

A bill for an act

relating to economic development, labor, and industry; modifying grant and loan programs; modifying duties; making technical changes; defining terms; creating the Minnesota Science and Technology Authority; modifying licensing provisions; imposing and modifying fees; modifying construction codes; requesting a study; requiring reports; appropriating money; amending Minnesota Statutes 2008, sections 116J.437, subdivision 1; 116J.8731, subdivisions 1, 4; 116J.996; 116L.665, subdivisions 3, 6, by adding a subdivision; 136F.06, by adding a subdivision; 268.035, by adding a subdivision; 268.085, subdivision 16; 268.095, subdivision 5; 268.101, by adding a subdivision; 268.184, subdivision 1; 326B.133, subdivisions 1, 3, 8, 11, by adding subdivisions; 326B.197; 326B.33, subdivisions 18, 20, 21; 326B.42, by adding subdivisions; 326B.44; 326B.46, as amended; 326B.47; 326B.475, subdivision 2; 326B.50, by adding subdivisions; 326B.54; 326B.55, as amended; 326B.56, as amended; 326B.805, subdivision 6; 326B.83, subdivisions 1, 3, 6; 326B.865; 326B.921, subdivisions 2, 4, 7; 326B.922; 326B.978, subdivision 2, by adding a subdivision; 327.31, subdivision 17, by adding subdivisions; 327.32, subdivision 1, by adding subdivisions; 327.34, subdivision 1; 327B.04, subdivision 2; 471.59, subdivision 10; Minnesota Statutes 2009 Supplement, sections 116J.8731, subdivision 3; 268.035, subdivision 23a; 268.095, subdivisions 2, 6; 268.105, subdivision 1; 326B.33, subdivision 19; 326B.475, subdivision 4; 326B.49, subdivision 1; 326B.58; 326B.815, subdivision 1; 326B.86, subdivision 1; 326B.94, subdivision 4; 326B.986, subdivision 5; 327B.04, subdivisions 7, 7a, 8; 327B.041; Laws 2009, chapter 78, article 1, section 3, subdivision 2; Laws 2010, chapter 216, section 58; proposing coding for new law in Minnesota Statutes, chapters 116L; 326B; proposing coding for new law as Minnesota Statutes, chapter 116W; repealing Minnesota Statutes 2008, sections 116J.657; 326B.133, subdivisions 9, 10; 326B.37, subdivision 13; 326B.475, subdivisions 5, 6; 326B.56, subdivision 3; 326B.885, subdivisions 3, 4; 326B.976; 327.32, subdivision 4; 327C.07, subdivisions 3a, 8; Minnesota Statutes 2009 Supplement, section 326B.56, subdivision 4; Minnesota Rules, parts 1301.0500; 1301.0900; 1301.1100, subparts 2, 3, 4; 1350.7200, subpart 3; 1350.8000, subpart 2.

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

Section 1. Minnesota Statutes 2008, section 116J.437, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purpose of this section, the following terms have the meanings given.

(b) "Green economy" means products, processes, methods, technologies, or services intended to do one or more of the following:

(1) increase the use of energy from renewable sources, including through achieving the renewable energy standard established in section 216B.1691;

(2) achieve the statewide energy-savings goal established in section 216B.2401, including energy savings achieved by the conservation investment program under section 216B.241;

(3) achieve the greenhouse gas emission reduction goals of section 216H.02, subdivision 1, including through reduction of greenhouse gas emissions, as defined in section 216H.01, subdivision 2, or mitigation of the greenhouse gas emissions through, but not limited to, carbon capture, storage, or sequestration;

(4) monitor, protect, restore, and preserve the quality of surface waters, including actions to further the purposes of the Clean Water Legacy Act as provided in section 114D.10, subdivision 1; ~~or~~

(5) expand the use of biofuels, including by expanding the feasibility or reducing the cost of producing biofuels or the types of equipment, machinery, and vehicles that can use biofuels, including activities to achieve the biofuels 25 by 2025 initiative in sections 41A.10, subdivision 2, and 41A.11; or

(6) increase the use of green chemistry, as defined in section 116.9401.

For the purpose of clause (3), "green economy" includes strategies that reduce carbon emissions, such as utilizing existing buildings and other infrastructure, and utilizing mass transit or otherwise reducing commuting for employees.

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

Sec. 2. Minnesota Statutes 2008, section 116J.8731, subdivision 1, is amended to read:

Subdivision 1. **Purpose.** The Minnesota investment fund is created to provide financial and technical assistance, through partnership with communities, for the creation of new employment or to maintain existing employment, and for business start-up, expansions, and retention. It shall accomplish these goals by the following means:

(1) creation or retention of permanent private-sector jobs in order to create above-average economic growth consistent with environmental protection, which includes investments in technology and equipment that increase productivity and provide for a higher wage;

(2) stimulation or leverage of private investment to ensure economic renewal and competitiveness;

(3) increasing the local tax base, based on demonstrated measurable outcomes, to guarantee a diversified industry mix;

(4) improving the quality of existing jobs, based on increases in wages or improvements in the job duties, training, or education associated with those jobs;

(5) improvement of employment and economic opportunity for citizens in the region to create a reasonable standard of living, consistent with federal and state guidelines on low- to moderate-income persons; and

(6) stimulation of productivity growth through improved manufacturing or new technologies, including cold weather testing.

Sec. 3. Minnesota Statutes 2009 Supplement, section 116J.8731, subdivision 3, is amended to read:

Subd. 3. **Eligible expenditures.** The money appropriated for this section may be used to ~~fund~~:

(1) fund grants for infrastructure, loans, loan guarantees, interest buy-downs, and other forms of participation with private sources of financing, provided that a loan to a private enterprise must be for a principal amount not to exceed one-half of the cost of the project for which financing is sought; ~~and~~

(2) fund strategic investments in renewable energy market development, such as low interest loans for renewable energy equipment manufacturing, training grants to support renewable energy workforce, development of a renewable energy supply chain that represents and strengthens the industry throughout the state, and external marketing to garner more national and international investment into Minnesota's renewable sector. Expenditures in external marketing for renewable energy market development are not subject to the limitations in clause (1); and

(3) provide private entrepreneurs with training, other technical assistance, and financial assistance as provided in the small cities development block grant program.

Sec. 4. Minnesota Statutes 2008, section 116J.8731, subdivision 4, is amended to read:

Subd. 4. **Eligible projects.** Assistance must be evaluated on the existence of the following conditions:

(1) creation of new jobs, retention of existing jobs, or improvements in the quality of existing jobs as measured by the wages, skills, or education associated with those jobs;

(2) increase in the tax base;

(3) the project can demonstrate that investment of public dollars induces private funds;

(4) the project can demonstrate an excessive public infrastructure or improvement cost beyond the means of the affected community and private participants in the project;

(5) the project provides higher wage levels to the community or will add value to current workforce skills;

(6) the project supports the development of microenterprises, as defined by federal statutes, through financial assistance, technical assistance, advice, or business services;

~~(6)~~ (7) whether assistance is necessary to retain existing business;

~~(7)~~ (8) whether assistance is necessary to attract out-of-state business; and

~~(8)~~ (9) the project promotes or advances the green economy as defined in section 116J.437.

A grant or loan cannot be made based solely on a finding that the conditions in clause ~~(6)~~ (7) or ~~(7)~~ (8) exist. A finding must be made that a condition in clause (1), (2), (3), (4), ~~or~~ (5), or (6) also exists.

Applications recommended for funding shall be submitted to the commissioner.

Sec. 5. Minnesota Statutes 2008, section 116J.996, is amended to read:

**116J.996 MILITARY RESERVIST ECONOMIC INJURY AND
VETERAN-OWNED SMALL BUSINESS LOANS.**

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Active service" has the meaning given in section 190.05.

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

(d) "Eligible business" means a small business, as defined in section 645.445, that was operating in Minnesota on the date a military reservist received orders for active service.

(e) "Essential employee" means a military reservist who is an owner or employee of an eligible business and whose managerial or technical expertise is critical to the day-to-day operation of the eligible business.

(f) "Military reservist" means a member of the reserve component of the armed forces.

(g) "Reserve component of the armed forces" has the meaning given it in United States Code, title 10, section 101(c).

(h) "Substantial economic injury" means an economic harm to an eligible business that results in the inability of the eligible business to:

- (1) meet its obligations as they mature;
- (2) pay its ordinary and necessary operating expenses; or
- (3) manufacture, produce, market, or provide a product or service ordinarily manufactured, produced, marketed, or provided by the eligible business.

(i) "Veteran-owned small business" means a small business, as defined in section 645.445, that is majority-owned and operated by a recently separated veteran.

Subd. 2. **Loan program.** The commissioner may make onetime, interest-free loans of up to \$20,000 per borrower to:

(1) eligible businesses that have sustained or are likely to sustain substantial economic injury as a result of the call to active service for 180 days or more of an essential employee; or

(2) recently separated veterans who are veterans as defined in section 197.447, and have served in active military service, at any time on or after September 11, 2001, to start a veteran-owned small business.

Loans for economic injury must be made for the purpose of preventing, remedying, or ameliorating the substantial economic injury.

Subd. 3. **Revolving loan account.** The commissioner shall use money appropriated for the purpose to establish a revolving loan account. All repayments of loans made under this section must be deposited into this account. Interest earned on money in the account accrues to the account. Money in the account is appropriated to the commissioner for purposes of the loan program created in this section, including costs incurred by the commissioner to establish and administer the program.

Subd. 4. **Rules.** Using the expedited rulemaking procedures of section 14.389, the commissioner shall develop and publish expedited rules for loan applications, use of funds, needed collateral, terms of loans, and other details of military reservist economic injury and veteran-owned small business loans.

Sec. 6. Minnesota Statutes 2008, section 116L.665, subdivision 3, is amended to read:

Subd. 3. **Purpose; duties.** The governor's Workforce Development Council shall replace the governor's Job Training Council and assume all of its requirements, duties, and responsibilities under the Workforce Investment Act. Additionally, the Workforce Development Council shall assume the following duties and responsibilities:

(a) Review the provision of services and the use of funds and resources under applicable federal human resource programs and advise the governor on methods of

coordinating the provision of services and the use of funds and resources consistent with the laws and regulations governing the programs. For purposes of this section, applicable federal and state human resource programs mean the:

- (1) Workforce Investment Act, United States Code, title 29, section 2911, et seq.;
- (2) Carl D. Perkins Vocational and Applied Technology Education Act, United States Code, title 20, section 2301, et seq.;
- (3) Adult Education Act, United States Code, title 20, section 1201, et seq.;
- (4) Wagner-Peyser Act, United States Code, title 29, section 49;
- (5) Personal Responsibility and Work Opportunities Act of 1996 (TANF);
- (6) Food Stamp Act of 1977, United States Code, title 7, section 6(d)(4), Food Stamp Employment and Training Program, United States Code, title 7, section 2015(d)(4); and
- (7) programs defined in section 116L.19, subdivision 5.

Additional federal and state programs and resources can be included within the scope of the council's duties if recommended by the governor after consultation with the council.

(b) Review federal, state, and local education, postsecondary, job skills training, and youth employment programs, and make recommendations to the governor and the legislature for establishing an integrated seamless system for providing education and work skills development services to learners and workers of all ages.

(c) Advise the governor on the development and implementation of statewide and local performance standards and measures relating to applicable federal human resource programs and the coordination of performance standards and measures among programs.

(d) Promote education and employment transitions programs and knowledge and skills of entrepreneurship among employers, workers, youth, and educators, and encourage employers to provide meaningful work-based learning opportunities;

(e) Evaluate and identify exemplary education and employment transitions programs and provide technical assistance to local partnerships to replicate the programs throughout the state.

(f) Advise the governor on methods to evaluate applicable federal human resource programs.

(g) Sponsor appropriate studies to identify human investment needs in Minnesota and recommend to the governor goals and methods for meeting those needs.

(h) Recommend to the governor goals and methods for the development and coordination of a human resource system in Minnesota.

(i) Examine federal and state laws, rules, and regulations to assess whether they present barriers to achieving the development of a coordinated human resource system.

(j) Recommend to the governor and to the federal government changes in state or federal laws, rules, or regulations concerning employment and training programs that present barriers to achieving the development of a coordinated human resource system.

(k) Recommend to the governor and to the federal government waivers of laws and regulations to promote coordinated service delivery.

(l) Sponsor appropriate studies and prepare and recommend to the governor a strategic plan which details methods for meeting Minnesota's human investment needs and for developing and coordinating a state human resource system.

(m) Provide the commissioner of employment and economic development and the committees of the legislature with responsibility for economic development with recommendations provided to the governor under this subdivision.

(n) In consultation with local workforce councils and the Department of Employment and Economic Development, develop an ongoing process to identify and address local gaps in workforce services.

Sec. 7. Minnesota Statutes 2008, section 116L.665, subdivision 6, is amended to read:

Subd. 6. **Staffing.** The Department of Employment and Economic Development must provide staff support, including but not limited to professional, technical, and clerical staff necessary to perform the duties assigned to the Minnesota Workforce Development Council. ~~The support includes professional, technical, and clerical staff necessary to perform the duties assigned to the Workforce Development Council.~~ All staff report to the commissioner. The council may ask for assistance from other units of state government as it requires in order to fulfill its duties and responsibilities.

Sec. 8. Minnesota Statutes 2008, section 116L.665, is amended by adding a subdivision to read:

Subd. 8. **Funding.** The commissioner shall develop recommendations on a funding formula for allocating Workforce Investment Act funds to the council with a minimum allocation of \$350,000 per year. The commissioner shall report the funding formula recommendations to the legislature by January 15, 2011.

Sec. 9. **[116L.98] WORKFORCE PROGRAM OUTCOMES.**

The commissioner shall develop and implement a set of standard approaches for assessing the outcomes of workforce programs under this chapter. The outcomes assessed must include, but are not limited to, periodic comparisons of workforce program participants and nonparticipants.

The commissioner shall also monitor the activities and outcomes of programs and services funded by legislative appropriations and administered by the department on a pass-through basis and develop a consistent and equitable method of assessing recipients for the costs of its monitoring activities.

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

Sec. 10. **[116W.01] MINNESOTA SCIENCE AND TECHNOLOGY
AUTHORITY ACT.**

This chapter may be cited as the "Minnesota Science and Technology Authority Act."

Sec. 11. **[116W.02] DEFINITIONS.**

Subdivision 1. **Applicability.** For the purposes of this chapter, the terms in this section have the meanings given them.

Subd. 2. **Authority.** "Authority" means the Minnesota Science and Technology Authority.

Subd. 3. **Eligible recipient.** "Eligible recipient" means an entity primarily operating to create and retain jobs in the state's industrial base and maximize the economic growth of the state through:

(1) high-technology research and development capabilities;

(2) product and process innovation and commercialization;

(3) high-technology manufacturing capabilities;

(4) science and technology business environment; or

(5) science and technology workforce preparation.

Subd. 4. **Advisory commission.** "Advisory commission" means the advisory commission under section 116W.051.

Sec. 12. **[116W.03] MINNESOTA SCIENCE AND TECHNOLOGY
AUTHORITY.**

Subdivision 1. **Membership.** The Minnesota Science and Technology Authority consists of the state chief information officer, the commissioner of employment and economic development, the commissioner of management and budget, the commissioner of revenue, the commissioner of commerce, and the commissioner of agriculture.

Subd. 2. **Chair; other officers.** The commissioner of employment and economic development shall serve as the chair and chief executive officer of the authority. The authority shall rotate the position of vice chair annually among its members. The commissioner of employment and economic development shall convene the first meeting

of the authority no later than July 1, 2010. In the absence of the chair or vice chair at meetings of the authority members may elect a chair for the meeting, and may elect other officers as necessary from its members.

Subd. 3. **Delegation.** In addition to any powers to delegate that members of the authority have as commissioners, they may delegate to the chair, vice chair, or executive director their responsibilities as members of the authority for reviewing and approving financing of eligible projects, projects that have been authorized by law, or programs specifically authorized by resolution of the authority.

Subd. 4. **Actions.** (a) A majority of the authority, excluding vacancies, constitutes a quorum to conduct its business, to exercise its powers, and for all other purposes.

(b) The authority may conduct its business by any technological means available, including teleconference calls or interactive video, that allows for an interaction between members. If a meeting is conducted under this paragraph, a specific location must be available for the public to attend the meeting and at least one member must be present at that location.

Subd. 5. **Executive director; staffing.** The authority shall employ an executive director in the unclassified service. The initial executive director must be the individual in the position of director of the Office of Science and Technology as of January 1, 2010, under section 116J.657. The executive director is responsible for hiring staff necessary to assist the executive director to carry out the duties and responsibilities of the authority. The executive director shall perform duties that the authority may require in carrying out its responsibilities to manage and implement the funds and programs in this chapter, and comply with all state and federal program requirements, and state and federal securities and tax laws and regulations. The executive director shall assist the advisory board in fulfilling its duties under this chapter.

Subd. 6. **Administrative services.** The authority shall enter into agreements for administrative and professional services and technical support.

Subd. 7. **Expiration.** The authority is permanent and the provisions of section 15.059, subdivision 5, do not apply.

Sec. 13. [116W.04] POWERS AND DUTIES.

Subdivision 1. **Duties.** The Science and Technology Authority shall:

(1) coordinate public and private efforts to procure federal funding for collaborative research and development projects of primary benefit to small-sized and medium-sized businesses;

(2) promote contractual relationships between Minnesota businesses that are recipients of federal grants and prime contractors, and Minnesota-based subcontractors;

(3) work with Minnesota nonprofit institutions including the University of Minnesota, Minnesota State Colleges and Universities, and the Mayo Clinic in promoting collaborative efforts to respond to federal funding opportunities;

(4) develop a framework for Minnesota companies to establish sole-source relationships with federal agencies;

(5) provide grants or other forms of financial assistance to eligible recipients for purposes of this chapter;

(6) coordinate workshops, assistance with business proposals, licensing, intellectual property protection, commercialization, and government auditing with the University of Minnesota and Minnesota State Colleges and Universities; and

(7) develop and implement a comprehensive science and technology economic development strategy for the state.

Subd. 2. **Technology matchmaking.** The authority must assist businesses in identifying qualified suppliers and vendors through a program to serve as a conduit for Minnesota-based companies to network with firms able to support their success. Firms outside Minnesota can participate in the technology matchmaking network if one of the participating companies is located in Minnesota.

Subd. 3. **Commercialization assistance.** The authority must provide commercialization assistance to Minnesota firms that have received a Phase I Small Business Innovation Research (SBIR) or a Phase I Small Business Technology Transfer (STTR) award and are submitting a Phase II proposal. Local service providers must assist the applicant with developing and reviewing the required commercialization plan prior to Phase II submission. The authority may provide SBIR Phase I proposal technical review.

Subd. 4. **Power to sue; enter contracts.** The authority may sue and be sued. The authority may make and enter into contracts, leases, and agreements necessary to perform its duties and exercise its powers.

Subd. 5. **Gifts; grants.** The authority may apply for, accept, and disburse gifts, grants, loans, or other property from the United States, the state, private sources, or any other source for any of its purposes. Money received by the authority under this subdivision must be deposited in the state treasury and is appropriated to the authority to carry out its duties.

Subd. 6. **Contract for services.** The authority may retain or contract for the services of accountants, financial advisors, and other consultants or agents needed to perform its duties and exercise its powers.

11.1 Subd. 7. **Fees.** The authority may set and collect fees for costs incurred by the
11.2 authority, the Department of Employment and Economic Development, the Department of
11.3 Management and Budget, the Department of Revenue, the Department of Commerce, the
11.4 Department of Labor and Industry, and the Department of Agriculture, including costs
11.5 for personnel, professional, and administrative services.

11.6 Subd. 8. **Reports.** (a) The authority shall report by February 1 each year to the
11.7 chairs and ranking minority members of the legislative committees and divisions with
11.8 jurisdiction over finance and economic development on its progress to design, coordinate,
11.9 and administer a strategic science and technology program for the state to promote the
11.10 welfare of the people of the state, maximize the economic growth of the state, and create
11.11 and retain jobs in the state's industrial base through enhancement of Minnesota's:

11.12 (1) high-technology research and development capabilities;

11.13 (2) product and process innovation and commercialization;

11.14 (3) high-technology manufacturing capabilities;

11.15 (4) science and technology business environment; and

11.16 (5) science and technology workforce preparation.

11.17 (b) The report must include a complete operating and financial statement covering
11.18 the authority's operations during the year, including amounts of income from all sources.
11.19 Books and records of the authority are subject to audit by the legislative auditor in the
11.20 manner prescribed for state agencies.

11.21 Subd. 9. **Consultative and technical services.** The authority may provide general
11.22 consultative and technical services to assist eligible projects and enter into agreements or
11.23 other transactions concerning the receipt or provision of those services.

11.24 Subd. 10. **Financial information.** Financial information, including credit reports,
11.25 financial statements, and net worth calculations, received or prepared by the authority
11.26 regarding financial assistance, is private data with regard to data on individuals as defined
11.27 in section 13.02, subdivision 12, and nonpublic data with regard to data not on individuals
11.28 as defined in section 13.02, subdivision 9.

11.29 Subd. 11. **General.** The authority shall have all powers necessary and appropriate to
11.30 fulfill its responsibilities under this chapter.

11.31 **Sec. 14. [116W.05] PROJECT FINANCIAL ASSISTANCE.**

11.32 Subdivision 1. **Determination of financial assistance.** The authority shall assist
11.33 eligible recipients in identifying grants or other sources of financial assistance available to
11.34 finance projects and may assist eligible recipients in applying for and obtaining grants and
11.35 other forms of assistance.

Subd. 2. **Financial feasibility review.** (a) The authority shall review the proposed financing for each project submitted to the authority to determine whether: (1) the proposed project and financing plan is an eligible use of the money; and (2) the proposal is in compliance with applicable state and federal tax and securities laws and regulations. Grants in excess of \$50,000 must be approved by the authority. Grants of \$50,000 or less may be authorized by the executive director. All grant approvals or disapprovals must be completed within 30 days of submission to the authority. Grants approved by the executive director must be reviewed by the authority each month.

(b) Unless a project is specifically authorized by law, the authority may reject the proposed financing for a project meeting the requirements in paragraph (a) if there are not sufficient funds available or if a majority of members believe the financing of the project would not be in the best interests of the state or would be detrimental to the authority's funds or programs. A determination to reject a proposed project must not be made in an arbitrary and capricious manner and must be supported by substantive evidence and documented by a resolution of the authority stating its findings.

Sec. 15. **[116W.051] ADVISORY COMMISSION.**

Subdivision 1. **Advisory commission membership.** A Science and Technology Initiative Advisory Commission of 17 members is established and is comprised of:

(1) two representatives of the University of Minnesota, selected by the president of the university, including a faculty member actively involved in science and technology research;

(2) a representative of Minnesota State Colleges and Universities, selected by the chancellor;

(3) the chief executive officer of the Mayo Clinic or a designee;

(4) six chief executive officers or designees from science-oriented or technology-oriented companies;

(5) four representatives from science-oriented and technology-oriented organizations;

(6) one representative of organized labor;

(7) a venture capital representative; and

(8) a representative of angel investors.

A member must have experience in science or technology in order to serve on the commission.

Members of the commission listed in clauses (4) to (8) shall be appointed by the authority.

Subd. 2. **Advisory commission duties.** The advisory commission must assist the authority in developing a comprehensive science and technology economic development plan to be presented to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over economic development by January 15, 2011. The plan must include recommendations in strategic areas for science and technology investments, recommendations on additional programs to support science and technology focused economic development activities in the state, selection of specific programs and grantees for support from program funds authorized by the advisory commission and ongoing assessment of the effectiveness of programmatic elements according to metrics to be developed by the authority in consultation with the advisory commission. The advisory commission may also advise and assist the authority in fulfilling its duties under section 116W.04.

Subd. 3. **Membership terms; vacancies; compensation.** The membership terms, removal of members, and filling of vacancies are as provided under section 15.059. The executive director may provide compensation to members if funds are available.

Subd. 4. **Expiration.** The advisory commission expires June 30, 2013.

Subd. 5. **Convening of meetings; staffing.** The executive director of the authority must convene the first meeting of the commission by August 1, 2010. The executive director must provide administrative support and staff to the commission.

Sec. 16. **[116W.20] MONEY OF THE AUTHORITY.**

Subdivision 1. **Functions of commissioner of management and budget.** Except as otherwise provided in this section, money of the authority must be paid to the commissioner of management and budget as agent of the authority and the commissioner shall not commingle the money with other money. The money in the accounts of the authority must be paid out only on warrants drawn by the commissioner of management and budget on requisition of the executive director of the authority or of another officer or employee as the authority authorizes. Deposits of the authority's money must, if required by the commissioner or the authority, be secured by obligations of the United States or of the state of a market value equal at all times to the amount of the deposit and all banks and trust companies are authorized to give security for the deposits. All money paid to the commissioner as agent of the authority is appropriated to the authority. The commissioner must annually report to the committees of the legislature with responsibility for economic development and management and budget on the use of appropriations under this section.

Subd. 2. **System of accounts.** The commissioner of management and budget shall prescribe a system of accounts.

Sec. 17. **[116W.21] NONLIABILITY.**

Subdivision 1. **Nonliability of individuals.** No member of the authority, staff of the authority, or other person executing other agreements or contracts of the authority is liable personally or is subject to any personal liability or accountability by reason of their issuance, execution, delivery, or performance.

Subd. 2. **Nonliability of state.** The state is not liable on loans or other agreements or contracts of the authority issued or entered into under this chapter and the loans or other agreements or contracts of the authority are not a debt of the state. The loans or other agreements or contracts of the authority must contain on their face a statement to that effect.

Sec. 18. **[116W.23] STATE PLEDGE AGAINST IMPAIRMENT OF CONTRACTS.**

The state pledges and agrees with parties to any loans or other agreements or contracts of the authority that the state will not: (1) limit or alter the rights vested in the authority to fulfill the terms of any agreements made with the parties to any loans or other agreements or contracts of the authority; or (2) in any way impair the rights and remedies of the parties to any loans or other agreements or contracts of the authority. The authority may include this pledge and agreement of the state in any agreement with the parties in any loans or other agreements or contracts of the authority.

Sec. 19. **[116W.24] RESERVES; FUNDS; ACCOUNTS.**

The authority may establish reserves, funds, or accounts necessary to carry out the purposes of the authority or to comply with any agreement made by or any resolution passed by the authority.

Sec. 20. Minnesota Statutes 2008, section 136F.06, is amended by adding a subdivision to read:

Subd. 4. **Workforce focus.** The board must identify colleges offering flexible academic programs that accommodate the needs of laid-off workers and assist its other institutions in determining whether to offer similar programs. Colleges must increase the number of certificate programs available to meet the needs of unemployed Minnesotans.

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

Sec. 21. Minnesota Statutes 2008, section 268.035, is amended by adding a subdivision to read:

15.1 Subd. 21b. **Staffing service.** A "staffing service" is an employer whose business
15.2 involves employing individuals directly for the purpose of furnishing temporary
15.3 assignment workers to clients of the staffing service.

15.4 Sec. 22. Minnesota Statutes 2009 Supplement, section 268.035, subdivision 23a,
15.5 is amended to read:

15.6 Subd. 23a. **Suitable employment.** (a) Suitable employment means employment in
15.7 the applicant's labor market area that is reasonably related to the applicant's qualifications.
15.8 In determining whether any employment is suitable for an applicant, the degree of risk
15.9 involved to the health and safety, physical fitness, prior training, experience, length
15.10 of unemployment, prospects for securing employment in the applicant's customary
15.11 occupation, and the distance of the employment from the applicant's residence is
15.12 considered.

15.13 (b) In determining what is suitable employment, primary consideration is given to the
15.14 temporary or permanent nature of the applicant's separation from employment and whether
15.15 the applicant has favorable prospects of finding employment in the applicant's usual or
15.16 customary occupation at the applicant's past wage level within a reasonable period of time.

15.17 If prospects are unfavorable, employment at lower skill or wage levels is suitable
15.18 if the applicant is reasonably suited for the employment considering the applicant's
15.19 education, training, work experience, and current physical and mental ability.

15.20 The total compensation must be considered, including the wage rate, hours of
15.21 employment, method of payment, overtime practices, bonuses, incentive payments, and
15.22 fringe benefits.

15.23 (c) When potential employment is at a rate of pay lower than the applicant's former
15.24 rate, consideration must be given to the length of the applicant's unemployment and the
15.25 proportion of difference in the rates. Employment that may not be suitable because of
15.26 lower wages during the early weeks of the applicant's unemployment may become suitable
15.27 as the duration of unemployment lengthens.

15.28 (d) For an applicant seasonally unemployed, suitable employment includes
15.29 temporary work in a lower skilled occupation that pays average gross weekly wages equal
15.30 to or more than 150 percent of the applicant's weekly unemployment benefit amount.

15.31 (e) If a majority of the applicant's weeks of employment in the base period includes
15.32 part-time employment, part-time employment in a position with comparable skills and
15.33 comparable hours that pays comparable wages is considered suitable employment.

Full-time employment is not considered suitable employment for an applicant if a majority of the applicant's weeks of employment in the base period includes part-time employment.

(f) To determine suitability of employment in terms of shifts, the arrangement of hours in addition to the total number of hours is to be considered. Employment on a second, third, rotating, or split shift is suitable employment if it is customary in the occupation in the labor market area.

(g) Employment is not considered suitable if:

(1) the position offered is vacant because of a labor dispute;

(2) the wages, hours, or other conditions of employment are substantially less favorable than those prevailing for similar employment in the labor market area; ~~or~~

(3) as a condition of becoming employed, the applicant would be required to join a company union or to resign from or refrain from joining any bona fide labor organization; or

(4) the employment is with a staffing service and less than 75 percent of the applicant's wage credits are from a job assignment with the client of a staffing service.

(h) A job assignment with a staffing service is considered suitable only if 75 percent or more of the applicant's wage credits are from job assignments with clients of a staffing service and the job assignment meets the definition of suitable employment under paragraph (a).

Sec. 23. Minnesota Statutes 2008, section 268.085, subdivision 16, is amended to read:

Subd. 16. **Actively seeking suitable employment defined.** (a) "Actively seeking suitable employment" means those reasonable, diligent efforts an individual in similar circumstances would make if genuinely interested in obtaining suitable employment under the existing conditions in the labor market area. Limiting the search to positions that are not available or are above the applicant's training, experience, and qualifications is not "actively seeking suitable employment."

(b) To be considered "actively seeking suitable employment" an applicant must, when reasonable, contact those employers from whom the applicant was laid off because of lack of work and request suitable employment.

(c) If reasonable prospects of suitable employment in the applicant's usual or customary occupation do not exist, the applicant must actively seek other suitable employment to be considered "actively seeking suitable employment." This applies to an applicant who is seasonally unemployed.

(d) Actively seeking a suitable job assignment or other employment with a staffing service is considered actively seeking suitable employment.

(e) An applicant who is seeking employment only through a union is considered actively seeking suitable employment if the applicant is in an occupation where hiring in that locality is done through the union. If the applicant is a union member who is restricted to obtaining employment among signatory contractors in the construction industry, seeking employment only with those signatory contractors is considered actively seeking employment. The applicant must be a union member in good standing, registered with the union for employment, and in compliance with other union rules to be considered "actively seeking suitable employment."

Sec. 24. Minnesota Statutes 2009 Supplement, section 268.095, subdivision 2, is amended to read:

Subd. 2. **Quit defined.** (a) A quit from employment occurs when the decision to end the employment was, at the time the employment ended, the employee's.

(b) An employee who has been notified that the employee will be discharged in the future, who chooses to end the employment while employment in any capacity is still available, is considered to have quit the employment.

(c) An employee who seeks to withdraw a previously submitted notice of quitting is considered to have quit the employment if the employer does not agree that the notice may be withdrawn.

(d) An applicant who, within five calendar days after completion of a suitable ~~temporary~~ job assignment from a staffing service ~~employer~~, (1) fails without good cause to affirmatively request an additional suitable job assignment, (2) refuses without good cause an additional suitable job assignment offered, or (3) accepts employment with the client of the staffing service, is considered to have quit employment with the staffing service. Accepting employment with the client of the staffing service meets the requirements of the exception to ineligibility under subdivision 1, clause (2).

This paragraph applies only if, at the time of beginning of employment with the staffing service ~~employer~~, the applicant signed and was provided a copy of a separate document written in clear and concise language that informed the applicant of this paragraph and that unemployment benefits may be affected.

For purposes of this paragraph, "good cause" is a reason that is significant and would compel an average, reasonable worker, who would otherwise want an additional ~~temporary~~ suitable job assignment with the staffing service ~~employer~~, (1) to fail to contact the staffing service ~~employer~~, or (2) to refuse an offered assignment.

~~For purposes of this paragraph, a "staffing service employer" is an employer whose business involves employing individuals directly for the purpose of furnishing temporary job assignment workers to clients of the staffing service.~~

Sec. 25. Minnesota Statutes 2008, section 268.095, subdivision 5, is amended to read:

Subd. 5. **Discharge defined.** (a) A discharge from employment occurs when any words or actions by an employer would lead a reasonable employee to believe that the employer will no longer allow the employee to work for the employer in any capacity. A layoff because of lack of work is considered a discharge. A suspension from employment without pay of more than 30 calendar days is considered a discharge.

(b) An employee who gives notice of intention to quit the employment and is not allowed by the employer to work the entire notice period is considered discharged from the employment as of the date the employer will no longer allow the employee to work. If the discharge occurs within 30 calendar days before the intended date of quitting, then, as of the intended date of quitting, the separation from employment is considered a quit from employment subject to subdivision 1.

(c) The end of a job assignment with the client of a staffing service is considered a discharge from employment with the staffing service unless section 268.095, subdivision 2, paragraph (d), applies.

Sec. 26. Minnesota Statutes 2009 Supplement, section 268.095, subdivision 6, is amended to read:

Subd. 6. **Employment misconduct defined.** (a) Employment misconduct means ~~any intentional, negligent, or indifferent conduct, on the job or off the job that displays clearly:~~

~~(1) a serious is an egregious violation of the standards of behavior the employer has the right to reasonably expect of the employee; or and displays clearly~~

~~(2) a substantial lack of concern for the employment. The term "egregious," as used in this subdivision, sets a high threshold, and application of the term must take into consideration section 268.031, subdivision 2.~~

(b) Regardless of paragraph (a), the following is not employment misconduct:

(1) conduct that was a consequence of the applicant's mental illness or impairment;

(2) conduct that was a consequence of the applicant's inefficiency or inadvertence;

(3) simple unsatisfactory conduct;

(4) conduct an average reasonable employee would have engaged in under the circumstances;

(5) ~~poor performance because of~~ conduct that was a consequence of the applicant's inability or incapacity;

(6) good faith errors in judgment if judgment was required;

(7) absence because of illness or injury of the applicant, with proper notice to the employer;

(8) absence, with proper notice to the employer, in order to provide necessary care because of the illness, injury, or disability of an immediate family member of the applicant;

(9) conduct that was a ~~direct result~~ consequence of the applicant's chemical dependency, unless the applicant was previously diagnosed chemically dependent or had treatment for chemical dependency, and since that diagnosis or treatment has failed to make consistent efforts to control the chemical dependency; or

(10) conduct that was a ~~result~~ consequence of the applicant, or an immediate family member of the applicant, being a victim of domestic abuse as defined under section 518B.01. Domestic abuse must be shown as provided for in subdivision 1, clause (9).

(c) Regardless of paragraph (b), clause (9), conduct in violation of sections 169A.20, 169A.31, or 169A.50 to 169A.53 that interferes with or adversely affects the employment is employment misconduct.

(d) If the conduct for which the applicant was discharged involved only a single incident, that is an important fact that must be considered in deciding whether the conduct rises to the level of employment misconduct under paragraph (a).

(e) The definition of employment misconduct provided by this subdivision is exclusive and no other definition applies.

EFFECTIVE DATE. This section is effective for determinations under section 268.101, subdivision 2, and appeal decisions under section 268.105, subdivision 1, issued on and after the Sunday following final enactment.

Sec. 27. Minnesota Statutes 2008, section 268.101, is amended by adding a subdivision to read:

Subd. 2a. Telephone number. Every determination issued under subdivision 2 must include a prominently displayed telephone number that an applicant or involved employer can call to speak with an unemployment insurance specialist and obtain further explanation about the determination and have any questions answered. The specialist must, when appropriate, issue an amended determination as provided for in subdivision 4. The listed telephone number must be unique to a specialized call group trained to handle calls involving determinations.

20.1 **EFFECTIVE DATE.** This section is effective October 3, 2010, and expires
20.2 September 30, 2012.

20.3 Sec. 28. Minnesota Statutes 2009 Supplement, section 268.105, subdivision 1, is
20.4 amended to read:

20.5 Subdivision 1. **Evidentiary hearing by unemployment law judge.** (a) Upon
20.6 a timely appeal having been filed, the department must send, by mail or electronic
20.7 transmission, a notice of appeal to all involved parties that an appeal has been filed, and
20.8 that a de novo due process evidentiary hearing will be scheduled. The notice must set out
20.9 the parties' rights and responsibilities regarding the hearing. The notice must explain that
20.10 the facts will be determined by the unemployment law judge based upon a preponderance
20.11 of the evidence. The notice must explain in clear and simple language the meaning of the
20.12 term "preponderance of the evidence." The department must set a time and place for a
20.13 de novo due process evidentiary hearing and send notice to any involved applicant and
20.14 any involved employer, by mail or electronic transmission, not less than ten calendar
20.15 days before the date of the hearing.

20.16 (b) The evidentiary hearing is conducted by an unemployment law judge as an
20.17 evidence gathering inquiry. At the beginning of the hearing the unemployment law judge
20.18 must fully explain how the hearing will be conducted, that the applicant has the right to
20.19 request that the hearing be rescheduled so that documents or witnesses can be subpoenaed,
20.20 that the facts will be determined based on a preponderance of the evidence, and, in
20.21 clear and simple language, the meaning of the term "preponderance of the evidence."
20.22 The unemployment law judge must ensure that all relevant facts are clearly and fully
20.23 developed. The department may adopt rules on evidentiary hearings. The rules need
20.24 not conform to common law or statutory rules of evidence and other technical rules of
20.25 procedure. The department has discretion regarding the method by which the evidentiary
20.26 hearing is conducted. A report of any employee of the department, except a determination,
20.27 made in the regular course of the employee's duties, is competent evidence of the facts
20.28 contained in it. An affidavit or written statement based on personal knowledge and signed
20.29 under penalty of perjury is competent evidence of the facts contained in it; however, the
20.30 veracity of statements contained within the document or the credibility of the witness
20.31 making the statement may be disputed with other documents or testimony and production
20.32 of such documents or testimony may be compelled by subpoena.

20.33 (c) After the conclusion of the hearing, upon the evidence obtained, the
20.34 unemployment law judge must make findings of fact and decision and send those, by mail
20.35 or electronic transmission, to all involved parties. When the credibility of an involved

party or witness testifying in an evidentiary hearing has a significant effect on the outcome of a decision, the unemployment law judge must set out the reason for crediting or discrediting that testimony. The unemployment law judge's decision is final unless a request for reconsideration is filed under subdivision 2.

(d) Regardless of paragraph (c), if the appealing party fails to participate in the evidentiary hearing, the unemployment law judge has the discretion to dismiss the appeal by summary order. By failing to participate, the appealing party is considered to have failed to exhaust available administrative remedies unless the appealing party files a request for reconsideration under subdivision 2 and establishes good cause for failing to participate in the evidentiary hearing under subdivision 2, paragraph (d). Submission of a written statement does not constitute participation. The applicant must participate personally and appearance solely by a representative does not constitute participation.

(e) Only employees of the department who are attorneys licensed to practice law in Minnesota may serve as the chief unemployment law judge, senior unemployment law judges who are supervisors, or unemployment law judges. The commissioner must designate a chief unemployment law judge. The chief unemployment law judge may transfer to another unemployment law judge any proceedings pending before an unemployment law judge.

(f) A full-time unemployment law judge must be paid a salary of a minimum of 55 percent and a maximum of 75 percent of the salary set under section 15A.083, subdivision 7, for a workers' compensation judge. The salary paid within that range to any single unemployment law judge is based on experience and performance.

EFFECTIVE DATE. This section is effective July 1, 2010, and applies to all new unemployment law judges hired on or after that date.

Sec. 29. Minnesota Statutes 2008, section 268.184, subdivision 1, is amended to read:

Subdivision 1. **Administrative penalties.** (a) The commissioner shall penalize an employer if that employer or any employee, officer, or agent of that employer, is in collusion with any applicant for the purpose of assisting the applicant to receive unemployment benefits fraudulently. The penalty is \$500 or the amount of unemployment benefits determined to be overpaid, whichever is greater.

(b) The commissioner shall penalize an employer if that employer or any employee, officer, or agent of that employer (1) made a false statement or representation knowing it to be false, (2) made a false statement or representation without a good faith belief as to correctness of the statement or representation, ~~or~~ (3) knowingly failed to disclose a

material fact~~s~~, or (4) made an offer of employment to an applicant when, in fact, the employer had no employment available, but only if the employer's action:

(i) was taken to prevent or reduce the payment of unemployment benefits to any applicant;

(ii) was taken to reduce or avoid any payment required from an employer under this chapter or section 116L.20; or

(iii) caused an overpayment of unemployment benefits to an applicant.

The penalty is \$500, or 50 percent of the overpaid or reduced unemployment benefits or payment required, whichever is greater.

(c) The commissioner shall penalize an employer if that employer failed or refused to honor a subpoena issued under section 268.105, subdivision 4, or section 268.188. The penalty is \$500 and any costs of enforcing the subpoena, including attorney fees.

(d) Penalties under this subdivision are in addition to any other penalties and subject to the same collection procedures that apply to past due taxes. Penalties must be paid within 30 calendar days of assessment and credited to the contingent account.

(e) The assessment of the penalty is final unless the employer files an appeal within 20 calendar days after the sending of notice of the penalty to the employer by mail or electronic transmission. Proceedings on the appeal are conducted in accordance with section 268.105.

Sec. 30. **[326B.091] DEFINITIONS.**

Subdivision 1. Applicability. For purposes of sections 326B.091 to 326B.098, the terms defined in this section have the meanings given them.

Subd. 2. Applicant. "Applicant" means a person who has submitted to the department an application for a license.

Subd. 3. License. "License" means any registration, certification, or other form of approval authorized by chapters 326B and 327B to be issued by the commissioner or department as a condition of doing business or conducting a trade, profession, or occupation in Minnesota. License includes specifically but not exclusively an authorization issued by the commissioner or department: to perform electrical work, plumbing or water conditioning work, high pressure piping work, or residential building work of a residential contractor, residential remodeler, or residential roofer; to install manufactured housing; to serve as a building official; or to operate a boiler or boat.

Subd. 4. Licensee. "Licensee" means the person named on the license as the person authorized to do business or conduct the trade, profession, or occupation in Minnesota.

Subd. 5. **Notification date.** "Notification date" means the date of the written notification from the department to an applicant that the applicant is qualified to take the examination required for licensure.

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

Sec. 31. **[326B.092] FEES.**

Subdivision 1. **Licenses requiring examination administered by commissioner.**

(a) If the applicant for a license must pass an examination administered by the commissioner in order to obtain the license, then the application for the initial license must be accompanied by an application and examination fee of \$50, which is separate from the license fee. The license fee is due after the applicant passes the examination and before the license is issued.

(b) If the applicant for a Minnesota license holds a license in another state and is seeking Minnesota licensure without examination based on reciprocity, then the application for the Minnesota license must be accompanied by the application and examination fee of \$50, which is separate from the license fee. If the commissioner approves the application, then the license fee is due before the license is issued.

Subd. 2. **Licenses not requiring examination administered by commissioner.**

If the applicant for a license is not required to pass an examination in order to obtain the license, or is required to pass an examination that is not administered by the commissioner, then the license fee must accompany the application for the license. If the application is for a license issued under sections 326B.802 to 326B.885 and is not an application for license renewal, then the contractor recovery fund fee required under section 326B.89, subdivision 3, is due after the department has determined that the applicant meets the qualifications for licensing and before the license is issued.

Subd. 3. **Late fee.** The department must receive a complete application for license renewal by the renewal deadline but not more than 90 days before the renewal deadline. If the department receives a renewal application after the expiration of the license, then the renewal application must be accompanied by a late fee equal to one-half of the license renewal fee; except that, for the purpose of calculating the late fee only, the license renewal fee shall not include any contractor recovery fund fee required by section 326B.89, subdivision 3.

Subd. 4. **Lapsed licensed fee.** If the department receives a renewal application within two years after expiration of the license, the renewal application must be accompanied by all license renewal fees to cover the period that the license was expired,

plus the late fee described in subdivision 3 and the license renewal fee for the current renewal period.

Subd. 5. **Insufficient fees.** If the applicant does not include all required fees with the application, then the application will be incomplete and the department will notify the applicant of the amount of the deficiency.

Subd. 6. **Fees nonrefundable.** Application and examination fees, license fees, license renewal fees, and late fees are nonrefundable except for:

(1) license renewal fees received more than two years after expiration of the license, as described in section 326B.094, subdivision 2;

(2) any overpayment of fees; and

(3) if the license is not renewed, the contractor recovery fund fee and any additional assessment paid under subdivision 7, paragraph (e).

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

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

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

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

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

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

(d) If there is a continuing education requirement for renewal of the license, then a continuing education fee must be included in the renewal license fee. The continuing education fee for all license classifications shall be: \$10 if the renewal license duration is

25.1 one year; \$20 if the renewal license duration is two years; and \$30 if the renewal license
25.2 duration is three years.

25.3 (e) If the license is issued under sections 326B.31 to 326B.59 or 326B.90 to
25.4 326B.93, then a board fee must be included in the license fee and the renewal license fee.
25.5 The board fee for all license classifications shall be: \$4 if the license duration is one year;
25.6 \$8 if the license duration is two years; and \$12 if the license duration is three years.

25.7 (f) If the application is for the renewal of a license issued under sections 326B.802
25.8 to 326B.885, then the contractor recovery fund fee required under section 326B.89,
25.9 subdivision 3, and any additional assessment required under section 326B.89, subdivision
25.10 16, must be included in the license renewal fee.

25.11 Sec. 32. **[326B.093] LICENSES REQUIRING EXAMINATION**
25.12 **ADMINISTERED BY COMMISSIONER.**

25.13 Subdivision 1. **Qualifications for examination.** If the applicant for a license must
25.14 pass an examination administered by the commissioner in order to obtain the license, then
25.15 the applicant's complete application must demonstrate that the applicant is qualified to
25.16 take the examination. The applicant is qualified to take the examination if the applicant
25.17 meets all requirements for the license except for passing the examination.

25.18 Subd. 2. **Not qualified for examination.** If the applicant is not qualified to take
25.19 the examination, then the commissioner must deny the application. The applicant may
25.20 subsequently submit another application, accompanied by the required fee.

25.21 Subd. 3. **Taking the examination.** If the applicant is qualified to take the
25.22 examination, then the department must notify the applicant, and the applicant may
25.23 schedule a time to take the examination within one year after the notification date. If the
25.24 applicant does not take the examination at the scheduled time, the applicant may, one
25.25 time only, reschedule a time to take the examination on a date within one year after the
25.26 notification date. If the applicant fails to take the examination within one year after the
25.27 notification date, the commissioner must deny the application and the applicant forfeits the
25.28 application/examination fee. The applicant may subsequently submit another application,
25.29 accompanied by the required application/examination fee.

25.30 Subd. 4. **Examination results.** If the applicant receives a passing score on the
25.31 examination and meets all other requirements for licensure, the commissioner must
25.32 approve the application and notify the applicant of the approval within 60 days of the date
25.33 of the passing score. The applicant must, within 90 days after the notification of approval,
25.34 pay the license fee. Upon receipt of the license fee, the commissioner must issue the
25.35 license. If the applicant does not pay the license fee within 90 days after the notification

of approval, the commissioner will rescind the approval and must deny the application.
If the applicant does not receive a passing score on the examination, the commissioner
must deny the application. If the application is denied because of the applicant's failure
to receive a passing score on the examination, then the applicant cannot submit a new
application for the license until at least 30 days after the notification of denial.

Sec. 33. **[326B.094] RENEWAL OF LICENSES.**

Subdivision 1. **Expiration of licenses.** Unless and until the department or
commissioner issues a renewal of a license, the license expires on the expiration date
printed on the license. While the license is expired, the licensee cannot perform the
activities authorized by the license.

Subd. 2. **Availability of renewal.** A licensee may apply to renew a license no later
than two years after the expiration of the license. If the department receives a complete
renewal application no later than two years after the expiration of the license, then the
department must approve or deny the renewal application within 60 days of receiving the
complete renewal application. If the department receives a renewal application more than
two years after the expiration of the license, the department must return the renewal
license fee to the applicant without approving or denying the application. If the licensee
wishes to obtain a valid license more than two years after expiration of the license, the
licensee must apply for a new license.

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

Sec. 34. **[326B.095] INCOMPLETE LICENSE APPLICATIONS.**

This section applies to both applications for initial licenses and license renewal
applications. If the department determines that an application is incomplete, the
department must notify the applicant of the deficiencies that must be corrected in
order to complete the application. If the applicant wishes to complete the application,
the department must receive the completed application within 90 days after the date
the department mailed or delivered the incomplete application to the applicant. If the
department does not receive the completed application by this deadline, the commissioner
must deny the application and the applicant will forfeit all fees except as provided
in section 326B.092, subdivision 6. If the application is for license renewal and the

27.1 department receives the corrected application after the license has expired, then the
27.2 corrected application must be accompanied by the late fee.

27.3 Sec. 35. **[326B.096] REINSTATEMENT OF LICENSES.**

27.4 Subdivision 1. **Reinstatement after revocation.** (a) If a license is revoked under
27.5 this chapter and if an applicant for a license needs to pass an examination administered by
27.6 the commissioner before becoming licensed, then, in order to have the license reinstated,
27.7 the person who holds the revoked license must:

27.8 (1) retake the examination and achieve a passing score; and

27.9 (2) meet all other requirements for an initial license, including payment of the
27.10 application and examination fee and the license fee. The person holding the revoked
27.11 license is not eligible for Minnesota licensure without examination based on reciprocity.

27.12 (b) If a license is revoked under a chapter other than this chapter, then, in order to
27.13 have the license reinstated, the person who holds the revoked license must:

27.14 (1) apply for reinstatement to the commissioner no later than two years after the
27.15 effective date of the revocation;

27.16 (2) pay a \$100 reinstatement application fee and any applicable renewal license
27.17 fee; and

27.18 (3) meet all applicable requirements for licensure, except that, unless required by the
27.19 order revoking the license, the applicant does not need to retake any examination and does
27.20 not need to repay a license fee that was paid before the revocation.

27.21 Subd. 2. **Reinstatement after suspension.** If a license is suspended, then, in order
27.22 to have the license reinstated, the person who holds the suspended license must:

27.23 (1) apply for reinstatement to the commissioner no later than two years after the
27.24 completion of the suspension period;

27.25 (2) pay a \$100 reinstatement application fee and any applicable renewal license
27.26 fee; and

27.27 (3) meet all applicable requirements for licensure, except that, unless required by the
27.28 order suspending the license, the applicant does not need to retake any examination and
27.29 does not need to repay a license fee that was paid before the suspension.

27.30 Subd. 3. **Reinstatement after voluntary termination.** A licensee who is not an
27.31 individual may voluntarily terminate a license issued to the person under this chapter. If a
27.32 licensee has voluntarily terminated a license under this subdivision, then, in order to have
27.33 the license reinstated, the person who holds the terminated license must:

27.34 (1) apply for reinstatement to the commissioner no later than the date that the license
27.35 would have expired if it had not been terminated;

28.1 (2) pay a \$100 reinstatement application fee and any applicable renewal license
28.2 fee; and

28.3 (3) meet all applicable requirements for licensure, except that the applicant does not
28.4 need to repay a license fee that was paid before the termination.

28.5 Sec. 36. **[326B.097] PROHIBITION OF TRANSFER.**

28.6 A licensee shall not transfer or sell any license.

28.7 Sec. 37. **[326B.098] CONTINUING EDUCATION.**

28.8 Subdivision 1. **Applicability.** This section applies to seminars offered by
28.9 the department for the purpose of allowing licensees to meet continuing education
28.10 requirements for license renewal.

28.11 Subd. 2. **Rescheduling.** An individual who is registered with the department to
28.12 attend a seminar may reschedule one time only, to attend the same seminar on a date
28.13 within one year after the date of the seminar the individual was registered to attend.

28.14 Subd. 3. **Fees nonrefundable.** All seminar fees paid to the department are
28.15 nonrefundable except for any overpayment of fees.

28.16 Sec. 38. Minnesota Statutes 2008, section 326B.133, subdivision 1, is amended to read:

28.17 Subdivision 1. **Designation.** Each municipality shall designate a building official to
28.18 administer the code. A municipality may designate no more than one building official
28.19 responsible for code administration defined by each certification category ~~established in~~
28.20 ~~rule~~ created by statute or rule. Two or more municipalities may combine in the designation
28.21 of a building official for the purpose of administering the provisions of the code within
28.22 their communities. In those municipalities for which no building officials have been
28.23 designated, the state building official may use whichever state employees are necessary to
28.24 perform the duties of the building official until the municipality makes a temporary or
28.25 permanent designation. All costs incurred by virtue of these services rendered by state
28.26 employees must be borne by the involved municipality and receipts arising from these
28.27 services must be paid to the commissioner.

28.28 Sec. 39. Minnesota Statutes 2008, section 326B.133, is amended by adding a
28.29 subdivision to read:

28.30 Subd. 2a. **Application; renewal; fees; expiration.** (a) An applicant for certification
28.31 shall submit a completed application on a form approved by the commissioner to the

department. The commissioner shall review applications for compliance with the requirements established by rule.

(b) Application for initial certification or renewal certification as a building official, building official-limited, or accessibility specialist shall be according to this section and sections 326B.092 to 326B.095.

(c) Fees shall be paid to the department according to section 326B.092.

(d) Unless revoked or suspended under this chapter, all certifications issued or renewed under this section expire two years from the date of original issuance and every two years thereafter.

Sec. 40. Minnesota Statutes 2008, section 326B.133, subdivision 3, is amended to read:

Subd. 3. **Certification criteria.** The commissioner shall by rule establish certification criteria as proof of qualification pursuant to subdivision 2. The commissioner may:

(1) develop and administer written and practical examinations to determine if a person is qualified pursuant to subdivision 2 to be a building official;

(2) accept documentation of successful completion of testing programs developed and administered by nationally recognized testing agencies, as proof of qualification pursuant to subdivision 2; or

(3) determine qualifications by satisfactory completion of clause (2) and a mandatory training program developed or approved by the commissioner.

Upon a determination of qualification under clause (1), (2), or (3), the commissioner shall issue a certificate to the building official stating that the official is certified. ~~Each person applying for examination and certification pursuant to this section shall pay a nonrefundable fee of \$70.~~ The commissioner or a designee may establish categories of certification that will recognize the varying complexities of code enforcement in the municipalities within the state. The commissioner shall provide educational programs designed to train and assist building officials in carrying out their responsibilities.

Sec. 41. Minnesota Statutes 2008, section 326B.133, is amended by adding a subdivision to read:

Subd. 3a. **Certification categories.** (a) If a municipality has adopted or adopts the State Building Code, the responsibilities for code administration and enforcement are under the authority of its designated building official or the certified building official-limited.

(b) Certified building official. This certification is identified as "certified building official" on the certificate card. This certification is granted to an individual who has met the certified building official requirements established by rule and passed the written examination prepared by the state. A person with this certification may serve as the designated building official for any municipality. For the purposes of calculating fees under section 326B.092, certification as a building official is a master license.

(c) Certified building official-limited. This certification is identified as "certified building official-limited" on the certification card. This certification is granted to an individual who has met the certified building official-limited requirements established by rule and passed the written examination prepared by the state. An individual with this certification may perform code administration for one- and two-family dwellings, their accessory structures, and "exempt classes of buildings" as provided in Minnesota Rules, part 1800.5000, of the Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience, and Interior Design, and "facilities for persons with physical disabilities" that are governed by the State Building Code. Subject to the limitations of the building official-limited certification, an individual with this certification may serve as the designated building official for any municipality. Code administration for all other buildings must be performed by a certified building official as defined in paragraph (a). A certified building official-limited may conduct inspections for other structures regulated by the State Building Code under the direction of a designated certified building official or the state building official.

Subject to all other certification requirements, as of January 1, 2012, valid Class I certifications shall be included in the certified building official-limited category upon the next immediate renewal. For the purposes of calculating fees under section 326B.092, certification as a building official-limited is a journeyman license.

(d) Accessibility specialist. This certification is identified as accessibility specialist on the certification card. This certification is granted to an individual who has met the "accessibility specialist" requirements established by rule and passed the written examination prepared by the state. An individual with this classification is limited to the administration of those provisions of the State Building Code that provide access for persons with disabilities. For the purposes of calculating fees under section 326B.092, certification as an accessibility specialist is a journeyman license.

Sec. 42. Minnesota Statutes 2008, section 326B.133, subdivision 8, is amended to read:

31.1 Subd. 8. **Continuing education requirements; extension of time.** (a) This
31.2 subdivision establishes the number of continuing education units required within each
31.3 two-year certification period.

31.4 A certified building official shall accumulate 16 continuing education units in any
31.5 education program that is approved under Minnesota Rules, part 1301.1000.

31.6 A certified building official-limited shall, in each year of the initial two-year
31.7 certification period, accumulate eight continuing education units in any education program
31.8 that is approved under Minnesota Rules, part 1301.1000. Continuing education units
31.9 shall be reported annually during the initial two-year certification period by the method
31.10 established in rule. A certified building official-limited shall accumulate 16 continuing
31.11 education units for each two-year certification period thereafter in any education program
31.12 that is approved under Minnesota Rules, part 1301.1000.

31.13 An accessibility specialist must accumulate four continuing education units in any
31.14 of the programs described in Minnesota Rules, part 1301.1000, subpart 1 or 2. The four
31.15 units must be for courses relating to building accessibility, plan review, field inspection,
31.16 or building code administration.

31.17 Continuing education programs may be approved as established in rule.

31.18 (b) Subject to sections 326B.101 to 326B.194, the commissioner may by rule
31.19 establish or approve continuing education programs for certified building officials dealing
31.20 with matters of building code administration, inspection, and enforcement.

31.21 Each person certified as a building official for the state must satisfactorily complete
31.22 applicable educational programs established or approved by the commissioner to ~~retain~~
31.23 renew certification.

31.24 (c) The state building official may grant an extension of time to comply with
31.25 continuing education requirements if the certificate holder requesting the extension of
31.26 time shows cause for the extension. The request for the extension must be in writing. For
31.27 purposes of this section, the certificate holder's current certification effective dates shall
31.28 remain the same. The extension does not relieve the certificate holder from complying
31.29 with the continuing education requirements for the next two-year period.

31.30 Sec. 43. Minnesota Statutes 2008, section 326B.133, subdivision 11, is amended to
31.31 read:

31.32 Subd. 11. **Failure to renew.** An individual who has failed to make a timely
31.33 application for renewal of a certificate is not certified and must not serve as the designated
31.34 building official for any municipality, or a certified building official, a certified building

32.1 official-limited, or an accessibility specialist until a renewed certificate has been issued by
32.2 the commissioner.

32.3 Sec. 44. Minnesota Statutes 2008, section 326B.197, is amended to read:

32.4 **326B.197 BOND REQUIRED FOR CERTAIN CONTRACTORS.**

32.5 (a) A person contracting to do gas, heating, ventilation, cooling, air conditioning,
32.6 fuel burning, or refrigeration work must give and maintain bond to the state in the amount
32.7 of \$25,000 for all work entered into within the state. The bond must be for the benefit of
32.8 persons suffering financial loss by reason of the contractor's failure to comply with the
32.9 requirements of the State Mechanical Code. A bond given to the state must be filed with
32.10 the commissioner of labor and industry and is in lieu of all other bonds to any political
32.11 subdivision required for work covered by this section. The bond must be written by a
32.12 corporate surety licensed to do business in the state.

32.13 (b) The commissioner of labor and industry may charge each person giving bond
32.14 under this section ~~an annual~~ a biennial bond filing fee of ~~\$15~~ \$100.

32.15 Sec. 45. Minnesota Statutes 2008, section 326B.33, subdivision 18, is amended to read:

32.16 Subd. 18. **Examination.** In addition to the other requirements described in this
32.17 section and sections 326B.091 to 326B.098, and except as provided in subdivision 20, as a
32.18 precondition to issuance of a personal license, each applicant must pass a written or oral
32.19 examination developed and administered by the commissioner to ensure the competence of
32.20 each applicant for license. An oral examination shall be administered only to an applicant
32.21 who furnishes a written statement from a certified teacher or other professional, trained in
32.22 the area of reading disabilities stating that the applicant has a specific reading disability
32.23 which would prevent the applicant from performing satisfactorily on a written test. The
32.24 oral examination shall be structured so that an applicant who passes the examination
32.25 will not impair the applicant's own safety or that of others while acting as a licensed
32.26 individual. ~~No individual failing an examination may retake it for six months thereafter,~~
32.27 ~~but within such six months the individual may take an examination for a lesser grade of~~
32.28 ~~license. Any individual failing to renew a personal license for two years or more after its~~
32.29 ~~expiration, and any licensee whose personal license is revoked under this chapter, shall~~
32.30 ~~be required to retake the examination before being issued a new license. An individual~~
32.31 ~~whose personal license is revoked under any other chapter is not required to retake the~~
32.32 ~~examination before being issued a new license, unless the personal license was revoked~~
32.33 ~~two years or more before the commissioner received the completed application for a new~~
32.34 ~~license. A licensee whose personal license is suspended for any reason is not required to~~

~~retake the examination before the personal license is reinstated, unless the personal license has not been reinstated within two years after the suspension began.~~

~~An applicant for a personal license shall submit to the commissioner an application and examination fee at the time of application. Upon approval of the application, the commissioner shall schedule the applicant for the next available examination, which shall be held within 60 days. The applicant shall be allowed one opportunity to reschedule an examination without being required to submit another application and examination fee. Additionally, an applicant who fails an examination, or whose application was not approved, shall submit another application and examination fee.~~

Sec. 46. Minnesota Statutes 2009 Supplement, section 326B.33, subdivision 19, is amended to read:

Subd. 19. **License, registration, and renewal fees; expiration.** (a) Unless revoked or suspended under this chapter, all licenses issued or renewed under this section expire on the date specified in this subdivision. Master licenses expire March 1 of each odd-numbered year after issuance or renewal. Electrical contractor licenses expire March 1 of each even-numbered year after issuance or renewal. Technology system contractor licenses expire August 1 of each even-numbered year after issuance or renewal. All other personal licenses expire two years from the date of original issuance and every two years thereafter. Registrations of unlicensed individuals expire one year from the date of original issuance and every year thereafter.

~~(b) Fees for application and examination, and for the original issuance and each subsequent renewal, are:~~

~~(1) For each personal license application and examination: \$35;~~

~~(2) For original issuance and each subsequent renewal of:~~

~~Class A Master or master special electrician, including master elevator constructor: \$40 per year;~~

~~Class B Master: \$25 per year;~~

~~Power Limited Technician: \$15 per year;~~

~~Class A Journeyman, Class B Journeyman, Installer, Elevator Constructor, Lineman, or Maintenance Electrician other than master special electrician: \$15 per year;~~

~~Contractor: \$100 per year;~~

~~Unlicensed individual registration: \$15 per year.~~

~~(c) If any new license is issued in accordance with this subdivision for less than two years, the fee for the license shall be prorated on an annual basis.~~

~~(d) A license fee may not be refunded after a license is issued or renewed. However, if the fee paid for a license was not prorated in accordance with this subdivision, the amount of the overpayment shall be refunded.~~

~~(e) Any contractor who seeks reissuance of a license after it has been revoked or suspended under this chapter shall submit a reissuance fee of \$100 before the license is reinstated.~~

~~(f) An individual or contractor who fails to renew a license before 30 days after the expiration or registration of the license must submit a late fee equal to one year's license fee in addition to the full renewal fee. Fees for renewed licenses or registrations are not prorated. An individual or contractor that fails to renew a license or registration by the expiration date is unlicensed until the license or registration is renewed.~~

(b) For purposes of calculating license fees and renewal license fees required under section 326B.092:

(1) the registration of an unlicensed individual under subdivision 12 shall be considered an entry level license;

(2) the following licenses shall be considered journeyman licenses: Class A journeyman electrician, Class B journeyman electrician, Class A installer, Class B installer, elevator constructor, lineman, maintenance electrician, and power limited technician;

(3) the following licenses shall be considered master licenses: Class A master electrician, Class B master electrician, and master elevator constructor; and

(4) the following licenses shall be considered business licenses: Class A electrical contractor, Class B electrical contractor, elevator contractor, and technology systems contractor.

(c) For each filing of a certificate of responsible person by an employer, the fee is \$100.

Sec. 47. Minnesota Statutes 2008, section 326B.33, subdivision 20, is amended to read:

Subd. 20. **Reciprocity.** 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 this section;

(b) pays the application and examination fee and license fee required under ~~this~~ section 326B.092; 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. 48. Minnesota Statutes 2008, section 326B.33, subdivision 21, is amended to read:

Subd. 21. **Exemptions from licensing.** (a) An individual who is a maintenance electrician is not required to hold or obtain a license under sections 326B.31 to 326B.399 if:

(1) the individual is engaged in the maintenance and repair of electrical equipment, apparatus, and facilities that are owned or leased by the individual's employer and that are located within the limits of property operated, maintained, and either owned or leased by the individual's employer;

(2) the individual is supervised by:

(i) the responsible master electrician for a contractor who has contracted with the individual's employer to provide services for which a contractor's license is required; or

(ii) a licensed master electrician, a licensed maintenance electrician, an electrical engineer, or, if the maintenance and repair work is limited to technology circuits or systems work, a licensed power limited technician; and

(3) the individual's employer has ~~filed~~ on file with the commissioner a current certificate of responsible person, signed by the responsible master electrician of the

contractor, the licensed master electrician, the licensed maintenance electrician, the electrical engineer, or the licensed power limited technician, and stating that the person signing the certificate is responsible for ensuring that the maintenance and repair work performed by the employer's employees complies with the Minnesota Electrical Act and the rules adopted under that act. The employer must pay a filing fee to file a certificate of responsible person with the commissioner. The certificate shall expire two years from the date of filing. In order to maintain a current certificate of responsible person, the employer must resubmit a certificate of responsible person, with a filing fee, no later than two years from the date of the previous submittal.

(b) Employees of a licensed electrical or technology systems contractor or other employer where provided with supervision by a master electrician in accordance with subdivision 1, or power limited technician in accordance with subdivision 7, paragraph (a), clause (1), are not required to hold a license under sections 326B.31 to 326B.399 for the planning, laying out, installing, altering, and repairing of technology circuits or systems except planning, laying out, or installing:

(1) in other than residential dwellings, class 2 or class 3 remote control circuits that control circuits or systems other than class 2 or class 3, except circuits that interconnect these systems through communication, alarm, and security systems are exempted from this paragraph;

(2) class 2 or class 3 circuits in electrical cabinets, enclosures, or devices containing physically unprotected circuits other than class 2 or class 3; or

(3) technology circuits or systems in hazardous classified locations as covered by chapter 5 of the National Electrical Code.

(c) Companies and their employees that plan, lay out, install, alter, or repair class 2 and class 3 remote control wiring associated with plug or cord and plug connected appliances other than security or fire alarm systems installed in a residential dwelling are not required to hold a license under sections 326B.31 to 326B.399.

(d) Heating, ventilating, air conditioning, and refrigeration contractors and their employees are not required to hold or obtain a license under sections 326B.31 to 326B.399 when performing heating, ventilating, air conditioning, or refrigeration work as described in section 326B.38.

(e) Employees of any electrical, communications, or railway utility, cable communications company as defined in section 238.02, or a telephone company as defined under section 237.01 or its employees, or of any independent contractor performing work on behalf of any such utility, cable communications company, or telephone company, shall not be required to hold a license under sections 326B.31 to 326B.399:

(1) while performing work on installations, materials, or equipment which are owned or leased, and operated and maintained by such utility, cable communications company, or telephone company in the exercise of its utility, antenna, or telephone function, and which

(i) are used exclusively for the generation, transformation, distribution, transmission, or metering of electric current, or the operation of railway signals, or the transmission of intelligence and do not have as a principal function the consumption or use of electric current or provided service by or for the benefit of any person other than such utility, cable communications company, or telephone company, and

(ii) are generally accessible only to employees of such utility, cable communications company, or telephone company or persons acting under its control or direction, and

(iii) are not on the load side of the service point or point of entrance for communication systems;

(2) while performing work on installations, materials, or equipment which are a part of the street lighting operations of such utility; or

(3) while installing or performing work on outdoor area lights which are directly connected to a utility's distribution system and located upon the utility's distribution poles, and which are generally accessible only to employees of such utility or persons acting under its control or direction.

(f) An owner shall not be required to hold or obtain a license under sections 326B.31 to 326B.399.

Sec. 49. Minnesota Statutes 2008, section 326B.42, is amended by adding a subdivision to read:

Subd. 1a. **Contractor.** "Contractor" means a person who performs or offers to perform any plumbing work, with or without compensation, who is licensed as a contractor by the commissioner. Contractor includes plumbing contractors and restricted plumbing contractors.

Sec. 50. Minnesota Statutes 2008, section 326B.42, is amended by adding a subdivision to read:

Subd. 8. **Plumbing contractor.** "Plumbing contractor" means a licensed contractor whose responsible licensed plumber is a licensed master plumber.

Sec. 51. Minnesota Statutes 2008, section 326B.42, is amended by adding a subdivision to read:

38.1 Subd. 9. **Responsible licensed plumber.** A contractor's "responsible licensed
38.2 plumber" means the licensed master plumber or licensed restricted master plumber
38.3 designated in writing by the contractor in the contractor's license application, or in another
38.4 manner acceptable to the commissioner, as the individual responsible for the contractor's
38.5 compliance with sections 326B.41 to 326B.49, all rules adopted under these sections and
38.6 sections 326B.50 to 326B.59, and all orders issued under section 326B.082.

38.7 Sec. 52. Minnesota Statutes 2008, section 326B.42, is amended by adding a
38.8 subdivision to read:

38.9 Subd. 10. **Restricted plumbing contractor.** "Restricted plumbing contractor"
38.10 means a licensed contractor whose responsible licensed plumber is a licensed restricted
38.11 master plumber.

38.12 Sec. 53. Minnesota Statutes 2008, section 326B.44, is amended to read:

38.13 **326B.44 LOCAL REGULATIONS.**

38.14 Any of the following entities may, by ordinance, adopt local regulations providing
38.15 for plumbing permits, approval of plans and specifications, and inspections of plumbing,
38.16 which regulations are not in conflict with the plumbing code: any city having a system
38.17 of waterworks or sewerage, regardless of population; any town having a population of
38.18 5,000 or more according to the last federal census, exclusive of any statutory cities
38.19 located therein; and the Metropolitan Airports Commission. No such entity shall prohibit
38.20 ~~plumbers~~ plumbing contractors licensed by the commissioner from engaging in or working
38.21 at the business of plumbing, except cities and statutory cities which, prior to April 21,
38.22 1933, by ordinance required the licensing of plumbers. No such entity shall require any
38.23 person who engages in the business of plumbing to post a bond as a prerequisite for
38.24 engaging in the business of plumbing, except the bond to the state required under section
38.25 326B.46 and except any performance bond required under a contract with the person
38.26 for the performance of plumbing work for the entity. No such entity shall require any
38.27 person who engages in the business of plumbing to maintain public liability insurance
38.28 as a prerequisite for engaging in the business of plumbing, except the insurance required
38.29 under section 326B.46 and except any public liability insurance required under a contract
38.30 with the person for the performance of plumbing work for the entity. No city or town may
38.31 require a license for persons performing building sewer or water service installation who
38.32 have completed pipe laying training as prescribed by the commissioner of labor and
38.33 industry. Any city by ordinance may prescribe regulations, reasonable standards, and
38.34 inspections and grant permits to any person engaged in the business of installing water

softeners, who is not licensed as a ~~master plumber or journeyman plumber~~ contractor by the commissioner, 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 Plumbing Board.

Sec. 54. Minnesota Statutes 2008, section 326B.46, as amended by Laws 2009, chapter 78, article 5, section 14, and chapter 109, section 13, is amended to read:

326B.46 LICENSING, BOND AND INSURANCE.

Subdivision 1. **License required.** (a) No ~~person~~ individual shall engage in or work at the business of a master plumber, restricted master plumber, journeyman plumber, and restricted journeyman plumber unless licensed to do so by the ~~state~~ commissioner. A license is not required for individuals 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 standards prescribed by the 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.

(b) No person shall engage in the business of planning, superintending, or installing plumbing or shall 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 last 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~~.

(c) Except as provided in subdivision 2, no person shall perform or offer to perform plumbing work with or without compensation unless the person obtains a contractor's license. A contractor's license does not of itself qualify its holder to perform the plumbing work authorized by holding a master, journeyman, restricted master, or restricted journeyman license.

40.1 Subd. 1a. **Exemptions from licensing.** (a) An individual without a contractor
40.2 license may do plumbing work on the individual's residence in accordance with
40.3 subdivision 1, paragraph (a).

40.4 (b) An individual who is an employee working on the maintenance and repair of
40.5 plumbing equipment, apparatus, or facilities owned or leased by the individual's employer
40.6 and which is within the limits of property owned or leased, and operated or maintained by
40.7 the individual's employer, shall not be required to maintain a contractor license as long
40.8 as the employer has on file with the commissioner a current certificate of responsible
40.9 person. The certificate must be signed by the responsible master plumber or, in an area of
40.10 the state that is not a city or town with a population of more than 5,000 according to the
40.11 last federal census, restricted master plumber, and must state that the person signing the
40.12 certificate is responsible for ensuring that the maintenance and repair work performed by
40.13 the employer's employees comply with sections 326B.41 to 326B.49, all rules adopted
40.14 under those sections and sections 326B.50 to 326B.59, and all orders issued under section
40.15 326B.082. The employer must pay a filing fee to file a certificate of responsible person
40.16 with the commissioner. The certificate shall expire two years from the date of filing. In
40.17 order to maintain a current certificate of responsible person, the employer must resubmit a
40.18 certificate of responsible person, with a filing fee, no later than two years from the date of
40.19 the previous submittal. The filing of the certificate of responsible person does not exempt
40.20 any employee of the employer from the requirements of this chapter regarding individual
40.21 licensing as a plumber or registration as a plumber's apprentice.

40.22 (c) If a contractor employs a licensed plumber, the licensed plumber does not need a
40.23 separate contractor license to perform plumbing work on behalf of the employer within
40.24 the scope of the licensed plumber's license.

40.25 Subd. 1b. **Employment of master plumber or restricted master plumber.** (a)
40.26 Each contractor must designate a responsible licensed plumber, who shall be responsible
40.27 for the performance of all plumbing work in accordance with sections 326B.41 to
40.28 326B.49, all rules adopted under these sections and sections 326B.50 to 326B.59, and all
40.29 orders issued under section 326B.082. A plumbing contractor's responsible licensed
40.30 plumber must be a master plumber. A restricted plumbing contractor's responsible licensed
40.31 plumber must be a master plumber or a restricted master plumber. A plumbing contractor
40.32 license authorizes the contractor to offer to perform and, through licensed and registered
40.33 individuals, to perform plumbing work in all areas of the state. A restricted plumbing
40.34 contractor license authorizes the contractor to offer to perform and, through licensed and
40.35 registered individuals, to perform plumbing work in all areas of the state except in cities
40.36 and towns with a population of more than 5,000 according to the last federal census.

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

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

Subd. 2. **Bond; insurance.** ~~Any person contracting to do plumbing work must give~~
As a condition of licensing, each contractor shall give and maintain bond to the state in the
amount of at least \$25,000 for (1) all plumbing work entered into within the state or (2)
all plumbing work and subsurface sewage treatment work entered into within the state.
If the bond is for both plumbing work and subsurface sewage treatment work, the bond
must comply with the requirements of this section and section 115.56, subdivision 2,
paragraph (e). The bond shall be for the benefit of persons injured or suffering financial
loss by reason of failure to comply with the requirements of the State Plumbing Code and,
if the bond is for both plumbing work and subsurface sewage treatment work, financial
loss by reason of failure to comply with the requirements of sections 115.55 and 115.56.
The bond shall be filed with the commissioner and shall be written by a corporate surety
licensed to do business in the state.

In addition, ~~each applicant for a master plumber license or restricted master plumber license, or renewal thereof, shall provide evidence of~~ as a condition of licensing, each
contractor shall have and maintain in effect public liability insurance, including products
liability insurance with limits of at least \$50,000 per person and \$100,000 per occurrence
and property damage insurance with limits of at least \$10,000. The insurance shall be
written by an insurer licensed to do business in the state of Minnesota and each licensed
master plumber shall maintain on file with the commissioner a certificate evidencing the
insurance providing that the insurance shall not be canceled without the insurer first giving
15 days written notice to the commissioner. ~~The term of the insurance shall be concurrent~~
~~with the term of the license.~~

Subd. 3. **Bond and insurance exemption.** ~~If a master plumber or restricted master plumber who is in compliance with the bond and insurance requirements of subdivision 2,~~

~~employs a licensed plumber, the employee plumber shall not be required to meet the bond and insurance requirements of subdivision 2. An individual who is an employee working on the maintenance and repair of plumbing equipment, apparatus, or facilities owned or leased by the individual's employer and which is within the limits of property owned or leased, and operated or maintained by the individual's employer, shall not be required to meet the bond and insurance requirements of subdivision 2.~~

~~Subd. 4. **Fee.** (a) Each person giving bond to the state under subdivision 2 shall pay the department a bond registration fee of \$40 for one year or \$80 for two years.~~

~~(b) The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the bond registration from one year to two years so that the expiration of bond registration corresponds with the expiration of the license issued under section 326B.475 or 326B.49, subdivision 1.~~

Subd. 5. **Exterior connections.** Persons licensed as manufactured home installers under chapter 327B are not required to be licensed under sections 326B.42 to 326B.49 when connecting the exterior building drain sewer outlets to the aboveground building sewer system and when connecting the exterior water line to the aboveground water system to the manufactured home as described in National Manufactured Housing Construction and Safety Standards Act of 1974, United States Code, title 42, section 5401 et seq. No additional licensure, bond, or insurance related to the scope of work permitted under this subdivision may be required of a licensed manufactured home installer by any unit of government.

Sec. 55. Minnesota Statutes 2008, section 326B.47, is amended to read:

326B.47 PLUMBER'S APPRENTICES.

Subdivision 1. **Registration; supervision; records.** (a) All plumber's apprentices must be registered. To be a registered plumber's apprentice, an individual must either:

(1) be an individual employed in the trade of plumbing under an apprenticeship agreement approved by the department under Minnesota Rules, part 5200.0300; or

(2) be an unlicensed individual registered with the commissioner under subdivision 3.

(b) A plumber's apprentice is authorized to assist in the installation of plumbing only while under the direct supervision of a master, restricted master, journeyman, or restricted journeyman plumber. The master, restricted master, journeyman, or restricted journeyman plumber is responsible for ensuring that all plumbing work performed by the plumber's apprentice complies with the plumbing code. The supervising master, restricted master, journeyman, or restricted journeyman must be licensed and must be employed

by the same employer as the plumber's apprentice. Licensed individuals shall not permit plumber's apprentices to perform plumbing work except under the direct supervision of an individual actually licensed to perform such work. Plumber's apprentices shall not supervise the performance of plumbing work or make assignments of plumbing work to unlicensed individuals.

(c) Contractors employing plumber's apprentices to perform plumbing work shall maintain records establishing compliance with this subdivision that shall identify all plumber's apprentices performing plumbing work, and shall permit the department to examine and copy all such records.

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 becoming a plumber's apprentice may be applied to the four-year experience requirement. However, none of this practical plumbing experience may be applied if the individual did not have any practical plumbing experience in the 12-month period immediately prior to becoming a plumber's apprentice. The Plumbing Board may adopt rules to evaluate whether the individual's past practical plumbing experience is applicable in preparing for the journeyman's examination. If two years after completing the training the individual 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.

Subd. 3. **Registration, rules, applications, renewals, and fees.** An unlicensed individual may register by completing and submitting to the commissioner ~~a registration~~ an application form provided by the commissioner, with all fees required by section 326B.092. A completed ~~registration~~ application form must state the date the individual began training, the individual's age, schooling, previous experience, and employer, and other information required by the commissioner. The board may prescribe rules, not inconsistent with this section, for the registration of unlicensed individuals. ~~Each applicant for initial registration as a plumber's apprentice shall pay the department an application fee of \$25. Applications for initial registration may be submitted at any time. Registration must be renewed annually and shall be for the period from July 1 of each year to June 30 of the following year. Applications for renewal registration must be received by the commissioner by June 30 of each registration period on forms provided by the commissioner, and must be accompanied by a fee of \$25. An application for renewal registration received on or after July 1 in any year but no more than three months after expiration of the previously issued registration must pay the past due renewal fee plus a~~

44.1 ~~late fee of \$25. No applications for renewal registration will be accepted more than three~~
44.2 ~~months after expiration of the previously issued registration.~~

44.3 Sec. 56. Minnesota Statutes 2008, section 326B.475, subdivision 2, is amended to read:

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

44.7 Sec. 57. Minnesota Statutes 2009 Supplement, section 326B.475, subdivision 4,
44.8 is amended to read:

44.9 Subd. 4. **Renewal; use period for license.** (a) A restricted master plumber and
44.10 restricted journeyman plumber license must be renewed for as long as that licensee
44.11 engages in the plumbing trade. Notwithstanding section 326B.094, failure to renew a
44.12 restricted master plumber and restricted journeyman plumber license within 12 months
44.13 after the expiration date will result in permanent forfeiture of the restricted master plumber
44.14 and restricted journeyman plumber license.

44.15 (b) The commissioner shall in a manner determined by the commissioner, without
44.16 the need for any rulemaking under chapter 14, phase in the renewal of restricted master
44.17 plumber and restricted journeyman plumber licenses from one year to two years. By
44.18 June 30, 2011, all restricted master plumber and restricted journeyman plumber licenses
44.19 shall be two-year licenses.

44.20 Sec. 58. Minnesota Statutes 2009 Supplement, section 326B.49, subdivision 1, is
44.21 amended to read:

44.22 Subdivision 1. **Application, examination, and license fees.** (a) Applications for
44.23 master and journeyman plumber's license licenses shall be made to the commissioner, with
44.24 fee all fees required by section 326B.092. Unless the applicant is entitled to a renewal,
44.25 the applicant shall be licensed by the commissioner only after passing a satisfactory
44.26 examination developed and administered by the commissioner, based upon rules adopted
44.27 by the Plumbing Board, showing fitness. ~~Examination fees for both journeyman and~~
44.28 ~~master plumbers shall be \$50 for each examination. Upon being notified of having~~
44.29 ~~successfully passed the examination for original license the applicant shall submit an~~
44.30 ~~application, with the license fee herein provided. The license fee for each initial master~~
44.31 ~~plumber's license shall be \$240. The license fee for each initial journeyman plumber's~~
44.32 ~~license shall be \$110.~~

(b) All initial ~~master and~~ journeyman plumber's licenses shall be effective for more than one calendar year and shall expire on December 31 of the year after the year in which the application is made. ~~The license fee for each renewal master plumber's license shall be \$120 for one year or \$240 for two years. The license fee for each renewal journeyman plumber's license shall be \$55 for one year or \$110 for two years.~~ All master plumber's licenses shall expire on December 31 of each even-numbered year after issuance or renewal. The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of master and journeyman plumber's licenses from one year to two years. By June 30, 2011, all renewed master and journeyman plumber's licenses shall be two-year licenses.

(c) ~~Any licensee who does not renew a license within two years after the license expires is no longer eligible for renewal. Such an individual must retake and pass the examination before a new license will be issued. A journeyman or master plumber who submits a license renewal application after the time specified in rule but within two years after the license expired must pay all past due renewal fees plus a late fee of \$25.~~ Applications for contractor licenses shall be made to the commissioner, with all fees required by section 326B.092. All contractor licenses shall expire on December 31 of each odd-numbered year after issuance or renewal.

(d) For purposes of calculating license fees and renewal license fees required under section 326B.092:

(1) the following licenses shall be considered business licenses: plumbing contractor and restricted plumbing contractor;

(2) the following licenses shall be considered master licenses: master plumber and restricted master plumber;

(3) the following licenses shall be considered journeyman licenses: journeyman plumber and restricted journeyman plumber; and

(4) the registration of a plumber's apprentice under section 326B.47, subdivision 3, shall be considered an entry level license.

(e) For each filing of a certificate of responsible person by an employer, the fee is \$100.

Sec. 59. Minnesota Statutes 2008, section 326B.50, is amended by adding a subdivision to read:

Subd. 1a. **Responsible licensed master.** "Responsible licensed master" means the licensed water conditioning master or licensed master plumber designated in writing by the water conditioning contractor in the water conditioning contractor's license application,

46.1 or in another manner acceptable to the commissioner, as the individual responsible for
46.2 the water conditioning contractor's compliance with sections 326B.50 to 326B.59, all
46.3 rules adopted under these sections, the Minnesota Plumbing Code, and all orders issued
46.4 under section 326B.082.

46.5 Sec. 60. Minnesota Statutes 2008, section 326B.50, is amended by adding a
46.6 subdivision to read:

46.7 Subd. 2a. **Water conditioning contractor.** "Water conditioning contractor"
46.8 means a person who performs or offers to perform any water conditioning installation or
46.9 water conditioning servicing, with or without compensation, who is licensed as a water
46.10 conditioning contractor by the commissioner.

46.11 Sec. 61. Minnesota Statutes 2008, section 326B.50, is amended by adding a
46.12 subdivision to read:

46.13 Subd. 3a. **Water conditioning journeyman.** "Water conditioning journeyman"
46.14 means an individual, other than a water conditioning master, who has demonstrated
46.15 practical knowledge of water conditioning installation and servicing, and who is licensed
46.16 by the commissioner as a water conditioning journeyman.

46.17 Sec. 62. Minnesota Statutes 2008, section 326B.50, is amended by adding a
46.18 subdivision to read:

46.19 Subd. 3b. **Water conditioning master.** "Water conditioning master" means
46.20 an individual who has demonstrated skill in planning, superintending, installing, and
46.21 servicing water conditioning installations, and who is licensed by the commissioner as a
46.22 water conditioning master.

46.23 Sec. 63. Minnesota Statutes 2008, section 326B.54, is amended to read:

46.24 **326B.54 VIOLATIONS TO BE REPORTED TO COMMISSIONER.**

46.25 Such local authority as may be designated by any such ordinance for the issuance
46.26 of such water conditioning installation and servicing permits and approval of such plans
46.27 shall report to the commissioner persistent or willful violations of the same and any
46.28 incompetence of a licensed water conditioning contractor, licensed water conditioning
46.29 master, or licensed water conditioning ~~installer~~ journeyman observed by the local authority.

Sec. 64. Minnesota Statutes 2008, section 326B.55, as amended by Laws 2010, chapter 183, section 13, is amended to read:

326B.55 LICENSING IN CERTAIN CITIES; QUALIFICATIONS; RULES.

Subdivision 1. **Licensing.** (a) Except as provided in paragraph (d), no individual shall perform water conditioning installation or water conditioning servicing unless licensed by the commissioner as a master plumber, journeyman plumber, water conditioning master, or water conditioning journeyman, or, in all areas of the state except in cities and towns with a population of more than 5,000 according to the last federal census, as a restricted master plumber or restricted journeyman plumber.

(b) Except as provided in paragraph (e), no person shall perform or offer to perform water conditioning installation or water conditioning servicing with or without compensation unless the person obtains a water conditioning contractor's license. A water conditioning contractor's license does not of itself qualify its holder to perform the water conditioning installation or water conditioning servicing authorized by holding a water conditioning master or water conditioning journeyman license.

(c) Except as provided in paragraph (d), no person shall engage in or work at the business of water conditioning installation or servicing anywhere in the state unless (1) at all times an individual licensed as a master plumber or water conditioning contractor master by the commissioner shall be, who is responsible for the proper installation and servicing, is in charge of the water conditioning installation and servicing work of such person, and (2) all installations, other than,

If a water conditioning contractor employs a licensed master, restricted master, journeyman or restricted journeyman plumber, or a licensed water conditioning master or journeyman, then the licensed individual does not need a separate water conditioning contractor license to perform water conditioning installation or servicing on behalf of the employer within the scope of the individual's plumber license.

(d) No water conditioning contractor, water conditioning master, or water conditioning journeyman license is required:

(1) for exchanges of portable water conditioning equipment, are performed by a licensed water conditioning contractor or licensed water conditioning installer. Any individual not so licensed may; or

(2) for an individual to perform water conditioning work that complies with the minimum standards prescribed by the Plumbing Board on premises or that part of premises owned and occupied by the worker individual as a residence, unless otherwise prohibited by a local ordinance. The scope of work that a master plumber, restricted master plumber, journeyman plumber, or restricted journeyman plumber is authorized to perform as an

employee of a licensed water conditioning contractor shall be limited to the scope of work that the licensed water conditioning contractor is licensed to perform.

Subd. 2. **Qualifications for licensing.** (a) A water conditioning ~~contractor~~ master license shall be issued only to an individual who has demonstrated skill in planning, superintending, and servicing water conditioning installations, and has successfully passed the examination for water conditioning ~~contractors~~ masters. A water conditioning ~~installer~~ journeyman license shall only be issued to an individual other than a water conditioning ~~contractor~~ master who has demonstrated practical knowledge of water conditioning installation, and has successfully passed the examination for water conditioning ~~installers~~ journeymen. A water conditioning ~~installer~~ journeyman must successfully pass the examination for water conditioning ~~contractors~~ masters before being licensed as a water conditioning ~~contractor~~ master.

(b) Each water conditioning contractor must designate a responsible licensed master plumber or a responsible licensed water conditioning master, who shall be responsible for the performance of all water conditioning installation and servicing in accordance with the requirements of sections 326B.50 to 326B.59, all rules adopted under sections 326B.50 to 326B.59, the Minnesota Plumbing Code, and all orders issued under section 326B.082. If the water conditioning contractor is an individual or sole proprietorship, the responsible licensed master must be the individual, proprietor, or managing employee. If the water conditioning contractor is a partnership, the responsible licensed master must be a general partner or managing employee. If the water conditioning contractor is a limited liability company, the responsible licensed master must be a chief manager or managing employee. If the water conditioning contractor is a corporation, the responsible licensed master must be an officer or managing employee. If the responsible licensed master is a managing employee, the responsible licensed master must be actively engaged in performing water conditioning work on behalf of the water conditioning contractor and cannot be employed in any capacity as a water conditioning master or water conditioning journeyman for any other water conditioning contractor. An individual must not be the responsible licensed master for more than one water conditioning contractor.

(c) All applications and renewals for water conditioning contractor licenses shall include a verified statement that the applicant or licensee has complied with paragraph (b).

(d) Each application and renewal for a water conditioning master license, water conditioning journeyman license, or a water conditioning contractor license shall be accompanied by all fees required by section 326B.092.

Subd. 3. **Commissioner.** The commissioner shall:

(1) license water conditioning contractors, water conditioning masters, and installers
water conditioning journeymen; and

(2) collect ~~an examination fee from each examinee for a license as a water~~
~~conditioning contractor and an examination fee from each examinee for a license as a~~
~~water conditioning installer in an amount set forth in section 326B.58~~ the fees required by
section 326B.092.

Sec. 65. Minnesota Statutes 2008, section 326B.56, as amended by Laws 2009, chapter
78, article 5, section 18, is amended to read:

326B.56 ~~ALTERNATIVE STATE BONDING AND INSURANCE~~
~~REGULATION.~~

Subdivision 1. **Bonds.** (a) ~~An applicant for a water conditioning contractor or~~
~~installer license or renewal thereof who is required by any political subdivision to give a~~
~~bond to obtain or maintain the license, may comply with any political subdivision bonding~~
~~requirement by giving~~ As a condition of licensing, each water conditioning contractor
shall give and maintain a bond to the state as described in paragraph (b). No applicant for a
water conditioning contractor or installer license who maintains the bond under paragraph
(b) shall be otherwise required to meet the bond requirements of any political subdivision.

(b) Each bond given to the state under this subdivision shall be in the total sum of
\$3,000 conditioned upon the faithful and lawful performance of all water conditioning
~~contracting or installing work~~ installation or servicing done within the state. The bond
shall be for the benefit of persons suffering injuries or damages due to the work. The bond
shall be filed with the commissioner and shall be written by a corporate surety licensed to
do business in this state. The bond must remain in effect at all times while the application
is pending and while the license is in effect.

Subd. 2. **Insurance.** (a) ~~Each applicant for a water conditioning contractor or~~
~~installer license or renewal thereof who is required by any political subdivision to maintain~~
~~insurance to obtain or maintain the license may comply with any political subdivision's~~
~~insurance requirement by maintaining~~ As a condition of licensing, each water conditioning
contractor shall have and maintain in effect the insurance described in paragraph (b).
No applicant for a water conditioning contractor ~~or installer~~ license who maintains the
insurance described in paragraph (b) shall be otherwise required to meet the insurance
requirements of any political subdivision.

(b) The insurance shall provide coverage, including products liability coverage,
for all damages in connection with licensed work for which the licensee is liable, with
personal damage limits of at least \$50,000 per person and \$100,000 per occurrence and

property damage insurance with limits of at least \$10,000. The insurance shall be written by an insurer licensed to do business in this state and a certificate evidencing the insurance shall be filed with the commissioner. The insurance must remain in effect at all times while the application is pending and while the license is in effect. The insurance shall not be canceled without the insurer first giving 15 days' written notice to the commissioner.

Subd. 3. **Bond and insurance exemption.** A water conditioning contractor or installer who is an employee of a water conditioning contractor or installer, including an employee engaged in the maintenance and repair of water conditioning equipment, apparatus, or facilities owned, leased and operated, or maintained by the employer, is not required to meet the bond and insurance requirements of subdivisions 1 and 2 or of any political subdivision.

Subd. 4. **Fee.** (a) The commissioner shall collect a \$40 bond registration fee for one year or \$80 for two years from each applicant for issuance or renewal of a water conditioning contractor or installer license who elects to proceed under subdivisions 1 and 2.

(b) The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the bond registration from one year to two years so that the expiration of bond registration corresponds with the expiration of the license issued under section 326B.55.

Sec. 66. Minnesota Statutes 2009 Supplement, section 326B.58, is amended to read:

326B.58 FEES; RENEWAL.

~~(a) Examination fees for both water conditioning contractors and water conditioning installers shall be \$50 for each examination. Each initial water conditioning contractor and installer master and water conditioning journeyman license shall be effective for more than one calendar year and shall expire on December 31 of the year after the year in which the application is made. The license fee for each initial water conditioning contractor's license shall be \$140, except that the license fee shall be \$105 if the application is submitted during the last three months of the calendar year. The license fee for each renewal water conditioning contractor's license shall be \$70 for one year or \$140 for two years. The license fee for each initial water conditioning installer license shall be \$70, except that the license fee shall be \$52.50 if the application is submitted during the last three months of the calendar year. The license fee for each renewal water conditioning installer license shall be \$35 for one year or \$70 for two years.~~

(b) The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of water conditioning

~~contractor and installer~~ master and journeyman licenses from one year to two years. By June 30, 2011, all renewed water conditioning contractor and installer licenses shall be two-year licenses. The ~~commissioner~~ Plumbing Board may by rule prescribe for the expiration and renewal of licenses.

~~(c) Any licensee who does not renew a license within two years after the license expires is no longer eligible for renewal. Such an individual must retake and pass the examination before a new license will be issued. A water conditioning contractor or water conditioning installer who submits a license renewal application after the time specified in rule but within two years after the license expired must pay all past due renewal fees plus a late fee of \$25. All water conditioning contractor licenses shall expire on December 31 of the year after issuance or renewal.~~

(d) For purposes of calculating license fees and renewal fees required under section 326B.092:

(1) a water conditioning journeyman license shall be considered a journeyman license;

(2) a water conditioning master license shall be considered a master license; and

(3) a water conditioning contractor license shall be considered a business license.

Sec. 67. Minnesota Statutes 2008, section 326B.805, subdivision 6, is amended to read:

Subd. 6. **Exemptions.** The license requirement does not apply to:

(1) an employee of a licensee performing work for the licensee;

(2) a material person, manufacturer, or retailer furnishing finished products, materials, or articles of merchandise who does not install or attach the items;

(3) an owner of residential real estate who builds or improves any structure on residential real estate, if the building or improving is performed by the owner's bona fide employees or by individual owners personally. This exemption does not apply to an owner who constructs or improves property for purposes of speculation if the building or improving is performed by the owner's bona fide employees or by individual owners personally. A residential building contractor or residential remodeler will be presumed to be building or improving for purposes of speculation if the contractor or remodeler constructs or improves more than one property within any 24-month period;

(4) an architect or professional engineer engaging in professional practice as defined by section 326.02, subdivisions 2 and 3;

(5) a person whose total gross annual receipts for performing specialty skills for which licensure would be required under this section do not exceed \$15,000;

(6) a mechanical contractor;

(7) a plumber, electrician, or other person whose profession is otherwise subject to statewide licensing, when engaged in the activity which is the subject of that licensure;

(8) specialty contractors who provide only one special skill as defined in section 326B.802;

(9) a school district, or a technical college governed under chapter 136F; and

(10) Habitat for Humanity and Builders Outreach Foundation, and their individual volunteers when engaged in activities on their behalf.

To qualify for the exemption in clause (5), a person must obtain a certificate of exemption from licensure from the commissioner. A certificate of exemption will be issued upon the applicant's filing with the commissioner, an affidavit stating that the applicant does not expect to exceed \$15,000 in gross annual receipts derived from performing services which require licensure under this section during the calendar year in which the affidavit is received. For the purposes of calculating fees under section 326B.092, a certificate of exemption is an entry level license. To renew the exemption in clause (5), the applicant must file an affidavit stating that the applicant did not exceed \$15,000 in gross annual receipts during the past calendar year. If a person, operating under the exemption in clause (5), exceeds \$15,000 in gross receipts during any calendar year, the person must immediately surrender the ~~exemption~~ certificate of exemption and apply for the appropriate license. The person must remain licensed until such time as the person's gross annual receipts during a calendar year fall below \$15,000. The person may then apply for an exemption for the next calendar year.

Sec. 68. Minnesota Statutes 2009 Supplement, section 326B.815, subdivision 1, is amended to read:

Subdivision 1. ~~Licensing fee Fees.~~ (a) ~~The licensing fee for persons licensed pursuant to sections 326B.802 to 326B.885, except for manufactured home installers, is \$200 for a two-year period. The~~ For the purposes of calculating fees under section 326B.092, an initial or renewed residential contractor, residential remodeler, or residential roofer license is a business license. Notwithstanding section 326B.092, the licensing fee for manufactured home installers under section 327B.041 is \$300 for a three-year period.

(b) All initial and renewal licenses, except for manufactured home installer licenses, shall be effective for two years and shall expire on March 31 of the year after the year in which the application is made. ~~The license fee for each renewal of a residential contractor, residential remodeler, or residential roofer license shall be \$100 for one year and \$200 for two years.~~

(c) The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of residential contractor, residential remodeler, and residential roofer licenses from one year to two years. By June 30, 2011, all renewed residential contractor, residential remodeler, and residential roofer licenses shall be two-year licenses.

Sec. 69. Minnesota Statutes 2008, section 326B.83, subdivision 1, is amended to read:

Subdivision 1. **Form.** (a) An applicant for a license under sections 326B.802 to 326B.885 must submit an application, under oath and accompanied by the ~~license fee~~ fees required by section ~~326B.815~~ 326B.092, on a form prescribed by the commissioner. ~~Within 30 business days of receiving all required information, the commissioner must act on the license request.~~

(b) If one of the categories in the application does not apply, the applicant must identify the category and state the reason the category does not apply. The commissioner may refuse to issue a license if the application is not complete or contains unsatisfactory information.

Sec. 70. Minnesota Statutes 2008, section 326B.83, subdivision 3, is amended to read:

Subd. 3. **Examination.** (a) Each qualifying person must ~~satisfactorily complete~~ pass a written examination for the type of license requested. The commissioner may establish the examination qualifications, including related education experience and education, the examination procedure, and the examination for each licensing group. The examination must include at a minimum the following areas:

(1) appropriate knowledge of technical terms commonly used and the knowledge of reference materials and code books to be used for technical information; and

(2) understanding of the general principles of business management and other pertinent state laws.

(b) Each examination must be designed for the specified type of license requested.

~~(c) An individual's passing examination results expire two years from the examination date. An individual who passes the examination but does not choose to apply to act as a qualifying person for a licensee within two years from the examination date, must, upon application provide:~~

~~(1) passing examination results within two years from the date of application; or~~

~~(2) proof that the person has fulfilled the continuing education requirements in section 326B.821 in the manner required for a qualifying person of a licensee for each license period after the expiration of the examination results.~~

54.1 Sec. 71. Minnesota Statutes 2008, section 326B.83, subdivision 6, is amended to read:

54.2 Subd. 6. **License.** A nonresident of Minnesota may be licensed as a residential
54.3 building contractor, residential remodeler, residential roofer, or manufactured home
54.4 installer upon compliance with all the provisions of sections 326B.092 to 326B.098 and
54.5 326B.802 to 326B.885.

54.6 Sec. 72. Minnesota Statutes 2009 Supplement, section 326B.86, subdivision 1, is
54.7 amended to read:

54.8 Subdivision 1. **Bond.** (a) Licensed manufactured home installers and licensed
54.9 residential roofers must post a biennial surety bond in the name of the licensee with the
54.10 commissioner, conditioned that the applicant shall faithfully perform the duties and in
54.11 all things comply with all laws, ordinances, and rules pertaining to the license or permit
54.12 applied for and all contracts entered into. The biennial bond must be continuous and
54.13 maintained for so long as the licensee remains licensed. The aggregate liability of the
54.14 surety on the bond to any and all persons, regardless of the number of claims made
54.15 against the bond, may not exceed the amount of the bond. The bond may be canceled as
54.16 to future liability by the surety upon 30 days' written notice mailed to the commissioner
54.17 by regular mail.

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

54.19 (c) A licensed manufactured home installer must post a bond of at least \$2,500.

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

54.22 Sec. 73. Minnesota Statutes 2008, section 326B.865, is amended to read:

54.23 **326B.865 SIGN CONTRACTOR; BOND.**

54.24 (a) A sign contractor may post a compliance bond with the commissioner,
54.25 conditioned that the sign contractor shall faithfully perform duties and comply with
54.26 laws, ordinances, rules, and contracts entered into for the installation of signs. The bond
54.27 must be renewed ~~annually~~ biennially and maintained for so long as determined by the
54.28 commissioner. The aggregate liability of the surety on the bond to any and all persons,
54.29 regardless of the number of claims made against the bond, may not exceed the annual
54.30 amount of the bond. The bond may be canceled as to future liability by the surety upon 30
54.31 days' written notice mailed to the commissioner by United States mail.

54.32 (b) The amount of the bond shall be \$8,000. The bond may be drawn upon only by a
54.33 local unit of government that requires sign contractors to post a compliance bond. The
54.34 bond is in lieu of any compliance bond required by a local unit of government.

(c) For purposes of this section, "sign" means a device, structure, fixture, or placard using graphics, symbols, or written copy that is erected on the premises of an establishment including the name of the establishment or identifying the merchandise, services, activities, or entertainment available on the premises.

Sec. 74. Minnesota Statutes 2008, section 326B.921, subdivision 2, is amended to read:

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

A person must have at all times as a full-time employee at least one individual holding a contracting high pressure pipefitter competency license. Only full-time employees who hold contracting high pressure pipefitter licenses are authorized to obtain high pressure piping permits in the name of the business. The contracting high pressure pipefitter competency license holder can be the employee of only one high pressure piping business at a time. An application for a high pressure piping business license shall include a verified statement that the applicant or licensee has complied with this subdivision.

To retain its business license without reapplication, a person holding a high pressure piping business license that ceases to employ an individual holding a contracting high pressure pipefitter competency license shall have 60 days from the last day of employment of its previous contracting pipefitter competency license holder to employ another license holder. The department 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 a contracting high pressure pipefitter competency license holder on staff. If a license holder is not employed within 60 days after the last day of employment of the previous license holder, the pipefitting business license shall lapse.

The board shall prescribe by rule procedures for application for and issuance of business licenses.

Sec. 75. Minnesota Statutes 2008, section 326B.921, subdivision 4, is amended to read:

Subd. 4. **Registration with commissioner.** An unlicensed individual may register to assist in the practical construction and installation of high pressure piping and appurtenances while in the employ of a licensed high pressure piping business by completing and submitting to the commissioner a registration form provided by the

commissioner, with all fees required by section 326B.092. The board may prescribe rules, not inconsistent with this section, for the registration of unlicensed individuals.

~~An unlicensed individual applying for initial registration shall pay the department an application fee of \$50. Applications for initial registration may be submitted at any time. Registration must be renewed annually and shall be valid for one calendar year beginning January 1. Applications for renewal registration must be submitted to the commissioner before December 31 of each registration period on forms provided by the commissioner, and must be accompanied by a fee of \$50. There shall be no refund of fees paid.~~

Sec. 76. Minnesota Statutes 2008, section 326B.921, subdivision 7, is amended to read:

Subd. 7. **License fee, registration, and renewal fees.** ~~The department shall charge the following license fees:~~

- ~~(a) application for journeyman high pressure pipefitter competency license, \$120;~~
- ~~(b) renewal of journeyman high pressure pipefitter competency license, \$80;~~
- ~~(c) application for contracting high pressure pipefitter competency license, \$270;~~
- ~~(d) renewal of contracting high pressure pipefitter competency license, \$240;~~
- ~~(e) application for high pressure piping business license, \$450;~~
- ~~(f) application to inactivate a contracting high pressure pipefitter competency license or inactivate a journeyman high pressure pipefitter competency license, \$40; and~~
- ~~(g) renewal of an inactive contracting high pressure pipefitter competency license or inactive journeyman high pressure pipefitter competency license, \$40.~~

~~If an application for renewal of an active or inactive journeyman high pressure pipefitter competency license or active or inactive contracting high pressure pipefitter competency license is received by the department after the date of expiration of the license, a \$30 late renewal fee shall be added to the license renewal fee.~~

~~Payment must accompany the application for a license or renewal of a license. There shall be no refund of fees paid.~~

For purposes of calculating license, registration, and renewal fees required under section 326B.092:

- (1) the registration of an unlicensed individual under subdivision 4 is an entry level license;
- (2) a journeyman high pressure pipefitter license is a journeyman license;
- (3) a contracting high pressure pipefitter license is a master license; and
- (4) a high pressure piping business license is a business license.

Sec. 77. Minnesota Statutes 2008, section 326B.922, is amended to read:

326B.922 LICENSE APPLICATION AND RENEWAL.

(a) Application for a contracting high pressure pipefitter competency or, a journeyman high pressure pipefitter competency, or a high pressure piping business license shall be made to the department, with all fees required by section 326B.092.

(b) The applicant for a contracting high pressure pipefitter or a journeyman high pressure pipefitter license shall be licensed only after passing an examination developed and administered by the department in accordance with rules adopted by the board. A competency license issued by the department shall expire on December 31 of each year. A renewal application must be received by the department within one year after expiration of the competency license. A license that has been expired for more than one year cannot be renewed, and can only be reissued if the applicant submits a new application for the competency license, pays a new application fee, and retakes and passes the applicable license examination.

(c) All initial contracting high pressure pipefitter licenses, journeyman high pressure pipefitter licenses, and high pressure piping business licenses are effective for more than one calendar year and expire on December 31 of the year after the year in which the application is made. The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of contracting high pressure pipefitter, journeyman high pressure pipefitter, and high pressure piping business licenses from one year to two years. By June 30, 2012, all such licenses shall be two-year licenses.

Sec. 78. Minnesota Statutes 2009 Supplement, section 326B.94, subdivision 4, is amended to read:

Subd. 4. **Examinations, licensing.** Every individual that operates a boat must hold a current master's license issued by the commissioner, unless the individual holds a valid, current charter boat captain's license issued by the United States Coast Guard. The commissioner shall develop and administer an examination for all masters of boats carrying passengers for hire on the inland waters of the state as to their qualifications and fitness. If found qualified and competent to perform their duties as a master of a boat carrying passengers for hire, they shall be issued a license authorizing them to act as such on the inland waters of the state. All initial master's licenses shall be for two years. The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of master's licenses from one year to two years. By June 30, 2011, all renewed master's licenses shall be two-year licenses.

58.1 Fees for the original issue and renewal of the license authorized under this section shall
58.2 be pursuant to section ~~326B.986, subdivision 2~~ 326B.092.

58.3 Sec. 79. Minnesota Statutes 2008, section 326B.978, subdivision 2, is amended to read:

58.4 Subd. 2. **Applications.** Any individual who desires an engineer's license shall
58.5 submit an application on a written or electronic form prescribed by the commissioner, ~~at~~
58.6 ~~least 15 days before the requested exam date. If the commissioner approves the applicant~~
58.7 ~~for examination, the applicant may take the examination on one occasion within one~~
58.8 ~~year from the date the commissioner receives the application with all fees required by~~
58.9 section 326B.092.

58.10 Sec. 80. Minnesota Statutes 2008, section 326B.978, is amended by adding a
58.11 subdivision to read:

58.12 Subd. 19. **Applicability.** This section shall not apply to traction or hobby boiler
58.13 engineer's licenses or provisional licenses.

58.14 Sec. 81. Minnesota Statutes 2009 Supplement, section 326B.986, subdivision 5,
58.15 is amended to read:

58.16 Subd. 5. **Boiler engineer license fees.** ~~(a) For the following licenses, the~~
58.17 ~~nonrefundable license and application fee is:~~

- 58.18 ~~(1) chief engineer's license, \$70;~~
58.19 ~~(2) first class engineer's license, \$70;~~
58.20 ~~(3) second class engineer's license, \$70;~~
58.21 ~~(4) special engineer's license, \$40;~~
58.22 ~~(5) traction or hobby boiler engineer's license, \$50; and~~
58.23 ~~(6) provisional license, \$50.~~

58.24 ~~(b) An engineer's license, except a provisional license, may be renewed upon~~
58.25 ~~application and payment of a renewal fee of \$20 for one year or \$40 for two years. If~~
58.26 ~~the renewal fee is paid later than 30 days after expiration, then a late fee of \$15 will be~~
58.27 ~~added to the renewal fee.~~

58.28 (a) For purposes of calculating license fees and renewal license fees required under
58.29 section 326B.092:

- 58.30 (1) the boiler special engineer license is an entry level license;
58.31 (2) the following licenses are journeyman licenses: first class engineer, Grade A;
58.32 first class engineer, Grade B; first class engineer, Grade C; second class engineer, Grade

59.1 A; second class engineer, Grade B; second class engineer, Grade C; and provisional
59.2 license; and

59.3 (3) the following licenses are master licenses: boiler chief engineer, Grade A; boiler
59.4 chief engineer, Grade B; boiler chief engineer, Grade C; boiler commissioner inspector; or
59.5 traction or hobby boiler engineer.

59.6 (b) Notwithstanding section 326B.092, subdivision 7, paragraph (a), the license
59.7 duration for steam traction and hobby engineer licenses are one year only for the purpose
59.8 of calculating license fees under section 326B.092, subdivision 7, paragraph (b).

59.9 Sec. 82. Minnesota Statutes 2008, section 327.31, subdivision 17, is amended to read:

59.10 Subd. 17. **Installation.** "Installation" of a manufactured home means ~~assembly~~
59.11 installation or reinstallation, at the site of occupancy, of all portions of a manufactured
59.12 home, connection of the manufactured home to existing utility connections and installation
59.13 of support and/or anchoring systems.

59.14 Sec. 83. Minnesota Statutes 2008, section 327.31, is amended by adding a subdivision
59.15 to read:

59.16 Subd. 21. **Used manufactured home.** "Used manufactured home" means a home
59.17 being offered for sale not less than 24 months after the first purchaser took legal ownership
59.18 or possession of the home.

59.19 Sec. 84. Minnesota Statutes 2008, section 327.31, is amended by adding a subdivision
59.20 to read:

59.21 Subd. 22. **Seller.** "Seller" means either the homeowner, manufactured home retailer
59.22 or dealer, broker, or limited dealer or retailer.

59.23 Sec. 85. Minnesota Statutes 2008, section 327.32, subdivision 1, is amended to read:

59.24 Subdivision 1. **Requirement; new manufactured homes.** No person shall sell;
59.25 or offer for sale; in this state; any new manufactured home ~~manufactured after July 1,~~
59.26 ~~1972, or manufacture any manufactured home in this state or install for occupancy any~~
59.27 ~~manufactured home manufactured after July 1, 1972, in any manufactured home park in~~
59.28 ~~this state~~ unless the manufactured home complies with the Manufactured Home Building
59.29 Code and bears a label as required by the secretary.

59.30 ~~(a) bears a seal issued by the commissioner, and is, whenever possible, accompanied~~
59.31 ~~by a certificate by the manufacturer or dealer, both evidencing that it complies with the~~
59.32 ~~Manufactured Home Building Code; or~~

60.1 ~~(b) if manufactured after June 14, 1976, bears a label as required by the secretary.~~

60.2 Sec. 86. Minnesota Statutes 2008, section 327.32, is amended by adding a subdivision
60.3 to read:

60.4 Subd. 1a. **Requirement; used manufactured homes.** No person shall sell or
60.5 offer for sale in this state any used manufactured home manufactured after June 14,
60.6 1976, or install for occupancy any used manufactured home manufactured after June
60.7 14, 1976, unless the used manufactured home complies with the Notice of Compliance
60.8 Form as provided in this subdivision. If manufactured after June 14, 1976, the home
60.9 must bear a label as required by the secretary. The Notice of Compliance Form shall be
60.10 signed by the seller and purchaser indicating which party is responsible for either making
60.11 or paying for any necessary corrections prior to the sale and transferring ownership of
60.12 the manufactured home.

60.13 The Notice of Compliance Form shall be substantially in the following form:

60.14 **"Notice of Compliance Form as required in Minnesota Statutes,**
60.15 **section 327.32, subdivision 1.**

60.16 This notice must be completed and signed by the purchaser(s) and the seller(s) of the
60.17 used manufactured home described in the purchase agreement and on the bottom of this
60.18 notice before the parties transfer ownership of a used manufactured home constructed
60.19 after June 14, 1976.

60.20 Electric ranges and clothes dryers must have required four-conductor cords and plugs.

60.21 Complies Correction required
60.22 Initialed by Responsible Party: Buyer Seller

60.23 Solid fuel-burning fireplaces or stoves must be listed for use in manufactured homes, Code
60.24 of Federal Regulations, title 24, section 3280.709(g), and installed correctly in accordance
60.25 with their listing or standards (i.e., chimney, doors, hearth, combustion, or intake, etc.,
60.26 Code of Federal Regulations, title 24, section 3280.709(g)).

60.27 Complies Correction required
60.28 Initialed by Responsible Party: Buyer Seller

60.29 Gas water heaters and furnaces must be listed for manufactured home use, Code of Federal
60.30 Regulations, title 24, section 3280.709(a) and (d)(1) and (2), and installed correctly, in
60.31 accordance with their listing or standards.

60.32 Complies Correction required
60.33 Initialed by Responsible Party: Buyer Seller

61.1 Smoke alarms are required to be installed and operational in accordance with Code of
61.2 Federal Regulations, title 24, section 3280.208.

61.3 Complies Correction required
61.4 Initialed by Responsible Party: Buyer Seller

61.5 Carbon monoxide alarms or CO detectors that are approved and operational are required
61.6 to be installed within ten feet of each room lawfully used for sleeping purposes.

61.7 Complies Correction required
61.8 Initialed by Responsible Party: Buyer Seller

61.9 Egress windows are required in every bedroom with at least one operable window with
61.10 a net clear opening of 20 inches wide and 24 inches high, five square feet in area, with
61.11 the bottom of windows opening no more than 36 inches above the floor. Locks, latches,
61.12 operating handles, tabs, or other operational devices shall not be located more than 54
61.13 inches above the finished floor.

61.14 Complies Correction required
61.15 Initialed by Responsible Party: Buyer Seller

61.16 The furnace compartment of the home is required to have interior finish with a flame
61.17 spread rating not exceeding 25 feet, as specified in the 1976 United States Department of
61.18 Housing and Urban Development Code governing manufactured housing construction.

61.19 Complies Correction required
61.20 Initialed by Responsible Party: Buyer Seller

61.21 The water heater enclosure in this home is required to have interior finish with a flame
61.22 spread rating not exceeding 25 feet, as specified in the 1976 United States Department of
61.23 Housing and Urban Development Code governing manufactured housing construction.

61.24 Complies Correction required
61.25 Initialed by Responsible Party: Buyer Seller

61.26 The home complies with the snowload and heat zone requirements for the state of
61.27 Minnesota as indicated by the data plate.

61.28 Complies Correction required
61.29 Initialed by Responsible Party: Buyer Seller

61.30 The parties to this agreement have initialed all required sections and agree by their
61.31 signature to complete any necessary corrections prior to the sale or transfer of ownership
61.32 of the home described below as listed in the purchase agreement. The state of Minnesota
61.33 or a local building official has the authority to inspect the home in the manner described in

62.1

Minnesota Statutes, section 327.33, prior to or after the sale to ensure compliance was

62.2

properly executed as provided under the Manufactured Home Building Code.

62.3

Signature of Purchaser(s) of Home

62.4

.....date.....

62.5

.....date.....

62.6

Print name as appears on purchase

62.7

agreement

62.8

Signature of Seller(s) of Home

62.9

.....date.....

62.10

.....date.....

62.11

Print name and license number, if applicable

62.12

Print name and license number, if applicable

62.13

(Street address of home at time of sale)

62.14

.....

62.15

(City/State/Zip).....

62.16

Name of manufacturer of home.....

62.17

Model and Year.....

62.18

Serial Number....."

62.18

Sec. 87. Minnesota Statutes 2008, section 327.32, is amended by adding a subdivision

62.19

to read:

62.20

Subd. 1b. **Alternative design plan.** An alternative frost-free design slab that is

62.21

submitted to the department, stamped by a licensed professional engineer or architect,

62.22

and is in compliance with either the federal installation standards in effect at the date of

62.23

manufacture or the Minnesota State Building Code, when applicable, shall be issued a

62.24

permit by the department within ten days.

62.25

Sec. 88. Minnesota Statutes 2008, section 327.32, is amended by adding a subdivision

62.26

to read:

62.27

Subd. 1c. **Manufacturer's installation instructions; new home.** All new

62.28

single-section manufactured homes and new multisection manufactured homes shall be

62.29

installed in compliance with either the manufacturer's installation instructions in effect at

62.30

the date of manufacture or, when applicable, the Minnesota State Building Code.

62.31

Sec. 89. Minnesota Statutes 2008, section 327.32, is amended by adding a subdivision

62.32

to read:

62.33

Subd. 1d. **Manufacturer's installation instructions; used multisection homes.**

62.34

All used multisection manufactured homes shall be installed in compliance with the

62.35

manufacturer's installation instructions in effect at the date of manufacture, approved

62.36

addenda or, when applicable, the Minnesota State Building Code.

Sec. 90. Minnesota Statutes 2008, section 327.32, is amended by adding a subdivision to read:

Subd. 1e. **Reinstallation requirements for single-section used manufactured homes.** (a) All single-section used manufactured homes reinstalled less than 24 months from the date of installation by the first purchaser must be reinstalled in compliance with subdivision 1c. All single-section used manufactured homes reinstalled more than 24 months from the date of installation by the first purchaser may be reinstalled without a frost-protected foundation if the home is reinstalled in compliance with Minnesota Rules, chapter 1350, for above frost-line installations and the notice requirement of subdivision 1f is complied with by the seller and the purchaser of the single-section used manufactured home.

(b) The installer shall affix an installation seal issued by the department to the outside of the home as required by the Minnesota State Building Code. The certificate of installation issued by the installer of record shall clearly state that the home has been reinstalled with an above frost-line foundation. Fees for inspection of a reinstallation and for issuance of reinstallation seals shall follow the requirements of sections 326B.802 to 326B.885. Fees for review of plans, specifications, and on-site inspections shall be those as specified in section 326B.153, subdivision 1, paragraph (c). Whenever an installation certificate for an above frost-line installation is issued to a single-section used manufactured home being listed for sale, the purchase agreement must disclose that the home is installed on a nonfrost-protected foundation and recommend that the purchaser have the home inspected to determine the effects of frost on the home.

Sec. 91. Minnesota Statutes 2008, section 327.32, is amended by adding a subdivision to read:

Subd. 1f. **Notice requirement.** The seller of the single-section used manufactured home being reinstalled under subdivision 1e shall provide the following notice to the purchaser and secure signatures of all parties to the purchase agreement on or before signing a purchase agreement prior to submitting an application for an installation certificate. Whenever a current owner of a manufactured home reinstalls the manufactured home under subdivision 1e, the current owner is not required to comply with the notice requirement under this subdivision. The notice shall be in at least 14-point font, except the heading, "WHICH MAY VOID WARRANTY," must be in capital letters, in 20-point font. The notice must be printed on a separate sheet of paper in a color different than the paper on which the purchase agreement is printed. The notice becomes a part of the purchase agreement and shall be substantially in the following form:

"Notice of Reinstalling of a Single-Section Used Manufactured
Home Above Frost-Line;
WHICH MAY VOID WARRANTY

It is recommended that the single-section used manufactured home being reinstalled follow the instructions in the manufacturer's installation manual. By signing this notice, the purchaser(s) are acknowledging they have elected to use footings placed above the local frost line in accordance with the Minnesota State Building Code.

The seller has explained the differences between the manufacturer's installation instructions and the installation system selected by the purchaser(s) with respect to possible effects of frost on the manufactured home.

The purchaser(s) acknowledge by signing this notice that there is no manufacturer's original warranty remaining on the home and recognize that any other extended or ancillary warranty could be adversely affected if any applicable warranty stipulates that the home be installed in accordance with the manufacturer's installation manual to remain effective.

After the reinstallation of the manufactured home, it is highly recommended that the purchaser(s) have a licensed manufactured home installer recheck the home's installation for any releveled needs or anchoring system adjustments each freeze-thaw cycle.

The purchaser(s) of the used manufactured home described below that is being reinstalled acknowledge they have read this notice and have been advised to contact the manufacturer of the home and/or the Department of Labor and Industry if they desire additional information before signing this notice. It is the intent of this notice to inform the purchaser(s) that the purchaser(s) elected not to use a frost-protected foundation system for the reinstallation of the manufactured home as originally required by the home's installation manual.

Plain language notice.

I understand that because this home will be installed with footings placed above the local frost line, this home may be subject to adverse effects from frost heave that may damage this home. Purchaser(s) initials:

I understand that the installation of this home with footings placed above the local frost line could affect my ability to obtain a mortgage or mortgage insurance on this home. Purchaser(s) initials:

I understand that the installation of this home with footings placed above the local frost line could void my warranty on the home if any warranty is still in place on this home. Purchaser(s) initials:

65.1

Signature of Purchaser(s)

65.2

.....date.....

.....date.....

65.3

.....

.....

65.4

Print name

Print name

65.5

(Street address of location where

65.6

manufactured home is being reinstalled)

65.7

.....

65.8

(City/State/Zip).....

65.9

Name of manufacturer of home.....

65.10

Model and year.....

65.11

Serial number.....

65.12

Name of licensed installer and license number or homeowner responsible for the

65.13

installation of the home as described above.

65.14

Installer name:.....

65.15

License number:....."

65.16

Sec. 92. Minnesota Statutes 2008, section 327.34, subdivision 1, is amended to read:

65.17

Subdivision 1. **Generally.** It shall be a misdemeanor for any person,

65.18

(a) to sell, lease, or offer to sell or lease, any manufactured home manufactured

65.19

after ~~July 1, 1972~~ June 14, 1976, which does not comply with the Manufactured Home

65.20

Building Code or which does not bear a seal or label as required by sections 327.31 to

65.21

327.34, unless the action is subject to the provisions of section 327.35;

65.22

(b) to affix a seal or label, or cause a seal or label to be affixed, to any manufactured

65.23

home which does not comply with the Manufactured Home Building Code unless the

65.24

action is subject to the provisions of section 327.35;

65.25

(c) to alter a manufactured home manufactured after ~~July 1, 1972~~ June 14, 1976,

65.26

in a manner prohibited by sections 327.31 to 327.34; or

65.27

(d) to fail to correct a Manufactured Home Building Code violation in a

65.28

manufactured home manufactured after ~~July 1, 1972~~ June 14, 1976, which is owned,

65.29

manufactured, or sold by that person, within 40 days of being ordered to do so in writing

65.30

by an authorized representative of the commissioner, unless the correction is subject to the

65.31

provisions of section 327.35; ~~or~~

65.32

~~(e) to interfere with, obstruct, or hinder any authorized representative of the~~

65.33

~~commissioner in the performance of duties relating to manufactured homes manufactured~~

65.34

~~after July 1, 1972, and prior to June 15, 1976.~~

65.35

Sec. 93. Minnesota Statutes 2008, section 327B.04, subdivision 2, is amended to read:

Subd. 2. **Subagency licenses.** Any dealer who has a place of business at more than one location shall designate one location as its principal place of business, one name as its principal name, and all other established places of business as subagencies. A subagency license shall be required for each subagency. Subagency license renewal must coincide with the principal license date. No dealer shall do business as a dealer under any other name than the name on its license.

Sec. 94. Minnesota Statutes 2009 Supplement, section 327B.04, subdivision 7, is amended to read:

Subd. 7. **Licenses; ~~when granted renewal.~~** In addition to the requirements of this section, each application for a license or license renewal must be accompanied by a fee in an amount established by subdivision 7a all applicable fees required by section 326B.092. The fees shall be set in an amount which over the fiscal biennium will produce revenues approximately equal to the expenses which the commissioner expects to incur during that fiscal biennium while administering and enforcing sections 327B.01 to 327B.12. ~~The commissioner shall grant or deny a license application or a renewal application within 60 days of its filing.~~ If the license is granted, the commissioner shall license the applicant as a dealer or manufacturer for the remainder of the licensure period. Upon application by the licensee, the commissioner shall renew the license for a two-year period, if:

- (1) the renewal application satisfies the requirements of subdivisions 3 and 4;
- (2) the renewal applicant has made all listings, registrations, notices and reports required by the commissioner during the preceding licensure period; and
- (3) the renewal applicant has paid all fees owed pursuant to sections 327B.01 to 327B.12 and all taxes, arrearages, and penalties owed to the state.

Sec. 95. Minnesota Statutes 2009 Supplement, section 327B.04, subdivision 7a, is amended to read:

Subd. 7a. **Fees.** (a) Fees for licenses issued pursuant to this section ~~are as follows:~~ shall be calculated pursuant to section 326B.092.

- ~~(1) initial dealer license for principal location, \$400. Fee is not refundable;~~
- ~~(2) initial dealer license for subagency location, \$80;~~
- ~~(3) dealer license biennial renewal, principal location, \$400; dealer subagency location biennial renewal, \$160. Subagency license renewal must coincide with the principal license date;~~
- ~~(4) initial limited dealer license, \$200;~~
- ~~(5) change of bonding company, \$10;~~

67.1 ~~(6) reinstatement of bond after cancellation notice has been received, \$10;~~
67.2 ~~(7) checks returned without payment, \$15; and~~
67.3 ~~(8) change of address, \$10.~~

67.4 (b) All initial limited dealer licenses shall be effective for more than one calendar
67.5 year and shall expire on December 31 of the year after the year in which the application
67.6 is made.

67.7 ~~(c) The license fee for each renewed limited dealer license shall be \$100 for one year~~
67.8 ~~and \$200 for two years. For the purposes of calculating fees under section 326B.092, any~~
67.9 license issued under this section is a business license, except that a subagency license is a
67.10 master license. The commissioner shall in a manner determined by the commissioner,
67.11 without the need for any rulemaking under chapter 14, phase in the renewal of limited
67.12 dealer licenses from one year to two years. By June 30, 2011, all renewed limited dealer
67.13 licenses shall be two-year licenses.

67.14 ~~(d) All fees are not refundable.~~

67.15 Sec. 96. Minnesota Statutes 2009 Supplement, section 327B.04, subdivision 8, is
67.16 amended to read:

67.17 Subd. 8. **Limited dealer's license.** The commissioner shall issue a limited dealer's
67.18 license to an owner of a manufactured home park authorizing the licensee as principal
67.19 only to engage in the sale, offering for sale, soliciting, or advertising the sale of used
67.20 manufactured homes located in the owned manufactured home park. The licensee must be
67.21 the title holder of the homes and may engage in no more than ten sales during each year of
67.22 the two-year licensure period. An owner may, upon payment of the applicable fee and
67.23 compliance with this subdivision, obtain a separate license for each owned manufactured
67.24 home park and is entitled to sell up to 20 homes per license period provided that only one
67.25 limited dealer license may be issued for each park. The license shall be issued after:

67.26 (1) receipt of an application on forms provided by the commissioner containing
67.27 the following information:

67.28 (i) the identity of the applicant;

67.29 (ii) the name under which the applicant will be licensed and do business in this state;

67.30 (iii) the name and address of the owned manufactured home park, including a copy
67.31 of the park license, serving as the basis for the issuance of the license;

67.32 (iv) the name, home, and business address of the applicant;

67.33 (v) the name, address, and telephone number of one individual that is designated
67.34 by the applicant to receive all communications and cooperate with all inspections and

investigations of the commissioner pertaining to the sale of manufactured homes in the manufactured home park owned by the applicant;

(vi) whether the applicant or its designated individual has been convicted of a crime within the previous ten years that is either related directly to the business for which the license is sought or involved fraud, misrepresentation or misuse of funds, or has suffered a judgment in a civil action involving fraud, misrepresentation, or conversion within the previous five years or has had any government license or permit suspended or revoked as a result of an action brought by a federal or state governmental agency in this or any other state within the last five years; and

(vii) the applicant's qualifications and business history, including whether the applicant or its designated individual has ever been adjudged bankrupt or insolvent, or has any unsatisfied court judgments outstanding against it or them;

(2) payment of the license fee established by subdivision 7a; and

(3) provision of a surety bond in the amount of \$5,000. A separate surety bond must be provided for each limited license.

The applicant need not comply with section 327B.04, subdivision 4, paragraph (e). The holding of a limited dealer's license does not satisfy the requirement contained in section 327B.04, subdivision 4, paragraph (e), for the licensee or salespersons with respect to obtaining a dealer license. The commissioner may, upon application for a renewal of a license, require only a verification that copies of sales documents have been retained and payment of the renewal ~~fee fees~~ established by ~~subdivision 7a~~ section 326B.092. "Sales documents" mean only the safety feature disclosure form defined in section 327C.07, subdivision 3a, title of the home, financing agreements, and purchase agreements.

The license holder shall, upon request of the commissioner, make available for inspection during business hours sales documents required to be retained under this subdivision.

Sec. 97. Minnesota Statutes 2009 Supplement, section 327B.041, is amended to read:

327B.041 MANUFACTURED HOME INSTALLERS.

(a) Manufactured home installers are subject to all of the fees in section 326B.092 and the requirements of sections 326B.802 to 326B.885, except for the following:

(1) manufactured home installers are not subject to the continuing education requirements of section 326B.821, but are subject to the continuing education requirements established in rules adopted under section 327B.10;

(2) the examination requirement of section 326B.83, subdivision 3, for manufactured home installers shall be satisfied by successful completion of a written examination

administered and developed specifically for the examination of manufactured home installers. The examination must be administered and developed by the commissioner. The commissioner and the state building official shall seek advice on the grading, monitoring, and updating of examinations from the Minnesota Manufactured Housing Association;

(3) a local government unit may not place a surcharge on a license fee, and may not charge a separate fee to installers;

(4) a dealer or distributor who does not install or repair manufactured homes is exempt from licensure under sections 326B.802 to 326B.885;

(5) the exemption under section 326B.805, subdivision 6, clause (5), does not apply; and

(6) manufactured home installers are not subject to the contractor recovery fund in section 326B.89.

(b) The commissioner may waive all or part of the requirements for licensure as a manufactured home installer for any individual who holds an unexpired license or certificate issued by any other state or other United States jurisdiction if the licensing requirements of that jurisdiction meet or exceed the corresponding licensing requirements of the department and the individual complies with section 326B.092, subdivisions 1 and 3 to 7. For the purposes of calculating fees under section 326B.092, licensure as a manufactured home installer is a business license.

Sec. 98. Minnesota Statutes 2008, section 471.59, subdivision 10, is amended to read:

Subd. 10. **Services performed by governmental units; commonality of powers.** Notwithstanding the provisions of subdivision 1 requiring commonality of powers between parties to any agreement, the governing body of any governmental unit as defined in subdivision 1 may enter into agreements with any other governmental unit to perform on behalf of that unit any service or function which the governmental unit providing the service or function is authorized to provide for itself. If the agreement has the effect of eliminating or replacing a public employee who is part of a collective bargaining agreement represented by an exclusive representative, and there is no provision in the collective bargaining agreement detailing the effect of the action on the affected public employee, negotiations on the effects to the employee of the job elimination or restructuring must be conducted between the exclusive representative and the employer.

Sec. 99. Laws 2009, chapter 78, article 1, section 3, subdivision 2, is amended to read:

Subd. 2. Business and Community		8,980,000
Development	8,980,000	<u>8,873,000</u>

70.1	Appropriations by Fund		
70.2			7,941,000
70.3	General	7,941,000	<u>7,834,000</u>
70.4	Remediation	700,000	700,000
70.5	Workforce		
70.6	Development	339,000	339,000

70.7 (a) \$700,000 the first year and \$700,000 the
70.8 second year are from the remediation fund for
70.9 contaminated site cleanup and development
70.10 grants under Minnesota Statutes, section
70.11 116J.554. This appropriation is available
70.12 until expended.

70.13 (b) \$200,000 each year is from the general
70.14 fund for a grant to WomenVenture for
70.15 women's business development programs
70.16 and for programs that encourage and assist
70.17 women to enter nontraditional careers in the
70.18 trades; manual and technical occupations;
70.19 science, technology, engineering, and
70.20 mathematics-related occupations; and green
70.21 jobs. This appropriation may be matched
70.22 dollar for dollar with any resources available
70.23 from the federal government for these
70.24 purposes with priority given to initiatives
70.25 that have a goal of increasing by at least ten
70.26 percent the number of women in occupations
70.27 where women currently comprise less than 25
70.28 percent of the workforce. The appropriation
70.29 is available until expended.

70.30 (c) \$105,000 each year is from the general
70.31 fund and \$50,000 each year is from the
70.32 workforce development fund for a grant to
70.33 the Metropolitan Economic Development
70.34 Association for continuing minority business
70.35 development programs in the metropolitan
70.36 area. This appropriation must be used for the

71.1 sole purpose of providing free or reduced
71.2 fee business consulting services to minority
71.3 entrepreneurs and contractors.

71.4 (d)(1) \$500,000 each year is from the
71.5 general fund for a grant to BioBusiness
71.6 Alliance of Minnesota for bioscience
71.7 business development programs to promote
71.8 and position the state as a global leader
71.9 in bioscience business activities. This
71.10 appropriation is added to the department's
71.11 base. These funds may be used to create,
71.12 recruit, retain, and expand biobusiness
71.13 activity in Minnesota; implement the
71.14 destination 2025 statewide plan; update
71.15 a statewide assessment of the bioscience
71.16 industry and the competitive position of
71.17 Minnesota-based bioscience businesses
71.18 relative to other states and other nations;
71.19 and develop and implement business and
71.20 scenario-planning models to create, recruit,
71.21 retain, and expand biobusiness activity in
71.22 Minnesota.

71.23 (2) The BioBusiness Alliance must report
71.24 each year by February 15 to the committees
71.25 of the house of representatives and the senate
71.26 having jurisdiction over bioscience industry
71.27 activity in Minnesota on the use of funds;
71.28 the number of bioscience businesses and
71.29 jobs created, recruited, retained, or expanded
71.30 in the state since the last reporting period;
71.31 the competitive position of the biobusiness
71.32 industry; and utilization rates and results of
71.33 the business and scenario-planning models
71.34 and outcomes resulting from utilization of
71.35 the business and scenario-planning models.

72.1 (e)(1) Of the money available in the
72.2 Minnesota Investment Fund, Minnesota
72.3 Statutes, section 116J.8731, to the
72.4 commissioner of the Department of
72.5 Employment and Economic Development,
72.6 up to \$3,000,000 is appropriated in fiscal year
72.7 2010 for a loan to an aircraft manufacturing
72.8 and assembly company, associated with the
72.9 aerospace industry, for equipment utilized
72.10 to establish an aircraft completion center
72.11 at the Minneapolis-St. Paul International
72.12 Airport. The finishing center must use the
72.13 state's vocational training programs designed
72.14 specifically for aircraft maintenance training,
72.15 and to the extent possible, work to recruit
72.16 employees from these programs. The center
72.17 must create at least 200 new manufacturing
72.18 jobs within 24 months of receiving the
72.19 loan, and create not less than 500 new
72.20 manufacturing jobs over a five-year period
72.21 in Minnesota.

72.22 (2) This loan is not subject to loan limitations
72.23 under Minnesota Statutes, section 116J.8731,
72.24 subdivision 5. Any match requirements
72.25 under Minnesota Statutes, section 116J.8731,
72.26 subdivision 3, may be made from current
72.27 resources. This is a onetime appropriation
72.28 and is effective the day following final
72.29 enactment.

72.30 (f) \$65,000 each year is from the general
72.31 fund for a grant to the Minnesota Inventors
72.32 Congress, of which at least \$6,500 must be
72.33 used for youth inventors.

73.1 (g) \$200,000 the first year and \$200,000 the
73.2 second year are for the Office of Science and
73.3 Technology. This is a onetime appropriation.

73.4 (h) \$500,000 the first year and \$500,000 the
73.5 second year are for a grant to Enterprise
73.6 Minnesota, Inc., for the small business
73.7 growth acceleration program under
73.8 Minnesota Statutes, section 116O.115. This
73.9 is a onetime appropriation and is available
73.10 until expended.

73.11 (i)(1) \$100,000 each year is from the
73.12 workforce development fund for a grant
73.13 under Minnesota Statutes, section 116J.421,
73.14 to the Rural Policy and Development
73.15 Center at St. Peter, Minnesota. The grant
73.16 shall be used for research and policy
73.17 analysis on emerging economic and social
73.18 issues in rural Minnesota, to serve as a
73.19 policy resource center for rural Minnesota
73.20 communities, to encourage collaboration
73.21 across higher education institutions, to
73.22 provide interdisciplinary team approaches
73.23 to research and problem-solving in rural
73.24 communities, and to administer overall
73.25 operations of the center.

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

73.34 (j) Notwithstanding Minnesota Statutes,
73.35 section 268.18, subdivision 2, \$414,000 of

74.1 funds collected for unemployment insurance
74.2 administration under this subdivision is
74.3 appropriated as follows: \$250,000 to Lake
74.4 County for ice storm damage; \$64,000 is for
74.5 the city of Green Isle for reimbursement of
74.6 fire relief efforts and other expenses incurred
74.7 as a result of the fire in the city of Green Isle;
74.8 and \$100,000 is to develop the construction
74.9 mitigation pilot program to make grants ~~for~~
74.10 ~~up to five projects statewide available~~ to local
74.11 government units to mitigate the impacts of
74.12 transportation construction on local small
74.13 business. These are onetime appropriations
74.14 and are available until expended.

74.15 (k) Up to \$10,000,000 is appropriated from
74.16 the Minnesota minerals 21st century fund to
74.17 the commissioner of Iron Range resources
74.18 and rehabilitation to make ~~a grant~~ grants or
74.19 forgivable ~~loan to a manufacturer~~ loans to
74.20 manufacturers of windmill blades ~~at a facility~~,
74.21 other renewable energy manufacturing, or
74.22 biomass products at facilities to be located
74.23 within the taconite tax relief area defined
74.24 in Minnesota Statutes, section 273.134. No
74.25 match is required for the renewable energy
74.26 manufacturing or biomass projects.

74.27 (l) \$1,000,000 is appropriated from the
74.28 Minnesota minerals 21st century fund to
74.29 the Board of Trustees of the Minnesota
74.30 State Colleges and Universities for a grant
74.31 to the Northeast Higher Education District
74.32 for planning, design, and construction of
74.33 classrooms and housing facilities for upper
74.34 division students in the engineering program.

75.1 (m)(1) \$189,000 each year is appropriated
75.2 from the workforce development fund for
75.3 grants of \$63,000 to eligible organizations
75.4 each year to assist in the development of
75.5 entrepreneurs and small businesses. Each
75.6 state grant dollar must be matched with \$1
75.7 of nonstate funds. Any balance in the first
75.8 year does not cancel but is available in the
75.9 second year.

75.10 (2) Three grants must be awarded to
75.11 continue or to develop a program. One
75.12 grant must be awarded to the Riverbend
75.13 Center for Entrepreneurial Facilitation
75.14 in Blue Earth County, and two to other
75.15 organizations serving Faribault and Martin
75.16 Counties. Grant recipients must report to the
75.17 commissioner by February 1 of each year
75.18 that the organization receives a grant with the
75.19 number of customers served; the number of
75.20 businesses started, stabilized, or expanded;
75.21 the number of jobs created and retained; and
75.22 business success rates. The commissioner
75.23 must report to the house of representatives
75.24 and senate committees with jurisdiction
75.25 over economic development finance on the
75.26 effectiveness of these programs for assisting
75.27 in the development of entrepreneurs and
75.28 small businesses.

75.29 Sec. 100. Laws 2010, chapter 216, section 58, is amended to read:

75.30 Sec. 58. **2010 DISTRIBUTIONS ONLY.**

75.31 For distributions in 2010 only, a special fund is established to receive 28.757 cents
75.32 per ton that otherwise would be allocated under Minnesota Statutes, section 298.28,
75.33 subdivision 6. The following amounts are allocated to St. Louis County acting as the fiscal
75.34 agent for the recipients for the specific purposes:

76.1 (1) 0.764 cent per ton must be paid to Northern Minnesota Dental to provide
76.2 incentives for at least two dentists to establish dental practices in high-need areas of the
76.3 taconite tax relief area;

76.4 (2) 0.955 cent per ton must be paid to the city of Virginia for repairs and geothermal
76.5 heat at the Olcott Park Greenhouse/Virginia Commons project;

76.6 (3) 0.796 cent per ton must be paid to the city of Virginia for health and safety
76.7 repairs at the Miners Memorial;

76.8 (4) 1.114 cents per ton must be paid to the city of Eveleth for the reconstruction
76.9 of Highway 142/Grant and Park Avenues;

76.10 (5) 0.478 cent per ton must be paid to the Greenway Joint Recreation Board for
76.11 upgrades and capital improvements to the public arena in Coleraine;

76.12 (6) 0.796 cent per ton must be paid to the city of Calumet for water treatment and
76.13 pumphouse modifications;

76.14 (7) 0.159 cent per ton must be paid to the city of Bovey for residential and
76.15 commercial claims for water damage due to water and flood-related damage caused by
76.16 the Canisteo Pit;

76.17 (8) 0.637 cent per ton must be paid to the city of Nashwauk for a community and
76.18 child care center;

76.19 (9) 0.637 cent per ton must be paid to the city of Keewatin for water and sewer
76.20 upgrades;

76.21 (10) 0.637 cent per ton must be paid to the city of Marble for the city hall and
76.22 library project;

76.23 (11) 0.955 cent per ton must be paid to the city of Grand Rapids for extension of
76.24 water and sewer services for Lakewood Housing;

76.25 (12) 0.159 cent per ton must be paid to the city of Grand Rapids for exhibits at
76.26 the Children's Museum;

76.27 (13) 0.637 cent per ton must be paid to the city of Grand Rapids for Block 20/21 soil
76.28 corrections. This amount must be matched by local sources;

76.29 (14) 0.605 cent per ton must be paid to the city of Aitkin for three water loops;

76.30 (15) 0.048 cent per ton must be paid to the city of Aitkin for signage;

76.31 (16) 0.159 cent per ton must be paid to Aitkin County for a trail;

76.32 (17) 0.637 cent per ton must be paid to the city of Cohasset for the Beiers Road
76.33 railroad crossing;

76.34 (18) 0.088 cent per ton must be paid to the town of Clinton for expansion and
76.35 striping of the community center parking lot;

76.36 (19) 0.398 cent per ton must be paid to the city of Kinney for water line replacement;

- 77.1 (20) 0.796 cent per ton must be paid to the city of Gilbert for infrastructure
77.2 improvements, milling, and overlay for Summit Street between Alaska Avenue and
77.3 Highway 135;
- 77.4 (21) 0.318 cent per ton must be paid to the city of Gilbert for sanitary sewer main
77.5 replacements and improvements in the Northeast Lower Alley area;
- 77.6 (22) 0.637 cent per ton must be paid to the town of White for replacement of the
77.7 Stepetz Road culvert;
- 77.8 (23) 0.796 cent per ton must be paid to the city of Buhl for reconstruction of Sharon
77.9 Street and associated infrastructure;
- 77.10 (24) 0.796 cent per ton must be paid to the city of Mountain Iron for site
77.11 improvements at the Park Ridge development;
- 77.12 (25) 0.796 cent per ton must be paid to the city of Mountain Iron for infrastructure
77.13 and site preparation for its renewable and sustainable energy park;
- 77.14 (26) 0.637 cent per ton must be paid to the city of Biwabik for sanitary sewer
77.15 improvements;
- 77.16 (27) 0.796 cent per ton must be paid to the city of Aurora for alley and road
77.17 rebuilding for the Summit Addition;
- 77.18 (28) 0.955 cent per ton must be paid to the city of Silver Bay for bioenergy facility
77.19 improvements;
- 77.20 (29) 0.318 cent per ton must be paid to the city of Grand Marais for water and
77.21 sewer infrastructure improvements;
- 77.22 (30) 0.318 cent per ton must be paid to the city of Orr for airport, water, and sewer
77.23 improvements;
- 77.24 (31) 0.716 cent per ton must be paid to the city of Cook for street and bridge
77.25 improvements;
- 77.26 (32) 0.955 cent per ton must be paid to the city of Ely for street, water, and sewer
77.27 improvements;
- 77.28 (33) 0.318 cent per ton must be paid to the city of Tower for water and sewer
77.29 improvements;
- 77.30 (34) 0.955 cent per ton must be paid to the city of Two Harbors for water and sewer
77.31 improvements;
- 77.32 (35) 0.637 cent per ton must be paid to the city of Babbitt for water and sewer
77.33 improvements;
- 77.34 (36) 0.096 cent per ton must be paid to the township of Duluth for infrastructure
77.35 improvements;

78.1 (37) 0.096 cent per ton must be paid to the township of Tofte for infrastructure
78.2 improvements;

78.3 (38) 3.184 cents per ton must be paid to the city of Hibbing for sewer improvements;

78.4 (39) 1.273 cents per ton must be paid to the city of Chisholm for NW Area Project
78.5 infrastructure improvements;

78.6 (40) 0.318 cent per ton must be paid to the city of Chisholm for health and safety
78.7 improvements at the athletic facility;

78.8 (41) 0.796 cent per ton must be paid to the city of Hoyt Lakes for residential street
78.9 improvements;

78.10 (42) 0.796 cent per ton must be paid to the Bois Forte Indian Reservation for
78.11 infrastructure related to a housing development;

78.12 (43) 0.159 cent per ton must be paid to Balkan Township for building improvements;

78.13 (44) 0.159 cent per ton must be paid to the city of Grand Rapids for a grant to
78.14 a nonprofit for a signage kiosk;

78.15 (45) 0.318 cent per ton must be paid to the city of Crane Lake for sanitary sewer
78.16 lines and adjacent development near County State-Aid Highway 24; and

78.17 (46) 0.159 cent per ton must be paid to the city of Chisholm to rehabilitate historic
78.18 wall infrastructure around the athletic complex.

78.19 **EFFECTIVE DATE.** This section is effective ~~for the 2010 distribution, all of~~
78.20 ~~which must be made in the August 2010 payment~~ retroactively from the day following
78.21 final enactment.

78.22 **EFFECTIVE DATE.** This section is effective retroactively from April 2, 2010.

78.23 Sec. 101. **CUSTOMER SERVICE.**

78.24 (a) The commissioner of employment and economic development, in consultation
78.25 with workforce service area staff, must, as soon as practical, develop and implement
78.26 processes and procedures to ensure that unemployed Minnesotans who go to a workforce
78.27 center are provided, to the fullest extent possible, seamless assistance in applying for
78.28 unemployment benefits, accessing resource room resources, searching for jobs, accessing
78.29 training and other services available to unemployed workers, and receiving answers to
78.30 questions about unemployment insurance.

78.31 (b) The actions taken to comply with paragraph (a) must include, at a minimum,
78.32 the implementation of a procedure by which unemployed Minnesotans may receive, at
78.33 their option, face-to-face consultation and assistance in their local workforce center on
78.34 applying for unemployment benefits, accessing resource room resources, searching for

79.1 jobs, accessing training and other services available to unemployed workers, and receiving
79.2 answers to questions about unemployment insurance.

79.3 (c) The commissioner is authorized and encouraged to maximize the use of existing
79.4 employees and federal dollars to accomplish paragraph (a), including, but not limited to,
79.5 paying portions of existing employees' salaries from more than one source of funding,
79.6 ensuring that employees are cross-trained to perform functions beyond that required by
79.7 paragraph (b) when such employees are stationed in workforce centers, and implementing
79.8 need-based scheduling of employees to ensure that each workforce center is adequately
79.9 staffed during peak demand hours for the services contemplated by paragraph (a).

79.10 (d) By September 1, 2010, the commissioner must provide an initial written report to
79.11 the chairs and ranking minority members of the standing committees of the senate and
79.12 house of representatives having jurisdiction over economic and workforce development
79.13 issues on the actions taken under paragraph (a) and the result of those actions. The report
79.14 must include detailed information on new additional resources provided by the department
79.15 to ensure that the issues in paragraph (a) are addressed. A second report with updated
79.16 information must be provided to the chairs and ranking minority members of the standing
79.17 committees of the senate and house of representatives having jurisdiction over economic
79.18 and workforce development issues by January 15, 2011.

79.19 **EFFECTIVE DATE.** This section is effective the day following final enactment
79.20 and expires August 31, 2011.

79.21 Sec. 102. **WORKFORCE SERVICES REPORT AND RECOMMENDATIONS.**

79.22 By January 15, 2011, the governor's Workforce Development Council executive
79.23 committee shall submit a report to the senate and house of representatives committees
79.24 with jurisdiction over workforce development programs on the performance and outcomes
79.25 of the workforce centers, as required by Minnesota Statutes, section 116L.665, subdivision
79.26 4. This report must contain recommendations for an ongoing process to identify local gaps
79.27 in workforce services and ways to fill the gaps. The Department of Employment and
79.28 Economic Development and the workforce councils should be included in the process
79.29 for identifying service gaps. The governor's Workforce Development Council executive
79.30 committee must submit draft-guiding principles to the legislature for review and feedback
79.31 by August 12, 2010.

79.32 Sec. 103. **DEPARTMENT OF EMPLOYMENT AND ECONOMIC**
79.33 **DEVELOPMENT BLOCK GRANT REPORT.**

80.1 The commissioner of employment and economic development shall study and
80.2 report to the chairs and ranking minority members of the house of representatives and
80.3 senate committees having jurisdiction over economic development and workforce issues
80.4 on the use of block grant funding to be administered by the Workforce Development
80.5 Division and the Business and Community Development Division. The report must
80.6 include recommendations for the use of block grant funding including goals, grant award
80.7 criteria, RFP procedures, priorities for target populations and the services to be provided,
80.8 and inclusion of all pass-through grants administered by the department including those
80.9 receiving direct state appropriations. The recommendations must contain specific
80.10 proposals on providing grant oversight, evaluation, and administration of allocated funds
80.11 in order to maximize services to target populations.

80.12 Sec. 104. **STUDY OF DIVISION OF STATE DEPOSITORY ACCOUNTS AND**
80.13 **GENERAL FUND REVENUE ACCOUNT.**

80.14 (a) The Carlson School of Management at the University of Minnesota is requested
80.15 to study:

80.16 (1) the feasibility of dividing the state's general fund revenue account among
80.17 community financial institutions and transferring the state's major and minor accounts to
80.18 community financial institutions in order to ensure that state money benefits Minnesota
80.19 residents;

80.20 (2) the potential economic benefit of transferring all major and minor accounts
80.21 to community financial institutions; and

80.22 (3) the potential economic benefit to governmental entities as defined by Minnesota
80.23 Statutes, section 118A.01, subdivision 2, from an increase in their use of community
80.24 financial institutions as defined in clause (1).

80.25 (b) The results of the study must be reported to the legislature by December 1, 2010.

80.26 For purposes of this section, "community financial institution" means a federally
80.27 insured bank or credit union, chartered as a bank or credit union by the state of
80.28 Minnesota or the United States, that is headquartered in Minnesota and has no more than
80.29 \$2,500,000,000 in assets.

80.30 Sec. 105. **APPROPRIATION.**

80.31 \$107,000 is appropriated from the general fund in fiscal year 2011 to the Minnesota
80.32 Science and Technology Authority for the purposes of Minnesota Statutes, chapter 116W.

80.33 Sec. 106. **TRANSFER.**

81.1 The commissioner of management and budget must transfer any remaining balance
81.2 of the appropriation made in Laws 2009, chapter 78, article 1, section 3, subdivision 2,
81.3 paragraph (g), to the Minnesota Science and Technology Authority.

81.4 Sec. 107. **REVISOR'S INSTRUCTION.**

81.5 In Minnesota Rules, the revisor of statutes shall change all references to Minnesota
81.6 Rules, part 1350.8300, to Minnesota Statutes, section 327B.04.

81.7 Sec. 108. **REPEALER.**

81.8 (a) Minnesota Statutes 2008, sections 326B.133, subdivisions 9 and 10; 326B.37,
81.9 subdivision 13; 326B.475, subdivisions 5 and 6; 326B.56, subdivision 3; 326B.885,
81.10 subdivisions 3 and 4; 326B.976; 327.32, subdivision 4; and 327C.07, subdivisions 3a
81.11 and 8, are repealed.

81.12 (b) Minnesota Statutes 2009 Supplement, section 326B.56, subdivision 4, is repealed.

81.13 (c) Minnesota Rules, parts 1301.0500; 1301.0900; 1301.1100, subparts 2, 3, and 4;
81.14 1350.7200, subpart 3; and 1350.8000, subpart 2, are repealed.

81.15 (d) Minnesota Statutes 2008, section 116J.657, is repealed.

81.16 **EFFECTIVE DATE.** Paragraphs (a) to (c) are effective January 1, 2012, except
81.17 that the repeal of Minnesota Statutes, sections 327.32, subdivision 4, and 327C.07,
81.18 subdivisions 3a and 8, are effective August 1, 2010. Paragraph (d) is effective July 1, 2010.

81.19 Sec. 109. **EFFECTIVE DATE.**

81.20 (a) Sections 30 to 81 and 93 to 97 are effective January 1, 2012.

81.21 (b) Sections 10 to 19, 99, and 105 are effective July 1, 2010.