

A bill for an act
relating to construction professions; creating a Board of Residential Construction;
authorizing rulemaking; amending Minnesota Statutes 2007 Supplement, sections
326.87, subdivisions 1, 2, 5, 10, 21; 326.91, subdivision 1; 326B.02, subdivisions
2, 5; proposing coding for new law in Minnesota Statutes, chapter 326.

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

Section 1. **[326.851] BOARD OF RESIDENTIAL CONSTRUCTION.**

Subdivision 1. **Definitions.** (a) For the purposes of this section and section 326.852,
the following terms have the meanings given.

(b) "Board" means the Board of Residential Construction.

Subd. 2. **Composition.** (a) The Board of Residential Construction shall consist of
19 members. Eighteen members shall be appointed by the governor with the advice and
consent of the senate and shall be voting members. Appointments of members by the
governor shall be made in accordance with section 15.066. If the senate votes to refuse
to consent to an appointment of a member made by the governor, the governor shall
appoint a new member with the advice and consent of the senate. One member shall be
the commissioner of labor and industry or the commissioner's designee, who shall be a
voting member. Of the 18 appointed members, the composition shall be as follows:

(1) four members shall be licensed residential building contractors or licensed
residential remodelers, two of whom reside in the seven-county metropolitan area and
two of whom reside in greater Minnesota;

(2) one member shall be a licensed engineer;

(3) two members shall be certified building officials as defined in section 16B.65,
one of whom must reside in the seven-county metropolitan area and one of whom must
reside in greater Minnesota;

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2.1 (4) one member shall be a licensed plumber;

2.2 (5) one member shall be a licensed electrician;

2.3 (6) one member shall be a bonded mechanical contractor;

2.4 (7) one member shall be a licensed architect;

2.5 (8) two members shall be carpenters, one of whom must reside in the metropolitan
2.6 area and one of whom must reside in greater Minnesota;

2.7 (9) one member shall be a fire marshal;

2.8 (10) one member shall be a fire chief;

2.9 (11) one member shall be a licensed manufactured home installer as defined under
2.10 section 327.31, subdivision 11; and

2.11 (12) two members shall be public members as defined by section 214.02, one of
2.12 whom must reside in the seven-county metropolitan area and one of whom must reside in
2.13 greater Minnesota.

2.14 (b) All of the appointed members except for the public members, fire marshal,
2.15 and fire chief must have at least four years of experience in residential construction or
2.16 have successfully completed an apprenticeship under an approved apprentice agreement
2.17 under chapter 178.

2.18 (c) One of the licensed residential building contractors or licensed residential
2.19 remodelers shall be appointed to an initial term to end December 31, 2011. Two of
2.20 the licensed residential building contractors or licensed residential remodelers shall be
2.21 appointed for an initial term to end December 31, 2012. One of the licensed residential
2.22 building contractors or licensed residential remodelers shall be appointed for an initial
2.23 term to end December 31, 2013. The licensed engineer shall be appointed for an initial
2.24 term to end December 31, 2013. One of the certified building officials shall be appointed
2.25 for an initial term to end December 31, 2011. The other building official shall be appointed
2.26 for an initial term to end December 31, 2012. The licensed plumber shall be appointed
2.27 for an initial term to end December 31, 2013. The licensed electrician shall be appointed
2.28 for an initial term to end December 31, 2013. The bonded mechanical contractor shall be
2.29 appointed for an initial term to end December 31, 2011. The licensed architect shall be
2.30 appointed for an initial term to end December 31, 2012. One carpenter shall be appointed
2.31 for an initial term to end December 31, 2011. The other carpenter shall be appointed for
2.32 an initial term to end December 31, 2013. The fire marshal shall be appointed for an initial
2.33 term to end December 31, 2012. The fire chief shall be appointed for an initial term to
2.34 end December 31, 2011. The manufactured home installer shall be appointed for an
2.35 initial term to end December 31, 2012. One public member shall be appointed for an

initial term to end December 31, 2011. The other public member shall be appointed for an initial term to end December 31, 2012.

(d) The mechanical contractor must give bond to the state under section 326.992. All other appointed members, except for the carpenter and the public members, must possess a current occupational or professional license issued by the state and maintain that license for the duration of their terms. All appointed members must be residents of Minnesota at the time of and throughout their appointments. The term of any appointed member who does not maintain membership qualification status ends on the date of the status change and the governor shall appoint a new member with the advice and consent of the senate. It is the responsibility of a member to notify the board of any change in status.

(e) Except for the initial terms designated in paragraph (c), the terms of appointed members are three years, with the terms ending December 31. Members appointed by the governor are limited to three consecutive terms. The governor shall reappoint the current members or appoint replacement members with the advice and consent of the senate. Midterm vacancies must be filled for the remaining portion of the term. Vacancies occurring with less than six months time remaining in the term must be filled for the existing term and the following three-year term. Members may serve until successors are appointed, but in no case later than July 1 in a year in which the term expires unless reappointed.

Subd. 3. Powers; duties; administrative support. (a) The board has the power to:

(1) elect a chair, vice chair, and secretary as provided in subdivision 7;

(2) adopt bylaws that specify the duties of its officers and the meeting dates of the board, and contain other provisions as may be useful and necessary for the efficient conduct of the business of the board;

(3) adopt the residential code that must be followed in this state and any residential code amendments. The board shall adopt the residential code and any amendments pursuant to chapter 14 and as provided in subdivision 7, paragraphs (b) and (c);

(4) review requests for final interpretations and issue final interpretations as provided in section 16B.63, subdivision 5;

(5) adopt rules that regulate the licensure or registration of residential building contractors and residential remodelers as defined in section 326.83. The board shall adopt these rules pursuant to chapter 14 and as provided in subdivision 7, paragraphs (d) and (e);

(6) refer complaints or other communications to the commissioner as provided in subdivision 9;

(7) approve per diem and expenses deemed necessary for its members as provided in subdivision 4;

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4.1 (8) approve license reciprocity agreements;

4.2 (9) select from its members individuals to serve on any other state advisory council,
4.3 board, or committee; and

4.4 (10) recommend fees for licenses and certifications.

4.5 (b) Except for the powers granted to the Board of Residential Construction,
4.6 Plumbing Board, Board of Electricity, and the Board of High Pressure Piping Systems,
4.7 the commissioner of labor and industry shall administer and enforce the provisions of
4.8 this chapter and any rules adopted under it.

4.9 (c) The board shall comply with section 15.0597, subdivisions 2 and 4.

4.10 (d) The commissioner shall coordinate the board's rulemaking and recommendations
4.11 with the recommendations and rulemaking conducted by other appropriate boards under
4.12 this chapter. The commissioner shall provide staff support to the board. The support
4.13 includes professional, legal, technical, and clerical staff necessary to perform rulemaking
4.14 and other duties assigned to the board. The commissioner shall supply necessary office
4.15 space and supplies to assist the board in its duties. The commissioner shall post on the
4.16 department's official Web site meeting notices and meeting minutes for all boards for
4.17 whom the commissioner provides administrative support under this chapter.

4.18 Subd. 4. **Compensation.** (a) Members of the board may be compensated at the rate
4.19 of \$55 a day spent on board activities, when authorized by the board, plus expenses in
4.20 the same manner and amount as authorized by the commissioner's plan adopted under
4.21 section 43A.18, subdivision 2. Members who, as a result of time spent attending board
4.22 meetings, incur child care expenses that would not otherwise have been incurred, may be
4.23 reimbursed for those expenses upon board authorization.

4.24 (b) Members who are state employees or employees of political subdivisions of
4.25 the state must not receive the daily payment for activities that occur during working
4.26 hours for which they are compensated by the state or political subdivision. However,
4.27 an employee of the state or political subdivision may receive the daily payment if the
4.28 employee uses vacation time or compensatory time accumulated in accordance with a
4.29 collective bargaining agreement or compensation plan for board activities. Members who
4.30 are state employees or employees of political subdivisions of the state may receive the
4.31 expenses provided for in this subdivision unless the expenses are reimbursed by another
4.32 source. Members who are state employees or employees of political subdivisions of the
4.33 state may be reimbursed for child care expenses only for time spent on board activities
4.34 that are outside their working hours.

4.35 (c) The board shall adopt internal standards prescribing what constitutes a day spent
4.36 on board activities for purposes of making daily payments under this subdivision.

5.1 Subd. 5. **Removal; vacancies.** (a) An appointed member of the board may be
5.2 removed by the governor at any time (1) for cause, after notice and hearing, or (2) after
5.3 missing three consecutive meetings. The chair of the board shall inform the governor of
5.4 an appointed member missing three consecutive meetings. After the second consecutive
5.5 missed meeting and before the next meeting, the secretary of the board shall notify the
5.6 appointed member in writing that the member may be removed for missing the next
5.7 meeting. In the case of a vacancy on the board, the governor shall, with the advice
5.8 and consent of the senate, appoint a person to fill the vacancy for the remainder of the
5.9 unexpired term pursuant to subdivision 2, paragraph (e).

5.10 (b) Vacancies shall be filled pursuant to section 15.0597, subdivisions 5 and 6.

5.11 Subd. 6. **Membership vacancies within three months of appointment.**
5.12 Notwithstanding any law to the contrary, when a vacancy on the board occurs within
5.13 three months after being filled through the appointments process, the governor may,
5.14 upon notification to the Office of the Secretary of State, choose a new member from the
5.15 applications on hand and need not repeat the process.

5.16 Subd. 7. **Officers, quorum, voting.** (a) The board shall elect annually from its
5.17 members a chair, vice chair, and secretary. A quorum of the board shall consist of a
5.18 majority of the members of the board qualified to vote on the matter in question. All
5.19 questions concerning the manner in which a meeting is conducted or called that is not
5.20 covered by statute shall be determined by Robert's Rules of Order, revised, unless
5.21 otherwise specified by the bylaws.

5.22 (b) Each residential code amendment considered by the board that receives an
5.23 affirmative two-thirds or more majority vote of all of the voting members of the board
5.24 shall be included in the next residential code rulemaking proceeding initiated by the board.
5.25 If a residential code amendment considered, or reconsidered, by the board receives less
5.26 than a two-thirds majority vote of all of the voting members of the board, the residential
5.27 code amendment must not be included in the next residential code rulemaking proceeding
5.28 initiated by the board.

5.29 (c) The board may reconsider residential code amendments during an active
5.30 residential code rulemaking proceeding in which the amendment previously failed to
5.31 receive a two-thirds majority vote of all of the voting members of the board only if new or
5.32 updated information that affects the code amendment is presented to the board. The board
5.33 may also reconsider failed code amendments in subsequent code rulemaking proceedings.

5.34 (d) Each proposed rule and rule amendment considered by the board pursuant to the
5.35 rulemaking authority specified in subdivision 3, paragraph (a), clause (5), that receives an
5.36 affirmative two-thirds majority vote of all of the voting members of the board must be

6.1 included in the next rulemaking proceeding initiated by the board. If a proposed rule or
6.2 rule amendment considered, or reconsidered, by the board receives less than an affirmative
6.3 two-thirds majority vote of all of the voting members of the board, the proposed rule or rule
6.4 amendment must not be included in the next rulemaking proceeding initiated by the board.

6.5 (e) The board may reconsider a proposed rule or rule amendment during an active
6.6 rulemaking proceeding in which the amendment previously failed to receive an affirmative
6.7 two-thirds majority vote of all of the voting members of the board only if new or updated
6.8 information that affects the proposed rule or rule amendment is presented to the board.
6.9 The board may also reconsider a failed proposed rule or rule amendment in subsequent
6.10 rulemaking proceedings.

6.11 Subd. 8. **Board meetings.** (a) The board shall meet at least two times each calendar
6.12 year at times the board specifies. Notice and conduct of all meetings are governed by
6.13 chapter 13D and the bylaws.

6.14 (b) If compliance with section 13D.02 is impractical, the board may conduct a
6.15 meeting of its members by telephone or other electronic means so long as the following
6.16 conditions are met:

6.17 (1) all members of the board participating in the meeting, wherever their physical
6.18 location, can hear one another and can hear all discussion and testimony;

6.19 (2) members of the public present at the regular meeting location of the board can
6.20 clearly hear all discussion and testimony and all votes of members of the board and, if
6.21 needed, receive those services required by sections 15.44 and 15.441;

6.22 (3) at least one member of the board is physically present at the regular meeting
6.23 location; and

6.24 (4) all votes are conducted by roll call, so each member's vote on each issue can be
6.25 identified and recorded.

6.26 Each member of the board participating in a meeting by telephone or other electronic
6.27 means is considered present at the meeting for purposes of determining a quorum and
6.28 participating in all proceedings.

6.29 If telephone or other electronic means is used to conduct a regular, special, or
6.30 emergency meeting, the board, to the extent practical, shall allow a person to monitor
6.31 the meeting electronically from a remote location. The board may require the person
6.32 making such a connection to pay for documented costs that the board incurs as a result of
6.33 the additional connection.

6.34 If telephone or other electronic means is used to conduct a regular, special, or
6.35 emergency meeting, the board shall provide notice of the regular meeting location, of the
6.36 fact that some members may participate by telephone or other electronic means, and that

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a person may monitor the meeting electronically from a remote location. Any person monitoring the meeting electronically from a remote location may be required to pay documented costs incurred by the board as a result of the additional connection. The timing and method of providing notice is governed by section 13D.04.

Subd. 9. **Complaints.** (a) The board shall promptly forward to the commissioner the substance of any complaint or communication it receives, whether written or oral, that alleges or implies a violation of a statute, rule, or order that the commissioner has the authority to enforce pertaining to: (1) the license or registration of any person authorized by the commissioner to provide residential building contractor or residential remodeling services; (2) the performance or offering to perform residential building contractor or residential remodeling services requiring licensure or registration; or (3) residential code compliance. Each complaint or communication that is forwarded to the commissioner must be submitted on a form provided by the commissioner.

(b) The commissioner shall advise the board of the status of the complaint within 90 days after the board's written submission is received, or within 90 days after the board is provided with a written request for additional information or documentation from the commissioner or the commissioner's designee, whichever is later. The commissioner shall advise the board of the disposition of a complaint referred by the board within 180 days after the board's written submission is received. The commissioner shall annually report to the board a summary of the actions taken in response to complaints referred by the board.

Subd. 10. **Data Practices Act.** The board is subject to chapter 13, the Minnesota Government Data Practices Act, and shall protect data classified as not public from unlawful disclosure.

Subd. 11. **Official records.** The board shall make and preserve all records necessary for full and accurate knowledge of its official activities in accordance with section 15.17.

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

Sec. 2. [326.852] RECIPROCITY WITH OTHER STATES.

(a) The commissioner may enter into reciprocity agreements for residential building contractor and residential building remodeler licenses with another state if approved by the board. Once approved by the board, the commissioner may issue a temporary residential building contractor or residential remodeler license without requiring the applicant to pass an examination provided the applicant:

(1) submits an application under section 326.84;

(2) pays the fee required under section 326.86; and

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

(b) 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 that required in Minnesota;

(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 by the commissioner to the license examination in Minnesota;

(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 section if the applicant has failed the license examination in Minnesota, or if the applicant's license has been revoked or suspended;

(6) an applicant who has failed to renew a residential building contractor or licensed residential remodeler license for two years or more after its expiration is not eligible for a license under this section; and

(7) any person granted a temporary license under this section must obtain a permanent license pursuant to section 326.84 within six months of receiving a temporary license.

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

Sec. 3. Minnesota Statutes 2007 Supplement, section 326.87, subdivision 1, is amended to read:

Subdivision 1. **Standards.** The commissioner may by rule adopt standards for continuing education requirements and course and instructor approval for all licenses issued by the commissioner under sections 326.2411 to 326.992. The standards must include requirements for continuing education in the implementation of energy codes applicable to buildings and other building codes designed to conserve energy and all other requirements under section 326.87.

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

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Sec. 4. Minnesota Statutes 2007 Supplement, section 326.87, subdivision 2, is amended to read:

Subd. 2. **Hours.** ~~A qualifying person of a licensee~~ Licensees subject to continuing education standards under subdivision 1 must provide proof of completion of seven hours of continuing education per year in the regulated industry in which the licensee is licensed.

Credit may not be earned if the licensee has previously obtained credit for the same course as either a student or instructor during the same licensing period.

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

Sec. 5. Minnesota Statutes 2007 Supplement, section 326.87, subdivision 5, is amended to read:

Subd. 5. **Content.** (a) Continuing education consists of approved courses that impart appropriate and related knowledge in the regulated industries ~~pursuant to sections 326.83 to 326.98 for which the commissioner adopts standards under subdivision 1.~~ Courses may include relevant materials that are included in licensing exams subject to the limitations imposed in paragraph (e). The burden of demonstrating that courses impart appropriate and related knowledge is upon the person seeking approval or credit.

(b) Course examinations will not be required for continuing education courses unless they are required by the sponsor.

(c) Textbooks are not required to be used for continuing education courses. If textbooks are not used, the coordinator must provide students with a syllabus containing, at a minimum, the course title, the times and dates of the course offering, the names and addresses or telephone numbers of the course coordinator and instructor, and a detailed outline of the subject materials to be covered. Any written or printed material given to students must be of readable quality and contain accurate and current information.

(d) Upon completion of an approved course, licensees shall earn one hour of continuing education credit for each hour approved by the commissioner. Each continuing education course must be attended in its entirety in order to receive credit for the number of approved hours. Courses may be approved for full or partial credit, and for more than one regulated industry.

Continuing education credit in an approved course shall be awarded to presenting instructors on the basis of one credit for each hour of preparation for the initial presentation, which may not exceed three hours total credit for each approved course. Continuing education credit may not be earned if the licensee has previously obtained credit for the same course as a licensee or as an instructor within the three years immediately prior.

(e) The following courses will not be approved for credit:

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- 10.1 (1) courses designed solely to prepare students for a license examination;
- 10.2 (2) courses in mechanical office or business skills, including typing, speed reading,
- 10.3 or other machines or equipment. Computer courses are allowed, if appropriate and related
- 10.4 to the regulated industry of the licensee;
- 10.5 (3) courses in sales promotion, including meetings held in conjunction with the
- 10.6 general business of the licensee;
- 10.7 (4) courses in motivation, salesmanship, psychology, time management, or
- 10.8 communication; or
- 10.9 (5) courses that are primarily intended to impart knowledge of specific products of
- 10.10 specific companies, if the use of the product or products relates to the sales promotion or
- 10.11 marketing of one or more of the products discussed.

10.12 **EFFECTIVE DATE.** This section is effective September 1, 2008.

10.13 Sec. 6. Minnesota Statutes 2007 Supplement, section 326.87, subdivision 10, is

10.14 amended to read:

10.15 Subd. 10. **Instructors.** (a) Each continuing education course shall have an instructor

10.16 who is qualified by education, training, or experience to ensure competent instruction.

10.17 ~~Failure to have only qualified instructors~~ Use of any unqualified instructors to teach at

10.18 an approved course offering will result in loss of course approval. Coordinators are

10.19 responsible to ensure that an instructor is qualified to teach the course offering.

10.20 (b) Qualified continuing education instructors must have one of the following

10.21 qualifications:

10.22 (1) a four-year degree in any area plus two years' practical experience in the subject

10.23 area being taught;

10.24 (2) five years' practical experience in the subject area being taught; or

10.25 (3) a college or graduate degree in the subject area being taught.

10.26 (c) Approved instructors are responsible for:

10.27 (1) compliance with all laws and rules relating to continuing education;

10.28 (2) providing students with current and accurate information;

10.29 (3) maintaining an atmosphere conducive to learning in the classroom;

10.30 (4) verifying attendance of students, and certifying course completion;

10.31 (5) providing assistance to students and responding to questions relating to course

10.32 materials; and

10.33 (6) attending the workshops or instructional programs that are required by the

10.34 commissioner.

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

11.2 Sec. 7. Minnesota Statutes 2007 Supplement, section 326.87, subdivision 21, is
11.3 amended to read:

11.4 Subd. 21. **Residential building contractor, residential remodeler, and residential**
11.5 **roofer education.** (a) In addition to any other requirements under this section, each
11.6 licensee must, during the licensee's first complete continuing education reporting period,
11.7 complete and report one hour of continuing education relating to lead abatement rules in
11.8 safe lead abatement procedures.

11.9 (b) Each licensee must, during each continuing education reporting period, complete
11.10 and report one hour of continuing education relating to energy codes or energy efficiency
11.11 standards for buildings and other building codes designed to conserve energy.

11.12 **EFFECTIVE DATE.** This section is effective September 1, 2008.

11.13 Sec. 8. Minnesota Statutes 2007 Supplement, section 326.91, subdivision 1, is
11.14 amended to read:

11.15 Subdivision 1. **Grounds.** In addition to the grounds set forth in section 326B.082,
11.16 subdivision 11, the commissioner may deny, suspend, limit, place conditions on, or revoke
11.17 a license or certificate of exemption, or may censure the person holding the license
11.18 or certificate of exemption, if the applicant, licensee, certificate of exemption holder,
11.19 qualifying person, or affiliate of an applicant, licensee, or certificate of exemption holder,
11.20 or other agent owner:

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

11.25 (2) has engaged in a fraudulent, deceptive, or dishonest practice, or has a
11.26 demonstrated history of financial irresponsibility;

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

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

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12.1 (5) has violated or failed to comply with any provision of sections 326.83 to 326.98,
12.2 any rule or order under sections 326.83 to 326.98, or any other law, rule, or order related
12.3 to the duties and responsibilities entrusted to the commissioner;

12.4 (6) has been convicted of a violation of the State Building Code or has refused to
12.5 comply with a notice of violation or stop order issued by a certified building official, or in
12.6 local jurisdictions that have not adopted the State Building Code has refused to correct a
12.7 violation of the State Building Code when the violation has been documented or a notice
12.8 of violation or stop order issued by a certified building official has been received;

12.9 (7) has failed to use the proceeds of any payment made to the licensee for the
12.10 construction of, or any improvement to, residential real estate, as defined in section 326.83,
12.11 subdivision 17, for the payment of labor, skill, material, and machinery contributed to the
12.12 construction or improvement, knowing that the cost of any labor performed, or skill,
12.13 material, or machinery furnished for the improvement remains unpaid;

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

12.18 (9) has engaged in an act or practice that results in compensation to an aggrieved
12.19 owner or lessee from the contractor recovery fund pursuant to section ~~36B.825~~ 326B.89,
12.20 or in the event that the contractor recovery fund does not have sufficient assets to
12.21 pay compensation, a final agreement or order under section 326B.89, subdivision 7,
12.22 determining that the applicant for compensation was eligible for compensation from
12.23 the fund unless:

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

12.26 (ii) the applicant or licensee has obtained a surety bond in the amount of at least
12.27 \$40,000, issued by an insurer authorized to transact business in this state;

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

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

12.34 (12) if unlicensed, has obtained a building permit by the fraudulent use of a fictitious
12.35 license number or the license number of another, or, if licensed, has knowingly allowed
12.36 an unlicensed person to use the licensee's license number for the purpose of fraudulently

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13.1 obtaining a building permit; or has applied for or obtained a building permit for an
13.2 unlicensed person;

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

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

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

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

13.13 **EFFECTIVE DATE.** This section is effective September 1, 2008.

13.14 Sec. 9. Minnesota Statutes 2007 Supplement, section 326B.02, subdivision 2, is
13.15 amended to read:

13.16 Subd. 2. **Transfer of authority.** The commissioner of administration may not use
13.17 the authority under section 16B.37 to modify the transfers of authority to the Board of
13.18 Residential Construction, Plumbing Board, the Board of Electricity, or the Board of High
13.19 Pressure Piping Systems under this chapter.

13.20 **EFFECTIVE DATE.** This section is effective September 1, 2008.

13.21 Sec. 10. Minnesota Statutes 2007 Supplement, section 326B.02, subdivision 5, is
13.22 amended to read:

13.23 Subd. 5. **General rulemaking authority.** The commissioner may, under the
13.24 rulemaking provisions of chapter 14 and as otherwise provided by this chapter, adopt,
13.25 amend, suspend, and repeal rules relating to the commissioner's responsibilities under this
13.26 chapter, except for rules for which the rulemaking authority is expressly transferred to
13.27 the Board of Residential Construction, Plumbing Board, the Board of Electricity, or the
13.28 Board of High Pressure Piping Systems.

13.29 **EFFECTIVE DATE.** This section is effective September 1, 2008.