Subdivision 1. **Limitation; service or construction of real property; improvements.** (a) Except where fraud is involved, no action by any person in contract, tort, or otherwise to recover damages for any injury to property, real or personal, or for bodily injury or wrongful death, arising out of the defective and unsafe condition of an improvement to real property, ~~nor any action for contribution or indemnity for damages sustained on account of the injury,~~ shall be brought against any person performing or furnishing the design, planning, supervision, materials, or observation of construction or construction of the improvement to real property or against the owner of the real property more than two years after discovery of the injury ~~or, in the case of an action for contribution or indemnity, accrual of the cause of action~~, nor~~,~~ in any event shall such a cause of action accrue more than ten years after substantial completion of the construction. Date of substantial completion shall be determined by the date when construction is sufficiently completed so that the owner or the owner's representative can occupy or use the improvement for the intended purpose.

(b) Notwithstanding paragraph (a), an action for contribution or indemnity arising out of the defective and unsafe condition of an improvement to real property may be brought no later than two years after the cause of action for contribution or indemnity has accrued, regardless of whether it accrued before or after the ten-year period referenced in paragraph (a).

(c) For purposes of paragraph (a), a cause of action accrues upon discovery of the injury or, in the case of an action for contribution or indemnity under paragraph (b), upon payment of a final judgment, arbitration award, or settlement arising out of the defective and unsafe condition.

~~(c)~~ (d) Nothing in this section shall apply to actions for damages resulting from negligence in the maintenance, operation or inspection of the real property improvement against the owner or other person in possession.

~~(d)~~ (e) The limitations prescribed in this section do not apply to the manufacturer or supplier of any equipment or machinery installed upon real property.

Subd. 2. **Action allowed; limitation.** Notwithstanding the provisions of subdivision 1, paragraph (a), in the case of ~~an~~ a cause of action which accrues during the ninth or tenth year after substantial completion of the construction, an action to recover damages may be brought within two years after the date on which the cause of action accrued, but in no event may such an action be brought more than 12 years after substantial completion of the construction. Nothing in this subdivision shall limit the time for bringing an action for contribution or indemnity.

Subd. 3. **Not construed.** Nothing in this section shall be construed as extending the period prescribed by the laws of this state for the bringing of any action.

Subd. 4. **Applicability.** For the purposes of actions based on breach of the statutory warranties set forth in section 327A.02, or to actions based on breach of an express written warranty, such actions shall be brought within two years of the discovery of the breach. In the case of an action under section 327A.05, which accrues during the ninth or tenth year after the warranty date, as defined in section 327A.01, subdivision 8, an action may be brought within two years of the discovery of the breach, but in no event may an action under section 327A.05 be brought more than 12 years after the effective warranty date. An action for contribution or indemnity related to actions described in this subdivision may be brought no later than two years after the cause of action for contribution or indemnity has accrued, based upon the time of accrual provided in subdivision 1, paragraph (c).

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all actions pending on or commenced on or after that date.

Sec. 37. **REPEALER.**

Minnesota Statutes 2006, sections 176.042; 268.035, subdivision 9; and 326.45, are repealed.

EFFECTIVE DATE. Sections 176.042 and 286.035, subdivision 9, are repealed effective January 1, 2009.

ARTICLE 5
HIGH PRESSURE PIPING

Section 1. Minnesota Statutes 2006, section 326.46, is amended to read:

326.46 SUPERVISION OF HIGH PRESSURE PIPING.

The Department of Labor and Industry shall supervise all high pressure piping used on all projects in this state~~, and may prescribe minimum standards which shall be uniform~~ under rules adopted by the board.

The department shall employ inspectors and other assistants to carry out the provisions of sections 326.46 to 326.52.

Sec. 2. Minnesota Statutes 2006, section 326.461, is amended by adding a subdivision to read:

Subd. 1a. **Board.** "Board" means the Board of High Pressure Piping Systems.

Sec. 3. Minnesota Statutes 2006, section 326.47, subdivision 2, is amended to read:

Subd. 2. **Permissive municipal regulation.** A municipality may, by ordinance, provide for the inspection of high pressure piping system materials and construction, and provide that it shall not be constructed or installed except in accordance with minimum state standards. The authority designated by the ordinance for issuing high pressure piping permits and assuring compliance with state standards must report to the Department of Labor and Industry all violations of state high pressure piping standards.

A municipality may not adopt an ordinance with high pressure piping standards that does not conform to the uniform standards prescribed by the ~~Department of Labor and Industry~~ board. The ~~Department of Labor and Industry~~ board shall specify by rule the minimum qualifications for municipal inspectors.

Sec. 4. Minnesota Statutes 2006, section 326.47, subdivision 6, is amended to read:

Subd. 6. **Filing and inspection fees.** The Department of Labor and Industry must charge a filing fee set by the ~~commissioner~~ board under section 16A.1285 for all applications for permits to construct or install high pressure piping systems. The fee for inspection of high pressure piping system construction or installation shall be set by the ~~commissioner~~ board under section 16A.1285. This subdivision does not apply where a permit is issued by a municipality complying with subdivision 2.

Sec. 5. **[326.471] BOARD OF HIGH PRESSURE PIPING SYSTEMS.**

Subdivision 1. **Composition.** (a) The Board of High Pressure Piping Systems shall consist of 12 members who must be residents of the state, appointed by the governor, and confirmed by the senate. The commissioner of the Department of Labor and Industry or the commissioner's designee shall be a voting member. The first appointed board members shall serve an initial term of four years, except where designated otherwise. The governor shall then reappoint the current members or appoint replacement members, all or in part, to subsequent three-year terms. Midterm vacancies shall be filled for the remaining portion of the term. Vacancies occurring with less than six months time remaining in the term shall be filled for the existing term and the following three-year term. Of the 11 appointed members, the composition shall be as follows:

(1) one member shall be a high pressure piping inspector;

(2) one member shall be a licensed mechanical engineer;

(3) one member shall be a representative of the piping industry;

(4) four members shall be high pressure piping contractors or their representatives, engaged in the scope of high pressure piping, two from the metro area and two from greater Minnesota;

(5) two members shall be high pressure piping journeypersons engaged in the scope of high pressure piping systems installation, one from the metro area and one from greater Minnesota; and

(6) two members shall be representatives from utility companies in Minnesota who shall serve an initial term of two years.

(b) Except for the licensed mechanical engineer and the members from utilities companies, all persons appointed to the board must possess a current license or competency credential required for contractors and persons engaged in the design, installation, alteration, and inspection of high pressure piping systems.

Subd. 2. **Powers.** (a) The board shall have the power to:

(1) elect its chair;

(2) specify the high pressure piping code that must be followed in Minnesota;

(3) maintain an appeals committee to make determinations regarding any complaints, code amendments, code compliance, and code clarifications filed with the board;

(4) adopt rules necessary for the regulation and licensing of contractors, journeypersons, trainees, and persons engaged in the design, installation, alteration, and inspection of high pressure piping systems, except for persons licensed under sections 326.02 to 326.15;

(5) adopt rules necessary for continuing education for individuals regulated and licensed under this section; and

(6) pay expenses deemed necessary in the performance of board duties, including:

(i) rent, utilities, and supplies in the manner and amount specified in section 43A.18, subdivision 2; and

(ii) per diem and expenses for its members as provided in section 15.0575, subdivision 3.

(b) Complaints filed under this section may originate with high pressure piping inspectors, contractors, or their employees, or other persons engaged in the design, installation, and alteration of a high pressure piping system. The board shall make their findings known to all parties and the commissioner of the Department of Labor and Industry within the time period specified by the board.

Subd. 3. **Fee and finances.** The board shall submit an annual budget to the commissioner of the Department of Labor and Industry. The commissioner shall collect fees under section 326.47, subdivision 6, necessary for the operation and continuance of the board. The commissioner is responsible for the enforcement of the codes and licensing requirements determined by the board. The board shall recommend the fees for licenses and certification under this section and for all high pressure piping system permits and submit the fee structure to the commissioner of labor and industry. The commissioner of finance shall make a quarterly certification of the amount necessary to pay expenses required for operation of the board under subdivision 2, paragraph (a), clause (6). The certified amount is appropriated in fiscal years 2008 and 2009 to the board for those purposes from the fees collected under section 326.50.

Sec. 6. Minnesota Statutes 2006, section 326.48, subdivision 1, is amended to read:

Subdivision 1. **License required; rules; time credit.** No person shall engage in or work at the business of a contracting pipefitter unless issued an individual contracting pipefitter license to do so by the Department of Labor and Industry under rules prescribed by the board. No license shall be required for repairs on existing installations. No person shall engage in or work at the business of journeyman pipefitter unless issued an individual journeyman pipefitter competency license to do so by the Department of Labor and Industry under rules prescribed by the board. A person possessing an individual contracting pipefitter competency license may also work as a journeyman pipefitter.

No person, partnership, firm, or corporation shall install high pressure piping, nor install high pressure piping in connection with the dealing in and selling of high pressure pipe material and supplies, unless, at all times, a person possessing a contracting pipefitter individual competency license or a journeyman pipefitter individual competency license is responsible for the high pressure pipefitting work conducted by the person, partnership, firm, or corporation being in conformity with Minnesota Statutes and Minnesota Rules.

The ~~Department of Labor and Industry~~ board shall prescribe rules, not inconsistent herewith, for the examination and individual competency licensing of contracting pipefitters and journeyman pipefitters and for issuance of permits by the department and municipalities for the installation of high pressure piping.

An employee performing the duties of inspector for the Department of Labor and Industry in regulating pipefitting shall not receive time credit for the inspection duties when making an application for a license required by this section.

Sec. 7. Minnesota Statutes 2006, section 326.48, subdivision 2, is amended to read:

Subd. 2. **High pressure pipefitting business license.** Before obtaining a permit for high pressure piping work, a person, partnership, firm, or corporation must obtain or utilize a business with a high pressure piping business license.

A person, partnership, firm, or corporation must have at all times as a full-time employee at least one individual holding an individual contracting pipefitter competency license. Only full-time employees who hold individual contracting pipefitter licenses are authorized to obtain high pressure piping permits in the name of the business. The individual contracting pipefitter competency license holder can be the employee of only one high pressure piping business at a time.

To retain its business license without reapplication, a person, partnership, firm, or corporation holding a high pressure piping business license that ceases to employ a person holding an individual contracting pipefitter competency license shall have 60 days from the last day of employment of its previous individual contracting pipefitter competency license holder to employ another license holder. The Department of Labor and Industry must be notified no later than five days after the last day of employment of the previous license holder.

No high pressure pipefitting work may be performed during any period when the high pressure pipefitting business does not have an individual contracting pipefitter competency license holder on staff. If a license holder is not employed within 60 days, the pipefitting business license shall lapse.

The ~~Department of Labor and Industry~~ board shall prescribe by rule procedures for application for and issuance of business licenses and fees.

Sec. 8. Minnesota Statutes 2006, section 326.48, is amended by adding a subdivision to read:

Subd. 6. **Reciprocity with other states.** The commissioner may issue a temporary license without examination, upon payment of the required fee, nonresident applicants who are licensed under the laws of a state having standards for licensing which the commissioner determines are substantially equivalent to the standards of this state if the other state grants similar privileges to Minnesota residents duly licensed in this state. Applicants who receive a temporary license under this section may acquire an aggregate of 24 months of experience before they have to apply and pass the licensing examination. Applicants must register with the commissioner of labor and industry and the commissioner shall set a fee for a temporary license. Applicants have five years in which to comply with this section.

Sec. 9. Minnesota Statutes 2006, section 326.50, is amended to read:

326.50 APPLICATION; FEES.

Application for an individual contracting pipefitter competency or an individual journeyman pipefitter competency license shall be made to the Department of Labor and Industry, with fees. The applicant shall be licensed only after passing an examination administered by the Department of Labor and Industry in accordance with rules adopted by the board.

Sec. 10. Minnesota Statutes 2006, section 326.51, is amended to read:

326.51 DEPARTMENT MAY REVOKE LICENSES.

The ~~department~~ board may revoke or suspend, for cause, any license obtained through error or fraud, or if the licensee is shown to be incompetent, or for a violation of any of its rules and regulations applicable to high pressure pipefitting work. The licensee shall have notice, in writing, enumerating the charges, and be entitled to a hearing on at least ten days' notice, with the right to produce testimony. The hearing shall be held pursuant to chapter 14. The ~~commissioner~~ board shall issue a final order based on testimony and the record at hearing. One year from the date of revocation application may be made for a new license.

Sec. 11. Minnesota Statutes 2006, section 326.52, is amended to read:

326.52 DEPOSIT OF FEES.

All fees received under sections 326.46 to 326.52 shall be deposited by the Department of Labor and Industry to the credit of the general fund in the state treasury. The salaries and per diem of the inspectors and examiners hereinbefore provided, their expenses, and all incidental expenses of the department and board in carrying out the provisions of sections 326.46 to 326.52 shall be paid from the appropriations made to the Department of Labor and Industry. The ~~commissioner~~ board by rule shall set the amount of the fees at a level that approximates, to the greatest extent possible, the salaries, per diem, and incidental expenses of the department.

Sec. 12. **TRANSFER OF AUTHORITY; BOARD OF HIGH PRESSURE PIPING SYSTEMS.**

The authority of the commissioner of labor and industry to adopt rules relating to high pressure piping systems is transferred to the Board of High Pressure Piping Systems. Licenses and permits currently in effect remain in effect according to their terms unless affected by board action. Rules adopted by the commissioner of labor and industry remain in effect until amended or repealed by the board. The commissioner of administration may not use the authority under Minnesota Statutes, section 16B.37, to modify transfers of authority in this act.

Sec. 13. **FIRST MEETING; APPOINTMENTS FOR BOARD OF HIGH PRESSURE PIPING SYSTEMS.**

The governor must complete the appointments required by Minnesota Statutes, section 326.471, no later than July 1, 2007. The commissioner of labor and industry shall convene the first meeting of the Board of High Pressure Piping Systems no later than September 1, 2007.

ARTICLE 6
IRON RANGE RESOURCES AND REHABILITATION BOARD

Section 1. **[270.99] HOCKEY HERITAGE SURCHARGE.**

Subdivision 1. **Imposition.** A surcharge of 25 cents is imposed on the sale of every ticket to an NCAA Division I men's hockey event in the state.

Subd. 2. **Collection; remittance.** The surcharge imposed in this section shall be collected by all sellers of these tickets with nexus in the state of Minnesota. The seller shall report the surcharge on a return proscribed by the commissioner of revenue and shall remit the surcharge with the return.

Subd. 3. **Administration.** Unless specifically provided otherwise in this section, the audit, assessment, refund, penalty, interest, enforcement, collection remedies, appeal, and administrative provisions in this chapter and chapter 289A that are applicable to taxes imposed under chapter 297A apply to the surcharge imposed under this section.

Subd. 4. **Deposit of revenues.** The commissioner of revenue shall deposit all revenues, including penalty and interest, derived from the surcharge imposed in this section in the hockey surcharge account in the special revenue fund. The amount deposited under this section is appropriated to the Iron Range Resources and Rehabilitation Board for payment to the city of Eveleth to be used for the support of the Hockey Hall of Fame Museum provided that it continues to operate in the city. Payments under this section for the Hockey Hall of Fame Museum are in addition to and must not be used to supplant funding under section 298.28, subdivision 9c.

Sec. 2. Minnesota Statutes 2006, section 298.22, subdivision 2, is amended to read:

Subd. 2. **Iron Range Resources and Rehabilitation Board.** There is hereby created the Iron Range Resources and Rehabilitation Board, consisting of ~~13~~ ten members, five of whom are state senators appointed by the Subcommittee on Committees of the Rules Committee of the senate, and five of whom are representatives, appointed by the speaker of the house of representatives. ~~The remaining members shall be appointed one each by the senate majority leader, the speaker of the house of representatives, and the governor and must be nonlegislators who reside in a taconite assistance area as defined in section 273.1341.~~ The members shall be appointed in January of every odd-numbered year~~, except that the initial nonlegislator members shall be appointed by July 1, 1999,~~ and shall serve until January of the next odd-numbered year. Vacancies on the board shall be filled in the same manner as the original members were chosen. At least a majority of the legislative members of the board shall be elected from state senatorial or legislative districts in which over 50 percent of the residents reside within a taconite assistance area as defined in section 273.1341. All expenditures and projects made by the commissioner of Iron Range resources and rehabilitation shall be consistent with the priorities established in subdivision 8 and shall first be submitted to the Iron Range Resources and Rehabilitation Board for approval by a majority of the board of expenditures and projects for rehabilitation purposes as provided by this section, and the method, manner, and time of payment of all funds proposed to be disbursed shall be first approved or disapproved by the board. The board shall biennially make its report to the governor and the legislature on or before November 15 of each even-numbered year. The expenses of the board shall be paid by the state from the funds raised pursuant to this section.

Sec. 3. Minnesota Statutes 2006, section 298.227, is amended to read:

298.227 TACONITE ECONOMIC DEVELOPMENT FUND.

An amount equal to that distributed pursuant to each taconite producer's taxable production and qualifying sales under section 298.28, subdivision 9a, shall be held by the Iron Range Resources and Rehabilitation Board in a separate taconite economic development fund for each taconite and direct reduced ore producer. Money from the fund for each producer shall be released by the commissioner after review by a joint committee consisting of an equal number of representatives of the salaried employees and the nonsalaried production and maintenance employees of that producer. The District 11 director of the United States Steelworkers of America, on advice of each local employee president, shall select the employee members. In nonorganized operations, the employee committee shall be elected by the nonsalaried production and maintenance employees. The review must be completed no later than six months after the producer presents a proposal for expenditure of the funds to the committee. The funds held pursuant to this section may be released only for acquisition of plant and stationary mining equipment and facilities for the producer or for research and development in Minnesota on new mining, or taconite, iron, or steel production technology, but only if the producer provides a matching expenditure to be used for the same purpose of at least 50 percent of the distribution based on 14.7 cents per ton beginning with distributions in 2002. Effective for proposals for expenditures of money from the fund approved beginning the day following final enactment, the commissioner may release the funds only if the proposed expenditure is approved by a majority of the members of the Iron Range Resources and Rehabilitation Board. If a producer uses money which has been released from the fund prior to the day following final enactment to procure haulage trucks, mobile equipment, or mining shovels, and the producer removes the piece of equipment from the taconite tax relief area defined in section 273.134 within ten years from the date of receipt of the money from the fund, a portion of the money granted from the fund must be repaid to the taconite economic development fund. The portion of the money to be repaid is 100 percent of the grant if the equipment is removed from the taconite tax relief area within 12 months after receipt of the money from the fund, declining by ten percent for each of the subsequent nine years during which the equipment remains within the taconite tax relief area. If a taconite production facility is sold after operations at the facility had ceased, any money remaining in the fund for the former producer may be released to the purchaser of the facility on the terms otherwise applicable to the former producer under this section. If a producer fails to provide matching funds for a proposed expenditure within six months after the commissioner approves release of the funds, the funds are available for release to another producer in proportion to the distribution provided and under the conditions of this section. Any portion of the fund which is not released by the commissioner within two years of its deposit in the fund shall be divided between the taconite environmental protection fund created in section 298.223 and the Douglas J. Johnson economic protection trust fund created in section 298.292 for placement in their respective special accounts. Two-thirds of the unreleased funds shall be distributed to the taconite environmental protection fund and one-third to the Douglas J. Johnson economic protection trust fund.

EFFECTIVE DATE. This section is effective for proposals for expenditures of money from the fund the day following final enactment.

Sec. 4. **APPROPRIATION; IRON RANGE RESOURCES AND REHABILITATION BOARD.**

$500,000 is appropriated from the Iron Range Resources and Rehabilitation Board fund for fiscal year 2008 for allocation in this section:

(1) $225,000 is for Aitkin County Growth, Inc. to extend electric service and other infrastructure to a peat project in Spencer Township in Aitkin County;

(2) $75,000 is for a nonprofit organization for the preservation of the B'nai Abraham Synagogue in Virginia, of which $50,000 is for renovation and $25,000 is for a permanent endowment for the preservation;

(3) $150,000 is for a grant to the Iron Range youth in action program to assist the organization to employ youth for the construction of community centers; and

(4) $50,000 is for a grant to the Iron Range retriever club for pond and field construction.

These are onetime appropriations.

Sec. 5. **IRRRB BUILDING.**

The Iron Range Resources and Rehabilitation Board office building in Eveleth, Minnesota is designated and named the Joe Begich Building and shall be signed as such at every entrance.

ARTICLE 7
ELECTRICAL

Section 1. Minnesota Statutes 2006, section 326.01, subdivision 6g, is amended to read:

Subd. 6g. **Personal direct supervision.** ~~The term "personal~~ "Direct supervision" means ~~that a person licensed to perform electrical work oversees and directs the electrical work performed by an unlicensed person such that:~~

(1) ~~the licensed person actually reviews the electrical work performed by the unlicensed person~~ an unlicensed individual is being supervised by an individual licensed to perform the electrical work being supervised;

(2) during the entire working day of the unlicensed individual, the licensed individual is physically present at the location where the unlicensed individual is preforming electrical work and immediately available to the unlicensed individual;

(3) the licensed ~~person~~ individual is physically present and immediately available to the unlicensed ~~person~~ individual at all times for assistance and direction; ~~and~~

(4) electronic supervision does not meet the requirement of physically present and immediately available;

(5) the licensed individual shall review the electrical work performed by the unlicensed individual before the electrical work is operated; and

~~(3)~~ (6) the licensed ~~person~~ individual is able to and does determine that all electrical work performed by the unlicensed ~~person~~ individual is performed in compliance with section 326.243.

The licensed ~~person~~ individual is responsible for the compliance with section 326.243 of all electrical work performed by the unlicensed ~~person~~ individual.

Sec. 2. Minnesota Statutes 2006, section 326.241, subdivision 1, is amended to read:

Subdivision 1. **Composition.** (a) The Board of Electricity shall consist of ~~11~~ 12 members, residents of the state, appointed by the governor ~~of whom~~ and confirmed by the senate. The commissioner of labor and industry or the commissioner's designee shall be a nonvoting member. The first appointed board members shall serve an initial term of four years, except where designated otherwise. The governor shall then reappoint the current members or appoint replacement members, all or in part, to subsequent three-year terms. Midterm vacancies shall be filled for the remaining portion of the term. Vacancies occurring with less than six months time remaining in the term shall be filled for the existing term and the following three-year term. Of the 11 appointed members, the composition shall be as follows:

(1) two shall be representatives of the electrical suppliers in the rural areas of the state,

(2) two shall be master electricians, who shall be contractors,

(3) two journeyman electricians,

(4) one registered consulting electrical engineer,

(5) two power limited technicians, who shall be technology system contractors primarily engaged in the business of installing technology circuits or systems, and

(6) two public members as defined by section 214.02.

(b) Except as provided herein, membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements shall be as provided in sections 214.07 to 214.09. The provision of staff, administrative services and office space; the review and processing of complaints; the setting of board fees; and other provisions relating to board operations shall be as provided in chapter 214.

Sec. 3. Minnesota Statutes 2006, section 326.241, subdivision 2, is amended to read:

Subd. 2. **Powers.** (a) The board, or the complaint committee on behalf of the board where authorized by law, shall have power to:

(1) Elect its own officers.

~~(2) Engage and fix the compensation of inspectors, and hire employees. The salary of the executive secretary shall be established pursuant to chapter 43A. All agents and employees other than contract inspectors shall be in the classified service and shall be compensated pursuant to chapter 43A. All inspectors shall hold licenses as master or journeyman electricians under section 326.242, subdivision 1(1) or 2(1), and shall give bond in an amount fixed by the board, conditioned upon the faithful performance of their duties.~~

~~(3)~~ (2) Pay such other expenses as it may deem necessary in the performance of its duties, including rent, supplies, and such like.

(3) Select from its members individuals to serve on any other state advisory councils, boards, or committees.

(4) Enforce the provisions of sections 326.241 to 326.248, and provide, upon request, such additional voluntary inspections and reviews as it may deem appropriate.

(5) ~~Issue, renew, refuse to renew, suspend, temporarily suspend, and revoke licenses, censure licensees, assess civil penalties, issue cease and desist orders, and seek injunctive relief and civil penalties in court as authorized by section 326.242 and other provisions of Minnesota law.~~ Establish the committees required herein and any others deemed necessary by the board or requested by the commissioner.

(6) Adopt reasonable rules to carry out its duties under sections 326.241 to 326.248 and to provide for the amount and collection of fees for inspection and other services. All rules shall be adopted in accordance with chapter 14.

(7) Advise the commissioner on issues related to sections 326.241 to 326.248 or as requested by the commissioner.

(b) Except for the powers granted to the Electricity Board the commissioner of labor and industry shall administer the provisions of sections 326.241 to 326.248 and for such purposes may employ electrical inspectors and other assistants.

Sec. 4. Minnesota Statutes 2006, section 326.242, subdivision 3d, is amended to read:

Subd. 3d. **Power limited technician.** (a) Except as otherwise provided by law, no person shall install, alter, repair, plan, lay out, or supervise the installing, altering, or repairing of electrical wiring, apparatus, or equipment for technology circuits or systems unless:

(1) the person is licensed by the board as a power limited technician; and

(2) the electrical work is:

(i) for a licensed contractor and the person is an employee, partner, or officer of, or is the licensed contractor; or

(ii) performed under the supervision of a master electrician or power limited technician also employed by the person's employer on technology circuits, systems, apparatus, equipment, or facilities owned or leased by the employer that are located within the limits of property owned or leased, operated, and maintained by the employer.

(b) An applicant for a power limited technician's license shall (1) be a graduate of a four-year electrical course in an accredited college or university; or (2) have had at least 36 months' experience, acceptable to the board, in planning for, laying out, supervising, and installing wiring, apparatus, or equipment for power limited systems, provided however, that the board may by rule provide for the allowance of up to 12 months (2,000 hours) of experience credit for successful completion of a two-year post high school electrical course or other technical training approved by the board.

(c) The board may initially set experience requirements without rulemaking, but must adopt rules before July 1, 2004.

(d) Licensees must attain eight hours of continuing education acceptable to the board every renewal period.

(e) A person who has submitted an application by June 30, 2003, to take the alarm and communications examination administered by the board, and who has achieved a minimal score of 70 percent on the examination by September 30, 2003, may obtain a power limited technician license without further examination by submitting an application and a license fee of $30.

(f) A company holding an alarm and communication license as of June 30, 2003, may designate one person who may obtain a power limited technician license without passing an examination administered by the board by submitting an application and license fee of $30.

(g) A person who has submitted an application by ~~September 30, 2005~~ December 31, 2007, to take the power limited technician examination administered by the ~~board~~ department is not required to meet the qualifications set forth in paragraph (b).

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 5. Minnesota Statutes 2006, section 326.242, subdivision 5, is amended to read:

Subd. 5. **Unlicensed ~~persons~~ individuals.** (a) An unlicensed ~~person~~ individual means an individual who has not been licensed by the Board of Electricity as a Class A master electrician or as a Class A journeyman electrician. An unlicensed individual shall not perform electrical work required to be performed by a licensed individual unless the individual has first registered with the Board of Electricity as an unlicensed individual. Thereafter, an unlicensed individual shall not perform electrical work required to be performed by a licensed individual unless the work is performed under the ~~personal~~ direct supervision of ~~a person~~ an individual actually licensed to perform such work ~~and~~. The licensed ~~electrician~~ individual and unlicensed ~~persons are~~ individual must be employed by the same employer. Licensed ~~persons~~ individuals shall not permit unlicensed ~~persons~~ individuals to perform electrical work except under the ~~personal~~ direct supervision of ~~a person~~ an individual actually licensed to perform such work. Unlicensed ~~persons~~ individuals shall not supervise the performance of electrical work or make assignments of electrical work to unlicensed ~~persons~~ individuals. Except for technology circuit or system work, licensed ~~persons~~ individuals shall supervise no more than two unlicensed ~~persons~~ individuals. For technology circuit or system work, licensed ~~persons~~ individuals shall supervise no more than three unlicensed ~~persons~~ individuals.

(b) Notwithstanding any other provision of this section, no ~~person~~ individual other than a master electrician or power limited technician shall plan or lay out electrical wiring, apparatus, or equipment for light, heat, power, or other purposes, except circuits or systems exempted from personal licensing by subdivision 12, paragraph (b).

(c) Contractors employing unlicensed ~~persons performing~~ individuals to perform electrical work shall maintain records establishing compliance with this subdivision, ~~which~~ that shall ~~designate~~ identify all unlicensed ~~persons~~ individuals performing electrical work, except for persons working on circuits or systems exempted from personal licensing by subdivision 12, paragraph (b), and shall permit the board to examine and copy all such records as provided for in section 326.244, subdivision 6.

(d) When a licensed individual supervises the electrical work of an unlicensed individual, the licensed individual is responsible for ensuring that the electrical work complies with sections 326.241 to 326.248 and rules adopted.

Sec. 6. Minnesota Statutes 2006, section 326.242, is amended by adding a subdivision to read:

Subd. 5a. **Registration of unlicensed individuals.** Unlicensed individuals performing electrical work for a contractor or employer shall register with the department in the manner prescribed by the commissioner. Experience credit for electrical work performed after January 1, 2008, by an applicant for a license identified in this section shall not be granted where the applicant has not registered with or is not licensed by the department.

Sec. 7. Minnesota Statutes 2006, section 326.242, subdivision 11, is amended to read:

Subd. 11. **Reciprocity.** ~~To the extent that any other state which provides for the licensing of electricians provides for similar action the board may grant licenses, without examination, of the same grade and class to an electrician who has been licensed by such other state for at least one year, upon payment by the applicant of the required fee and upon the board being furnished with proof that the required fee and upon the board being furnished with proof that the qualifications of the applicant are equal to the qualifications of holders of similar licenses in Minnesota.~~ The commissioner may enter into reciprocity agreements for personal licenses with another state if approved by the board. Once approved by the board, the commissioner may issue a personal license without requiring the applicant to pass an examination provided the applicant:

(a) submits an application under section 326.242;

(b) pays the fee required under section 326.242; and

(c) holds a valid comparable license in the state participating in the agreement.

Agreements are subject to the following:

(1) The parties to the agreement must administer a statewide licensing program that includes examination and qualifying experience or training comparable to Minnesota's.

(2) The experience and training requirements under which an individual applicant qualified for examination in the qualifying state must be deemed equal to or greater than required for an applicant making application in Minnesota at the time the applicant acquired the license in the qualifying state.

(3) The applicant must have acquired the license in the qualifying state through an examination deemed equivalent to the same class of license examination in Minnesota.

A lesser class of license may be granted where the applicant has acquired a greater class of license in the qualifying state and the applicant otherwise meets the conditions of this subdivision.

(4) At the time of application, the applicant must hold a valid license in the qualifying state and have held the license continuously for at least one year before making application in Minnesota.

(5) An applicant is not eligible for a license under this subdivision if the applicant has failed the same or greater class of license examination in Minnesota, or if the applicant's license of the same or greater class has been revoked or suspended.

(6) An applicant who has failed to renew a personal license for two years or more after its expiration is not eligible for a license under this subdivision.

Sec. 8. **REPEALER.**

Minnesota Statutes 2006, sections 326.01, subdivision 4; and 326.242, subdivision 4, are repealed.

EFFECTIVE DATE. This section is effective the day following final enactment.

ARTICLE 8
APPRENTICESHIP BOARD

Section 1. Minnesota Statutes 2006, section 178.01, is amended to read:

178.01 PURPOSES.

The purposes of this chapter are: to open to young people regardless of race, sex, creed, color or national origin, the opportunity to obtain training that will equip them for profitable employment and citizenship; to establish as a means to this end, a program of voluntary apprenticeship under approved apprentice agreements providing facilities for their training and guidance in the arts, skills, and crafts of industry and trade, with concurrent, supplementary instruction in related subjects; to promote employment opportunities under conditions providing adequate training and reasonable earnings; to relate the supply of skilled workers to employment demands; to establish standards for apprentice training; to establish an Apprenticeship ~~Advisory Council~~ Board and apprenticeship committees to assist in effectuating the purposes of this chapter; to provide for a Division of Labor Standards and Apprenticeship within the Department of Labor and Industry; to provide for reports to the legislature regarding the status of apprentice training in the state; to establish a procedure for the determination of apprentice agreement controversies; and to accomplish related ends.

Sec. 2. Minnesota Statutes 2006, section 178.02, is amended to read:

178.02 APPRENTICESHIP ~~ADVISORY COUNCIL~~ BOARD.

Subdivision 1. **Members.** The commissioner of labor and industry, hereinafter called the commissioner, shall appoint an Apprenticeship ~~Advisory Council~~ Board, hereinafter referred to as the ~~council~~ board, composed of three representatives each from employer and employee organizations, and two representatives of the general public. The director of education responsible for career and technical education or designee shall be an ex officio member of the ~~council~~ board and shall serve in an advisory capacity only.

Subd. 2. **Terms.** The ~~council~~ board shall expire and the terms, compensation, and removal of appointed members shall be as provided in section 15.059~~, except that the council shall not expire before June 30, 2003~~.

Subd. 4. **Duties.** The ~~council~~ board shall meet at the call of the commissioner. It shall propose occupational classifications for apprenticeship programs; propose minimum standards for apprenticeship programs and agreements; and advise on the establishment of such policies, procedures, and rules as the ~~commissioner~~ board deems necessary in implementing the intent of this chapter.

Sec. 3. Minnesota Statutes 2006, section 178.03, subdivision 3, is amended to read:

Subd. 3. **Duties and functions.** The director, under the supervision of the commissioner, and with the advice and oversight of the Apprenticeship ~~Advisory Council~~ Board, is authorized: to administer the provisions of this chapter; to promote apprenticeship and other forms of on the job training; to establish, in cooperation and consultation with the Apprenticeship ~~Advisory Council~~ Board and with the apprenticeship committees, conditions and training standards for the approval of apprenticeship programs and agreements, which conditions and standards shall in no case be lower than those prescribed by this chapter; to promote equal employment opportunity in apprenticeship and other on the job training and to establish a Minnesota plan for equal employment opportunity in apprenticeship which shall be consistent with standards established under Code of Federal Regulations, title 29, part 30, as amended; to issue certificates of registration to sponsors of approved apprenticeship programs; to act as secretary of the Apprenticeship ~~Advisory Council~~ Board; to approve, if of the opinion that approval is for the best interest of the apprentice, any apprenticeship agreement which meets the standards established hereunder; to terminate any apprenticeship agreement in accordance with the provisions of such agreement; to keep a record of apprenticeship agreements and their disposition; to issue certificates of completion of apprenticeship; and to perform such other duties as the commissioner deems necessary to carry out the intent of this chapter; provided, that the administration and supervision of supplementary instruction in related subjects for apprentices; coordination of instruction on a concurrent basis with job experiences, and the selection and training of teachers and coordinators for such instruction shall be the function of state and local boards responsible for vocational education. The director shall have the authority to make wage determinations applicable to the graduated schedule of wages and journeyman wage rate for apprenticeship agreements, giving consideration to the existing wage rates prevailing throughout the state, except that no wage determination by the director shall alter an existing wage provision for apprentices or journeymen that is contained in a bargaining agreement in effect between an employer and an organization of employees, nor shall the director make any determination for the beginning rate for an apprentice that is below the wage minimum established by federal or state law.

Sec. 4. Minnesota Statutes 2006, section 178.041, subdivision 1, is amended to read:

Subdivision 1. **Rules.** The commissioner may, upon receipt of the ~~council's~~ board's proposals, accept, adopt, and issue them by rule with any modifications or amendments the commissioner finds appropriate. The commissioner may refer them back to the ~~council~~ board with recommendations for further study, consideration and revision. If the commissioner refuses to accept, adopt, and issue by rule or other appropriate action a board proposal, the commissioner must provide a written explanation of the reason for the refusal to the board within 30 days after the board submitted the proposal to the commissioner. Additional rules may be issued as the commissioner may deem necessary.

ARTICLE 9
MISCELLANEOUS

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations by fund made in this article.

		2008		2009		Total
General	$	51,175,000	$	47,510,000	$	98,685,000
Total	**$**	**51,175,000**	**$**	**47,510,000**	**$**	**98,685,000**

Sec. 2. **MISCELLANEOUS APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium" is fiscal years 2008 and 2009. Appropriations for the fiscal year ending June 30, 2007, are effective the day following final enactment.

		APPROPRIATIONS Available for the Year Ending June 30 2008		2009
Sec. 3. **EXPLORE MINNESOTA TOURISM**	**$**	**11,669,000**	**$**	**12,587,000**

(a) To develop maximum private sector involvement in tourism, $1,000,000 the first year and $2,000,000 the second year must be matched by Explore Minnesota Tourism from nonstate sources. Each $1 of state incentive must be matched with $3 of private sector funding. Cash match is defined as revenue to the state or documented cash expenditures directly expended to support Explore Minnesota Tourism programs. Up to one-half of the private sector contribution may be in-kind or soft match. The incentive in the first year shall be based on fiscal year 2007 private sector contributions as prescribed in Laws 2005, First Special Session chapter 1, article 3, section 6. The incentive increase in the second year will be based on fiscal year 2008 private sector contributions. This incentive is ongoing.

(b) Funding for the marketing grants is available either year of the biennium. Unexpended grant funds from the first year are available in the second year.

(c) Any unexpended money from the general fund appropriations made under this section does not cancel but must be placed in a special marketing account for use by Explore Minnesota Tourism for additional marketing activities.

(d) $250,000 the first year and $250,000 the second year are for operating costs of the Minnesota Film and TV Board. The appropriation in each year is available only upon receipt by the board of $1 in matching contributions of money or in-kind contributions from nonstate sources for every $3 provided by this appropriation.

(e) $750,000 is appropriated each year for a grant to the Minnesota Film and TV Board for the film jobs production program under Minnesota Statutes, section 116U.26. Of this amount, up to $25,000 each year may be used for administration. The budget base for the film jobs production program shall be $500,000 in fiscal year 2010 and $500,000 in fiscal year 2011.

(f) $150,000 the first year is for a onetime grant to St. Louis County to be used for feasibility studies and planning activities concerning additional uses for the St. Louis County Heritage and Arts Center at the Duluth depot. The studies and planning activities must include:

(1) examining the costs and benefits of relocating the Northeast Minnesota Office of Tourism to the Duluth depot;

(2) establishing a heritage tourism center at the Duluth depot;

(3) developing a multimodal operational plan integrating railroad and bus service; and

(4) identifying additional services and activities that would contribute toward returning the Duluth depot to being a working railroad station and cultural gateway to Duluth and St. Louis County.

This appropriation is available until June 30, 2009.

Sec. 4. **MINNESOTA HISTORICAL SOCIETY**

Subdivision 1. **Total Appropriation**	**$**	**29,031,000**	**$**	**24,441,000**

The amounts that may be spent for each purpose are specified in the following subdivisions.

$500,000 the first year and $500,000 the second year are for increased rent costs. This amount is added to the society's base budget.

Subd. 2. **Education and Outreach**	17,307,000	13,765,000

(a) Of this amount, $1,700,000 the first year is a onetime appropriation for the Minnesota Sesquicentennial Commission. Of this appropriation, $750,000 is for competitive matching grants for local events and projects; $750,000 is for planning and support of statewide activities, and up to $200,000 may be used for administration.

(b) The Minnesota Historical Society, the State Arts Board, and Explore Minnesota Tourism may assist the commission in designing and implementing the grants program.

(c) The commission shall encourage private contributions to match the state funds to the greatest extent possible. Contributions received by the commission are appropriated to the commission.

$1,500,000 the first year is for a grant-in-aid program for county and local historical societies. The Minnesota Historical Society shall establish program guidelines and grant evaluation and award criteria for the program. Each dollar of state funds awarded to a grantee must be matched with nonstate funds on a dollar-for-dollar basis by a grantee. This is a onetime appropriation and is available until expended.

$500,000 the first year is for a grant-in-aid program for county and local historical societies for the repair, restoration, and preservation of historic sites and buildings in Minnesota. The Minnesota Historical Society shall establish program guidelines and grant evaluation and award criteria for the program. This is a onetime appropriation and is available until expended.

(d) $60,000 each year is to offset the revenue loss from not charging fees for general tours at the Capitol. This appropriation is added to the society's base budget.

(e) Notwithstanding Minnesota Statutes, section 138.668, the Minnesota Historical Society may not charge a fee for its general tours at the Capitol, but may charge fees for special programs other than general tours.

Subd. 3. **Preservation and Access**	10,953,000	10,271,000

$500,000 the first year is to conduct a conservation survey and for restoration, treatment, moving, and storage of the 1905 historic furnishings and works of art in the

Minnesota State Capitol. This is a onetime appropriation and is available until June 30, 2009.

$308,000 the first year is for the preservation of battle flags. This is a onetime appropriation and is available until June 30, 2009.

Subd. 4. **Pass-Through Appropriations**	771,000	405,000
(a) Minnesota International Center	43,000	43,000
(b) Minnesota Air National Guard Museum	16,000	-0-
(c) Minnesota Military Museum	234,000	234,000
(d) Farmamerica	128,000	128,000

(e) Balances Forward

Any unencumbered balance remaining in this subdivision the first year does not cancel but is available for the second year of the biennium.

$150,000 the first year is for a onetime grant to the Nicollet County Historical Society for renovation of the center exhibit gallery in the Treaty Site History Center in St. Peter, including additions to the center's infrastructure and state-of-the-art interpretive elements. This appropriation is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

$200,000 the first year is for a grant to the Hmong Studies Center at Concordia University in St. Paul, Minnesota, to be used for preservation of Hmong historical artifacts and documents. Any part of the appropriation not used in fiscal year 2008 is available for use in fiscal year 2009. This is a onetime appropriation and is available until expended.

Subd. 5. **Fund Transfer**

The Minnesota Historical Society may reallocate funds appropriated in and between subdivisions 2 and 3 for any program purposes.

Subd. 6. **Minnesota River Valley Study Group**

The Minnesota Historical Society in cooperation with Explore Minnesota Tourism shall establish and coordinate a Minnesota River Valley study group. The Minnesota River Valley study group shall be comprised of representatives of the Minnesota Valley Scenic Byway Alliance, the Department of Natural Resources, the Department of Transportation, the Minnesota Indian Affairs Council, the Region 6 West, Region 6 East, Region 8 and Region 9 Regional Development Commissions, the Minnesota Historical Society, Explore Minnesota Tourism, State Arts Board, and other interested parties. The study group must develop a plan for coordinated activities among organizations represented on the study group to enhance and promote historic sites, and historic, scenic, and natural features of the Minnesota River Valley area. Study topics shall include, but are not limited to, historic sites related to the Dakota Conflict of 1862 and the state and local preparations for the sesquicentennial of this event. The Minnesota Historical Society and Explore Minnesota Tourism shall report on the findings and recommendations of the Minnesota River Valley study group to the standing committees of the house of representatives and senate with jurisdiction over historic sites and tourism by March 1, 2008. The Minnesota River Valley study group shall serve without compensation.

Sec. 5. **BOARD OF THE ARTS**				
Subdivision 1. **Total Appropriation**	**$**	**9,975,000**	**$**	**9,982,000**

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Operations and Services**	637,000	644,000
Subd. 3. **Grants Programs**	6,452,000	6,452,000

The base budget for the grants program shall be $5,924,000 in fiscal year 2010 and $5,924,000 in fiscal year 2011.

Subd. 4. **Regional Arts Councils**	2,886,000	2,886,000

The base budget for the regional arts councils shall be $2,539,000 in fiscal year 2010 and $2,539,000 in fiscal year 2011.

Sec. 6. **MINNESOTA HUMANITIES COMMISSION**	**$**	**500,000**	**$**	**500,000**

Of this amount, ten percent each year is for lifelong learning programs in greater Minnesota communities that do not receive financial support from other large educational institutions. The base budget for the Minnesota Humanities Commission is $500,000 each year in the 2010-2011 biennium.

Sec. 7. Minnesota Statutes 2006, section 190.096, is amended to read:

190.096 BATTLE FLAGS; REPAIR.

Subdivision 1. **Authority to repair.** Notwithstanding the provisions of Minnesota Statutes 1961, chapters 16 and 43, the adjutant general or the Minnesota Historical Society may contract for the repair, restoration, and preservation of regimental battle flags, standards, and guidons with persons or corporations skilled in such repair, restoration, and preservation, upon terms or conditions the adjutant general or the Minnesota Historical Society deems proper~~, subject to the approval of the commissioner of administration~~.

Subd. 2. **Surrender.** Notwithstanding the provisions of this section or section 190.09, the adjutant general or the Minnesota Historical Society may, for the purposes of this section, surrender the immediate custody and control of regimental battle flags, standards, and guidons under conditions and safeguards the adjutant general or the Minnesota Historical Society deems necessary and proper, for such time as is reasonably necessary for their restoration, after which they shall at once be again properly stored or displayed. The adjutant general or the Minnesota Historical Society shall provide adequate storage and display space for flags, standards, and guidons which have been repaired and restored.

Subd. 3. **Battle flags; care and control.** (a) The flags and colors carried by Minnesota troops in the Civil War, Indian Wars, and the Spanish-American War shall be preserved under the care and control of the Minnesota Historical Society. They shall be suitably encased and marked, and, so far as the historical society may deem it consistent with the safety of the flags and colors, they shall be publicly displayed in the capitol.

(b) The flags and colors carried by Minnesota troops in subsequent wars shall be preserved under the care and control of the adjutant general. They shall be suitably encased and marked, and, so far as the adjutant general may deem it consistent with the safety of the flags and colors, shall be publicly displayed.

ARTICLE 10
HOUSING

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

		2008		2009		Total
General	$	67,896,000	$	49,040,000	$	116,936,000
TANF	$	3,075,000	$	3,075,000	$	6,150,000
Total	**$**	**70,971,000**	**$**	**52,115,000**	**$**	**123,086,000**

Sec. 2. **HOUSING.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this act mean that the appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium" is fiscal years 2008 and 2009. Appropriations for the fiscal year ending June 30, 2007, are effective the day following final enactment.

		APPROPRIATIONS Available for the Year Ending June 30	
		2008	**2009**
Sec. 3. **HOUSING FINANCE AGENCY**			
Subdivision 1. **Total Appropriation**	**$**	**70,971,000**	**$ 52,115,000**

Appropriations by Fund		
	2008	2009
General	67,896,000	49,040,000
TANF	3,075,000	3,075,000

This appropriation is for transfer to the housing development fund. The amounts that may be spent from this appropriation for certain programs are specified in the following subdivisions. Except as otherwise indicated, this transfer is part of the agency's permanent budget base.

Of this amount, $3,075,000 the first year and $3,075,000 the second year are onetime appropriations from the state's federal TANF block grant under Title I of Public Law Number 104-193 to the commissioner of human services, to reimburse the housing development fund for assistance under the programs for families receiving TANF assistance under the MFIP program. The commissioner of human services shall make monthly reimbursements to the housing development fund. The commissioner of human services shall not make any reimbursement which the commissioner determines would be subject to a penalty under Code of Federal Regulations, section 262.1. If the appropriation in either year is insufficient, the appropriation for the other year is available.

Subd. 2. **Economic Development and Housing Challenge**

(a) $21,308,000 the first year and $9,622,000 the second year are for the economic development and housing challenge program under Minnesota Statutes, section 462A.33, for housing that:

(i) conserves energy and utilizes sustainable, healthy building materials;

(ii) preserves sensitive natural areas and open spaces and minimizes the need for new infrastructure;

(iii) is accessible to jobs and services through integration with transportation or transit systems; and

(iv) expands the mix of housing choices in a community by diversifying the levels of housing affordability.

The agency may fund demonstration projects that have unique approaches to achieving the housing described above.

(b) The base is reduced by $3,407,000 each year in fiscal year 2010 and fiscal year 2011.

Subd. 3. **Housing Trust Fund**

$15,195,000 the first year and $11,945,000 the second year are for the housing trust fund account created under Minnesota Statutes, section 462A.201, for the purposes of that section. Of this amount, $1,500,000 the first year and $1,500,000 in the second year is a onetime appropriation from the state's federal TANF block grant. The base is reduced by $3,390,000 each year in fiscal year 2010 and fiscal year 2011.

Subd. 4. **Bridges Rental Assistance for Mentally Ill**

$3,400,000 the first year and $3,400,000 the second year are for a rental housing assistance program for persons with a mental illness or families with an adult member with a mental illness under Minnesota Statutes, section 462A.2097.

Subd. 5. **Family Homeless Prevention**

$7,565,000 the first year and $7,565,000 the second year are for family homeless prevention and assistance programs under Minnesota Statutes, section 462A.204. Of this amount, $1,575,000 in the first year and $1,575,000 in the second year is a onetime appropriation from the state's federal TANF block grant. The general fund base is reduced by $2,225,000 each year in fiscal year 2010 and fiscal year 2011.

Subd. 6. **Home Ownership Assistance Fund**

$1,885,000 the first year and $1,885,000 the second year are for the home ownership assistance program under Minnesota Statutes, section 462A.21, subdivision 8. The base is reduced by $1,000,000 each year in fiscal year 2010 and fiscal year 2011.

Subd. 7. **Affordable Rental Investment Fund**

$11,496,000 the first year and $8,996,000 the second year are for the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b. Of this amount, $2,500,000 the first year is a onetime appropriation.

This appropriation is to finance the acquisition, rehabilitation, and debt restructuring of federally assisted rental property and for making equity take-out loans under Minnesota Statutes, section 462A.05, subdivision 39. The owner of the federally assisted rental property must agree to participate in the applicable federally assisted housing program and to extend any existing low-income affordability restrictions on the housing for the maximum term permitted. The owner must also enter into an agreement that gives local units of government, housing and redevelopment authorities, and nonprofit housing organizations the right of first refusal if the rental property is offered for sale. Priority must be given among comparable federally assisted rental properties to properties with the longest remaining term under an agreement for federal rental assistance. Priority must also be given among comparable rental housing developments to developments that are or will be owned by local government units, a housing and redevelopment authority, or a nonprofit housing organization.

This appropriation may also be used to finance the acquisition, rehabilitation, and debt restructuring of existing supportive housing properties. For purposes of this subdivision, "supportive housing" means affordable rental housing with links to services necessary for individuals, youth, and families with children to maintain housing stability.

Of this amount, $2,500,000 is appropriated for the purposes of financing the rehabilitation and operating costs to preserve public housing. For purposes of this subdivision, "public housing" is housing for low-income persons and households financed by the federal government and owned and operated by public housing authorities and agencies. Eligible public housing authorities must have a public housing assessment system rating of standard or above. Priority among comparable proposals must be given to proposals that maximize federal or local resources to finance the capital and operating costs.

Subd. 8. **Housing Rehabilitation and Accessibility**

$5,657,000 the first year and $4,287,000 the second year are for the housing rehabilitation and accessibility program under Minnesota Statutes, section 462A.05, subdivisions 14a and 15a. The base is reduced by $629,000 each year in fiscal year 2010 and fiscal year 2011.

Subd. 9. **Urban Indian Housing Program**

$187,000 the first year and $187,000 the second year are for the urban Indian housing program under Minnesota Statutes, section 462A.07, subdivision 15. The base is reduced by $52,000 each year in fiscal year 2010 and fiscal year 2011.

Subd. 10. **Tribal Indian Housing Program**

$1,683,000 the first year and $1,683,000 the second year are for the tribal Indian housing program under Minnesota Statutes, section 462A.07, subdivision 14. The base is reduced by $468,000 each year in fiscal year 2010 and fiscal year 2011.

Subd. 11. **Home Ownership Education, Counseling, and Training**

$2,135,000 the first year and $2,135,000 the second year are appropriated for the home ownership education, counseling, and training program under Minnesota Statutes, section 462A.209. The base is reduced by $1,460,000 each year in fiscal year 2010 and fiscal year 2011. Of this amount, $630,000 the first year is for:

(1) foreclosure prevention and assistance activities in communities that have mortgage foreclosure rates that exceed the statewide average foreclosure rate for the most recent quarter for which data is available; and

(2) home buyer education and counseling activities by organizations that have experience working with emerging markets or partner with organizations with experience working with emerging markets and that have demonstrated a commitment to increasing the homeownership rate of emerging markets.

Subd. 12. **Capacity Building Grants**

$820,000 for the biennium is for capacity building grants under Minnesota Statutes section 462A.21, subdivision 3b. Of this amount, $140,000 is for continuum of care planning in greater Minnesota. This appropriation is the agency's base budget for this program.

Subd. 13. **Grant for Hennepin County**

$50,000 is a onetime appropriation in the first year for a grant to Hennepin County for collaboration with the Center for Urban and Regional Affairs at the University of Minnesota for the development of a predictive, data-driven model that can be used to identify at-risk properties in order to target resources to prevent foreclosure.

Sec. 4. Minnesota Statutes 2006, section 462A.21, subdivision 8b, is amended to read:

Subd. 8b. **Family rental housing.** It may establish a family rental housing assistance program to provide loans or direct rental subsidies for housing for families with incomes of up to 80 percent of state median income, or to provide grants for the operating cost of public housing. Priority must be given to those developments with resident families with the lowest income. The development may be financed by the agency or other public or private lenders. Direct rental subsidies must be administered by the agency for the benefit of eligible families. Financial assistance provided under this subdivision to recipients of aid to families with dependent children must be in the form of vendor payments whenever possible. Loans, grants, and direct rental subsidies under this subdivision may be made only with specific appropriations by the legislature. The limitations on eligible mortgagors contained in section 462A.03, subdivision 13, do not apply to loans for the rehabilitation of existing housing under this subdivision.

Sec. 5. Minnesota Statutes 2006, section 462A.33, subdivision 3, is amended to read:

Subd. 3. **Contribution requirement.** Fifty percent of the funds appropriated for this section must be used for challenge grants or loans ~~which meet the requirements of this subdivision~~ for housing proposals with financial or in-kind contributions from nonstate resources that reduce the need for deferred loan or grant funds from state resources. ~~These~~ Challenge grants or loans must be used for economically viable homeownership or rental housing proposals that~~:~~

~~(1) include a financial or in-kind contribution from an area employer and either a unit of local government or a private philanthropic, religious, or charitable organization; and~~

~~(2)~~ address the housing needs of the local work force.

Among comparable proposals, preference must be given to proposals that include contributions from nonstate resources for the greatest portion of the total development cost. Comparable proposals with contributions from local units of government or private philanthropic, religious, or charitable organizations must be given preference in awarding grants or loans.

For the purpose of this subdivision, ~~an employer~~ a contribution may consist partially or wholly of the premium paid for federal housing tax credits.

~~Preference for grants and loans shall also be given to comparable proposals that include a financial or in-kind contribution from a unit of local government, an area employer, and a private philanthropic, religious, or charitable organization.~~

Sec. 6. Minnesota Statutes 2006, section 469.021, is amended to read:

469.021 PREFERENCES.

As between applicants equally in need and eligible for occupancy of a dwelling and at the rent involved, preference shall be given to disabled veterans, persons with disabilities, and families of service persons who died in service and to families of veterans. In admitting families of low income to dwelling accommodations in any housing project an authority shall, as far as is reasonably practicable, give consideration to applications from families ~~to which aid for dependent children is payable~~ receiving assistance under chapter 256J, and to resident families to whom public assistance or supplemental security income for the aged, blind, and disabled is payable, when those families are otherwise eligible.

Sec. 7. **MORTGAGE FORECLOSURE REDUCTION.**

The commissioner of the Minnesota Housing Finance Agency, in consultation with the commissioner of commerce, the attorney general, the Minnesota Mortgage Bankers' Association, Legal Services of Minnesota, the Minnesota Mortgage Foreclosure Prevention Association, and the Minnesota Sheriffs' Association shall evaluate the provisions of Minnesota Statutes, sections 580.04 and 580.041, to determine if corrective actions could be taken by the 2008 legislature to reduce mortgage foreclosures in the state.