

**SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION**

S.F. No. 740

(SENATE AUTHORS: WESTROM)

DATE
01/27/2025

D-PG
198 Introduction and first reading
Referred to Labor

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to labor; modifying grant award requirements for the border-to-border
1.3 broadband development grant program; repealing certain labor standards for
1.4 broadband industry installers; amending Minnesota Statutes 2024, section 116J.395,
1.5 subdivision 6; repealing Minnesota Statutes 2024, sections 116J.395, subdivisions
1.6 9, 10; 216B.17, subdivision 9; 326B.198.

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

1.8 Section 1. Minnesota Statutes 2024, section 116J.395, subdivision 6, is amended to read:

1.9 Subd. 6. **Awarding grants.** (a) In evaluating applications and awarding grants, the
1.10 commissioner shall give priority to applications that are constructed in areas identified by
1.11 the director of the Office of Broadband Development as unserved.

1.12 (b) In evaluating applications and awarding grants, the commissioner may give priority
1.13 to applications that:

1.14 (1) are constructed in areas identified by the director of the Office of Broadband
1.15 Development as underserved;

1.16 (2) offer new or substantially upgraded broadband service to important community
1.17 institutions including, but not limited to, libraries, educational institutions, public safety
1.18 facilities, and healthcare facilities;

1.19 (3) facilitate the use of telehealth and electronic health records;

1.20 (4) serve economically distressed areas of the state, as measured by indices of
1.21 unemployment, poverty, or population loss that are significantly greater than the statewide
1.22 average;

2.1 (5) provide technical support and train residents, businesses, and institutions in the
2.2 community served by the project to utilize broadband service;

2.3 (6) include a component to actively promote the adoption of the newly available
2.4 broadband services in the community;

2.5 (7) provide evidence of strong support for the project from citizens, government,
2.6 businesses, and institutions in the community;

2.7 (8) provide access to broadband service to a greater number of unserved or underserved
2.8 households and businesses; or

2.9 (9) leverage greater amounts of funding for the project from other private and public
2.10 sources; or.

2.11 ~~(10) commit to implementation of workforce best practices, meaning all laborers and
2.12 mechanics performing construction, installation, remodeling, or repairs on the project sites
2.13 for which the grant is provided:~~

2.14 ~~(i) are paid the prevailing wage rate as defined in section 177.42, subdivision 6, and the
2.15 applicant and all of its construction contractors and subcontractors agree that the payment
2.16 of prevailing wage to such laborers and mechanics is subject to the requirements and
2.17 enforcement provisions under sections 177.27, 177.30, 177.32, 177.41 to 177.435, and
2.18 177.45, which the commissioner of labor and industry shall have the authority to enforce;
2.19 or~~

2.20 ~~(ii) receive from the employer:~~

2.21 ~~(A) at least 40 hours of hands-on skills training annually;~~

2.22 ~~(B) employer-paid family health insurance coverage; and~~

2.23 ~~(C) employer-paid retirement benefit payments equal to no less than 15 percent of the
2.24 employee's total taxable wages.~~

2.25 (c) The commissioner shall endeavor to award grants under this section to qualified
2.26 applicants in all regions of the state.

2.27 ~~(d) The commissioner shall endeavor to award no less than 50 percent of grant awards
2.28 from general fund appropriations for the border-to-border broadband grant program under
2.29 section 116J.396 for applicants that agree to implement the workforce best practices in this
2.30 section. The applicant's agreement to implement the workforce best practices described in
2.31 paragraph (b) must be an express condition of providing the grant in the grant agreement.~~

2.32 **EFFECTIVE DATE.** This section is effective January 1, 2026.

3.1 Sec. 2. **REPEALER.**

3.2 Minnesota Statutes 2024, sections 116J.395, subdivisions 9 and 10; 216B.17, subdivision
3.3 9; and 326B.198, are repealed.

116J.395 BORDER-TO-BORDER BROADBAND DEVELOPMENT GRANT PROGRAM.

Subd. 9. **Workforce plan data.** (a) Grantees that serve more than 10,000 broadband customers and are receiving funding for projects under this section are required to provide in annual reports information on the workforce performing installation work funded through the grant, including:

(1) the number of installation labor hours performed by workforce directly employed by the grantee or the Internet service provider;

(2) the number of installation labor hours performed by contractors and subcontractors on grant-funded projects with subtotals for hours worked by Minnesota residents, people of color, Indigenous people, women, and people with disabilities;

(3) the name, business address, and number of labor hours performed by each contractor and subcontractor that participated in construction of a grant-funded project;

(4) the percentages of workforce performing installation labor whose straight-time hourly pay rate was at least \$25 and who received employer-paid medical coverage and retirement benefits; and

(5) any other workforce plan information as determined by the commissioner.

(b) Following an award, the workforce plan and the requirement to submit ongoing workforce reports shall be incorporated as material conditions of the contract with the department and become enforceable, certified commitments.

Subd. 10. **Failure to meet requirements or falsification of data.** If successful applicants fail to meet the program requirements under this section, or otherwise falsify information regarding such requirements, the commissioner shall investigate the failure and issue an appropriate action, up to and including a determination that the applicant is ineligible for future participation in broadband grant programs funded by the department.

216B.17 COMPLAINT INVESTIGATION AND HEARING.

Subd. 9. **Telecommunications and cable communications systems.** (a) The commission has authority under this section to investigate, upon complaint or on its own motion, conduct by or on behalf of a telecommunications carrier, telephone company, or cable communications system provider that impacts public utility or cooperative electric association infrastructure. If the commission finds that the conduct damaged or unreasonably interfered with the function of the infrastructure, the commission may take any action authorized under sections 216B.52 to 216B.61 with respect to the provider.

(b) For purposes of this subdivision:

(1) "telecommunications carrier" has the meaning given in section 237.01, subdivision 6;

(2) "telephone company" has the meaning given in section 237.01, subdivision 7; and

(3) "cable communications system provider" means an owner or operator of a cable communications system, as defined in section 238.02, subdivision 3.

326B.198 UNDERGROUND TELECOMMUNICATIONS INFRASTRUCTURE.

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

(1) "directional drilling" means a drilling method that utilizes a steerable drill bit to cut a bore hole for installing underground utilities;

(2) "safety-qualified underground telecommunications installer" means a person who has completed underground utilities installation certification under subdivision 3;

(3) "underground telecommunications utilities" means buried broadband, telephone and other telecommunications transmission, distribution and service lines, and associated facilities; and

(4) "underground utilities" means buried electric transmission and distribution lines, gas and hazardous liquids pipelines and distribution lines, sewer and water pipelines, telephone or telecommunications lines, and associated facilities.

Subd. 2. **Installation requirements.** (a) The installation of underground telecommunications infrastructure that is located within ten feet of existing underground utilities or that crosses the existing underground utilities must be performed by safety-qualified underground telecommunications installers as follows:

APPENDIX
Repealed Minnesota Statutes: 25-02234

(1) the location of existing utilities by hand- or hydro-excavation or other accepted methods must be performed by a safety-qualified underground telecommunications installer;

(2) where telecommunications infrastructure is installed by means of directional drilling, the monitoring of the location and depth of the drill head must be performed by a safety-qualified underground telecommunications installer; and

(3) no fewer than two safety-qualified underground telecommunications installers must be present at all times at any location where telecommunications infrastructure is being installed by means of directional drilling.

(b) Beginning July 1, 2025, all installations of underground telecommunications infrastructure subject to this subdivision within the seven-county metropolitan area must be performed by safety-qualified underground telecommunications installers that meet the requirements of this subdivision.

(c) Beginning January 1, 2026, all installations of underground telecommunications infrastructure subject to this subdivision within this state must be performed by safety-qualified underground telecommunications installers that meet the requirements of this subdivision.

Subd. 3. Certification Standards. (a) The commissioner of labor and industry, in consultation with the Office of Broadband, shall approve standards for a safety-qualified underground telecommunications installer certification program that requires a person to:

(1) complete a 40-hour initial course that includes classroom and hands-on instruction covering proper work procedures for safe installation of underground utilities, including:

(i) regulations applicable to excavation near existing utilities;

(ii) identification, location, and verification of utility lines using hand- or hydro-excavation or other accepted methods;

(iii) response to line strike incidents;

(iv) traffic control procedures;

(v) use of a tracking device to safely guide directional drill equipment along a drill path; and

(vi) avoidance and mitigation of safety hazards posed by underground utility installation projects;

(2) demonstrate knowledge of the course material by successfully completing an examination approved by the commissioner; and

(3) complete a four-hour refresher course within three years of completing the original course and every three years thereafter in order to maintain certification.

(b) The commissioner must develop an approval process for training providers under this subdivision and may suspend or revoke the approval of any training provider that fails to demonstrate consistent delivery of approved curriculum or success in preparing participants to complete the examination.