

property. The county has determined that the county's land management interests would best be served if the error is corrected, the title defect is cured, and all interests in the land are returned to private ownership.

Sec. 2. **EFFECTIVE DATE.**

Section 1 is effective the day following final enactment.

Presented to the governor April 8, 1994

Signed by the governor April 11, 1994, 2:29 p.m.

CHAPTER 404—H.F.No. 2035

An act relating to commerce; residential building contractors and remodelers; clarifying legislative intent to require maintenance of bonds until license renewal; requiring recovery fund fee proration in certain circumstances; amending Minnesota Statutes 1993 Supplement, section 326.975, subdivision 1.

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

Section 1. Minnesota Statutes 1993 Supplement, section 326.975, subdivision 1, is amended to read:

Subdivision 1. **GENERALLY.** (a) In addition to any other fees, each applicant for a license under sections 326.83 to 326.98 shall pay a fee to the contractor's recovery fund. The contractor's recovery fund is created in the state treasury and must be administered by the commissioner in the manner and subject to all the requirements and limitations provided by section 82.34 with the following exceptions:

(1) each licensee who renews a license shall pay in addition to the appropriate renewal fee an additional fee which shall be credited to the contractor's recovery fund. The amount of the fee shall be based on the licensee's gross annual receipts for the licensee's most recent fiscal year preceding the renewal, on the following scale:

Fee	Gross Receipts
\$100	under \$1,000,000
\$150	\$1,000,000 to \$5,000,000
\$200	over \$5,000,000

Any person who receives a new license shall pay a fee based on the same scale;

(2) the sole purpose of this fund is to compensate any aggrieved owner or lessee of residential property who obtains a final judgment in any court of competent jurisdiction against a licensee licensed under section 326.84, on grounds

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of fraudulent, deceptive, or dishonest practices, conversion of funds, or failure of performance arising directly out of any transaction when the judgment debtor was licensed and performed any of the activities enumerated under section 326.83, subdivision 19, on the owner's residential property or on residential property rented by the lessee, or on new residential construction which was never occupied prior to purchase by the owner, or which was occupied by the licensee for less than one year prior to purchase by the owner, and which cause of action arose on or after ~~March 31~~ April 1, 1994; and

(3) nothing may obligate the fund for more than \$50,000 per claimant, nor more than \$50,000 per licensee.

(b) Should the commissioner pay from the contractor's recovery fund any amount in settlement of a claim or toward satisfaction of a judgment against a licensee, the license shall be automatically suspended upon the effective date of an order by the court authorizing payment from the fund. No licensee shall be granted reinstatement until the licensee has repaid in full, plus interest at the rate of 12 percent a year, twice the amount paid from the fund on the licensee's account, and has obtained a surety bond issued by an insurer authorized to transact business in this state in the amount of at least \$40,000.

Sec. 2. [326.945] RESIDENTIAL BUILDING CONTRACTORS AND REMODELERS; BOND MAINTENANCE UNTIL LICENSE RENEWAL.

Subdivision 1. RESIDENTIAL BUILDING CONTRACTORS AND REMODELERS LICENSED AS OF JUNE 30, 1993. A residential building contractor or remodeler licensed under Minnesota Statutes, section 326.84 who had a license in effect as of June 30, 1993 must, until the license is renewed, continuously maintain the license bond which was posted with the commissioner under Minnesota Statutes, section 326.94 when the person was initially licensed.

Subd. 2. RESIDENTIAL BUILDING CONTRACTORS AND REMODELERS LICENSED ON OR AFTER JULY 1, 1993. A residential building contractor or remodeler who obtains a license on or after July 1, 1993, but before April 1, 1994, must post a license bond with the commissioner, conditioned that the applicant shall faithfully perform the duties and in all things comply with all laws, ordinances, and rules pertaining to the license or permit applied for and all contracts entered into, and must continuously maintain the license bond until the license is renewed. The required license bond must be in the following amount:

(1) \$5,000 for a residential building contractor or remodeler with annual gross receipts of \$1,000,000 or less;

(2) \$10,000 for a residential building contractor or remodeler with annual gross receipts of more than \$1,000,000 but less than \$5,000,000; or

(3) \$15,000 for a residential building contractor or remodeler with annual gross receipts of \$5,000,000 or more.

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Subd. 3. RESIDENTIAL BUILDING CONTRACTORS AND REMODELERS; RECOVERY FUND FEE PRORATED. A residential building contractor or remodeler licensed under Minnesota Statutes, section 326.84, who does not maintain a license bond under Minnesota Statutes, section 326.94, shall pay a one-twelfth share of the contractor's recovery fund fee set in Minnesota Statutes, section 326.975, subdivision 1, paragraph (a), clause (1), in lieu of the license bond for each month or any portion of a month the licensee is not bonded prior to license renewal.

Sec. 3. EFFECTIVE DATE.

Section 2, subdivisions 1 and 2, are effective retroactive to July 1, 1993. Sections 1 and 2, subdivision 3, are effective April 1, 1994.

Presented to the governor April 8, 1994

Signed by the governor April 11, 1994, 2:34 p.m.

CHAPTER 405—S.F.No. 2425

An act relating to occupations and professions; requiring the state fire marshal to conduct a study on fireworks safety and operator qualifications.

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

Section 1. FIREWORKS STUDY.

The state fire marshal shall conduct a study concerning safety aspects of public fireworks displays and fireworks display operator qualifications that makes recommendations for:

- (1) legislation to increase the level of safety of public fireworks displays;
- (2) minimum qualification requirements for fireworks operators; and
- (3) methods for establishing a program for the certification of public display operators by the state fire marshal.

The study shall be completed and submitted to the senate finance committee and the house of representatives committee on financial institutions and insurance by December 31, 1994.

Presented to the governor April 8, 1994

Signed by the governor April 11, 1994, 2:50 p.m.

New language is indicated by underline, deletions by ~~strikeout~~.