

CHAPTER 337—H.F.No. 3034

An act relating to construction professions; modifying provisions relating to the electrical, plumbing, water conditioning, boiler, and high-pressure piping professions; amending Minnesota Statutes 2006, sections 299F.011, subdivision 3; 326.244, subdivision 1; 327.32, subdivision 1; 327.33, by adding subdivisions; 327A.04, subdivision 2; 327A.07; 327B.06, subdivision 1; Minnesota Statutes 2007 Supplement, sections 16B.64, subdivision 8; 181.723, subdivision 2; 183.60, subdivision 2; 326.01, subdivisions 4b, 5; 326.2415, subdivisions 2, 6; 326.242, subdivisions 2, 3d, 5, 12, by adding subdivisions; 326.244, subdivision 5; 326.37, subdivisions 1a, 4; 326.3705, subdivision 1; 326.40, subdivisions 2, 3, by adding a subdivision; 326.47, subdivision 2; 326.48, subdivisions 1, 2, 2a, 2b, 5; 326.50; 326.505, subdivisions 1, 2, 8; 326.62; 326.84, subdivision 1; 326.86, subdivision 1; 326.87, subdivision 5; 326.93, subdivision 4; 326.94, subdivision 2; 326.97, subdivision 1a; 326B.082, subdivisions 8, 10, 11, 12, 13; 326B.083, subdivision 3; 326B.42, by adding a subdivision; 326B.89, subdivisions 5, 6, 12, 14; 327B.04, subdivision 4; Laws 2007, chapter 140, article 4, section 12; repealing Minnesota Statutes 2006, section 16B.69; Minnesota Statutes 2007 Supplement, sections 326.2411; 326.372; 326.471; Laws 2007, chapter 9, section 1; Laws 2007, chapter 135, article 4, sections 2; 8; article 6, section 3; Laws 2007, chapter 140, article 12, section 9; Minnesota Rules, part 3800.3510.

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

Section 1. Minnesota Statutes 2007 Supplement, section 16B.64, subdivision 8, is amended to read:

Subd. 8. **Effective date of rules.** A rule to adopt or amend the state's building code is effective 180 days after the filing of the rule with the secretary of state under section 14.16 or 14.26. The rule may provide for a different later effective date. The rule may provide for an earlier effective date if the commissioner or board proposing the rule finds that a different an earlier effective date is necessary to protect public health and safety after considering, among other things, the need for time for training of individuals to comply with and enforce the rule.

Sec. 2. Minnesota Statutes 2007 Supplement, section 181.723, subdivision 2, is amended to read:

Subd. 2. **Limited application.** This section only applies to individuals performing public or private sector commercial or residential building construction or improvement services, as defined in section 326.83. Building construction and improvement services do not include: (1) the manufacture, supply, or sale of products, materials, or merchandise; (2) landscaping services for the maintenance or removal of existing plants, shrubs, trees, and other vegetation, whether or not the services are provided as part of a contract for the building construction or improvement services; and (3) all other landscaping services.

unless the other landscaping services are provided as part of a contract for the building construction or improvement services.

Sec. 3. Minnesota Statutes 2007 Supplement, section 183.60, subdivision 2, is amended to read:

Subd. 2. **Repair violation.** ~~No~~ A person who repairs a boiler or pressure vessel by welding or riveting ~~so as not to~~ must meet the minimum requirements established by the current edition of the National Board of Boiler and Pressure Vessel Inspectors inspection code and the rules of the department.

Sec. 4. Minnesota Statutes 2006, section 299F.011, subdivision 3, is amended to read:

Subd. 3. **Rules for code administration and enforcement.** The commissioner of public safety shall adopt rules as may be necessary to administer and enforce the code, specifically including but not limited to rules for inspection of buildings and other structures covered by the code and conforming the code to the governmental organization of Minnesota state agencies, political subdivisions and local governments.

Sec. 5. Minnesota Statutes 2007 Supplement, section 326.01, subdivision 4b, is amended to read:

Subd. 4b. **Elevator contractor.** "Elevator contractor" means a licensed contractor whose responsible licensed individual is a licensed master elevator constructor. An elevator contractor license does not itself qualify its holder to perform or supervise the electrical or elevator work authorized by holding ~~any other~~ a personal license issued by the commissioner.

Sec. 6. Minnesota Statutes 2007 Supplement, section 326.01, subdivision 5, is amended to read:

Subd. 5. **Contractor.** "Contractor" means a person who performs or offers to perform any electrical work, with or without compensation, who is licensed as a contractor by the commissioner. A contractor's license does not of itself qualify its holder to perform or supervise the electrical work authorized by holding any class of electrician's or other personal ~~electrical~~ license. Contractor includes electrical contractors and technology system contractors.

Sec. 7. Minnesota Statutes 2007 Supplement, section 326.2415, subdivision 2, is amended to read:

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

(1) elect its chair, vice-chair, and secretary;

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

(3) adopt the Minnesota Electrical Code ~~shall, which must~~ be the most current edition of the National Electrical Code ~~upon its adoption by the board~~ and any amendments thereto ~~as adopted by the board~~. The board shall adopt the most current edition of the

National Electrical Code and any amendments thereto pursuant to chapter 14 and as provided in subdivision 6, 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 electrical businesses, electrical contractors, master electricians, journeyman electricians, Class A installer, Class B installer, power limited technicians, and other persons who perform electrical work except for those individuals licensed under section 326.02, subdivisions 2 and 3. The board shall adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs (d) and (e);

(6) adopt rules that regulate continuing education for individuals licensed or registered as electrical businesses, electrical contractors, master electricians, journeyman electricians, Class A installer, Class B installer, power limited technicians, and other persons who perform electrical work. The board shall adopt these rules pursuant to chapter 14 and as provided in subdivision 6, ~~paragraph~~ paragraphs (d) and (e);

(7) advise the commissioner regarding educational requirements for electrical inspectors;

(8) refer complaints or other communications to the commissioner, whether oral or in writing, as provided in subdivision 8, that ~~alleges~~ allege or ~~implies~~ imply a violation of a statute, rule, or order that the commissioner has the authority to enforce pertaining to code compliance, licensure, registration, or an offering to perform or performance of unlicensed electrical services;

(9) approve per diem and expenses deemed necessary for its members as provided in subdivision 3;

(10) approve license reciprocity agreements;

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

(12) recommend the fees for licenses and certifications.

Except for the powers granted to the Plumbing Board, Board of Electricity, and the Board of High Pressure Piping Systems, the commissioner of labor and industry shall administer and enforce the provisions of this chapter and any rules promulgated pursuant thereto.

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

(c) The commissioner shall coordinate the board's rulemaking and recommendations with the recommendations and rulemaking conducted by all of the other boards created pursuant to chapter 326B. The commissioner shall provide staff support to the board. The support includes professional, legal, technical, and clerical staff necessary to perform rulemaking and other duties assigned to the board. The commissioner of labor and industry shall supply necessary office space and supplies to assist the board in its duties.

Sec. 8. Minnesota Statutes 2007 Supplement, section 326.2415, subdivision 6, is amended to read:

Subd. 6. **Officers, quorum, voting.** (a) The board shall elect annually from its members a chair, vice-chair, and secretary. A quorum of the board shall consist of a

majority of members of the board qualified to vote on the matter in question. All questions concerning the manner in which a meeting is conducted or called that is not covered by statute shall be determined by Robert's Rules of Order (revised) unless otherwise specified by the bylaws.

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

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

(d) Each proposed rule and rule amendment considered by the board pursuant to the rulemaking authority specified in subdivision 2, paragraph (a), clauses (5) and (6), that receives an affirmative majority vote of all of the voting members of the board shall be included in the next rulemaking proceeding initiated by the board. If a proposed rule or rule amendment considered, or reconsidered, by the board receives less than an affirmative majority vote of all of the voting members of the board, the proposed rule or rule amendment shall not be included in the next rulemaking proceeding initiated by the board.

(e) The board may reconsider proposed rule rules or rule amendment amendments during an active rulemaking proceeding in which the amendment previously failed to receive an affirmative majority vote of all of the voting members of the board only if new or updated information that affects the proposed rule or rule amendment is presented to the board. The board may also reconsider failed proposed rule rules or rule amendment amendments in subsequent rulemaking proceedings.

Sec. 9. Minnesota Statutes 2007 Supplement, section 326.242, subdivision 2, is amended to read:

Subd. 2. **Journeyman electrician.** (a) Except as otherwise provided by law, no individual shall perform and supervise any electrical work except for planning or laying out of electrical work unless:

(1) the individual is licensed by the commissioner as a journeyman electrician; and

(2) the electrical work is:

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

(ii) performed under the supervision of a master electrician also employed by the individual's employer on electrical wiring, apparatus, equipment, or facilities that are owned or leased by the employer and that are located within the limits of property operated, maintained, and either owned or leased by the employer.

(b) An applicant for a Class A journeyman electrician license shall have had at least four years of experience, acceptable to the commissioner, in wiring for, installing, and repairing electrical wiring, apparatus, or equipment, provided however, that ~~the commissioner may by rule allow~~ one year of experience credit for the successful completion of a two-year post high school electrical course approved by the commissioner may be allowed.

(c) As of August 1, 1985, no new Class B journeyman electrician licenses shall be issued. An individual who holds a Class B journeyman electrician license as of August 1, 1985, may retain and renew the license and exercise the privileges it grants, which include electrical work limited to single phase systems, not over 200 amperes in capacity, on farmsteads or on single-family dwellings located in towns or municipalities with fewer than 2,500 inhabitants.

Sec. 10. Minnesota Statutes 2007 Supplement, section 326.242, subdivision 3d, is amended to read:

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

(1) the individual is licensed by the commissioner as a power limited technician; and

(2) the electrical work is:

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

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

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

(c) Licensees must attain 16 hours of continuing education acceptable to the board every renewal period.

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

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

Sec. 11. Minnesota Statutes 2007 Supplement, section 326.242, is amended by adding a subdivision to read:

Subd. 3e. **Elevator constructor.** (a) An individual licensed as an elevator constructor may install, maintain, and repair electrical wiring, apparatus, and equipment for elevators and escalators while in the employ of an elevator contractor or Class A electrical contractor.

(b) An applicant for an elevator constructor's license shall have at least 36 months' experience, acceptable to the commissioner, in wiring for, installing, and repairing electrical wiring, apparatus, or equipment for elevators and escalators, provided, however, that one year of experience credit for the completion of a two-year post-high school electrical course approved by the commissioner may be allowed.

Sec. 12. Minnesota Statutes 2007 Supplement, section 326.242, is amended by adding a subdivision to read:

Subd. 3f. **Lineman.** (a) An individual licensed as a lineman may install, maintain, and repair transmission and distribution systems that are or will be owned or leased by an electric utility.

(b) An applicant for a lineman's license shall have at least 48 months' experience, acceptable to the commissioner, in wiring for, installing, and repairing electrical wiring, apparatus, or equipment for an electrical utility.

Sec. 13. Minnesota Statutes 2007 Supplement, section 326.242, is amended by adding a subdivision to read:

Subd. 3g. **Maintenance electrician.** (a) An individual licensed as a maintenance electrician may maintain and repair electrical wiring, apparatus, and equipment while in the employ of a contractor, or as a full-time employee of a single employer while engaged in the maintenance and repair of electrical wiring, apparatus, and equipment owned or leased by the employer and located within the limits of property owned or leased by the employer.

(b) An applicant for a maintenance electrician's license shall have at least 48 months' experience, acceptable to the commissioner, in wiring for, installing, and repairing electrical wiring, apparatus, or equipment, provided, however, that one year of experience credit for the completion of a two-year post-high school electrical course approved by the commissioner may be allowed.

Sec. 14. Minnesota Statutes 2007 Supplement, section 326.242, is amended by adding a subdivision to read:

Subd. 3h. **Master elevator constructor.** (a) An individual licensed as a master elevator constructor may, while licensed as an elevator electrical contractor or while in the employ of an elevator contractor or Class A electrical contractor, plan, lay out, supervise and install, maintain, and repair wiring, apparatus, and equipment for elevators and escalators.

(b) An applicant for a master elevator constructor's license shall have at least 60 months' experience, acceptable to the commissioner, in wiring for, installing, and repairing electrical wiring, apparatus, or equipment for elevators and escalators, provided, however,

that one year of experience credit for the completion of a two-year post-high school electrical course approved by the commissioner may be allowed.

Sec. 15. Minnesota Statutes 2007 Supplement, section 326.242, subdivision 5, is amended to read:

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

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

(c) Contractors employing unlicensed individuals to perform electrical work shall maintain records establishing compliance with this subdivision that shall identify all unlicensed individuals performing electrical work, except for individuals working on circuits or systems exempted from personal licensing by subdivision 12, paragraph (b), and shall permit the department to examine and copy all such records.

(d) When a licensed individual supervises the electrical work of an unlicensed individual, the licensed individual is responsible for ensuring that the electrical work complies with the Minnesota Electrical Act and all rules adopted under the act.

Sec. 16. Minnesota Statutes 2007 Supplement, section 326.242, subdivision 12, is amended to read:

Subd. 12. **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 ~~circuit and system~~ circuits or systems work, a licensed power limited technician; and

(3) the individual's employer has filed with the commissioner a 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.

(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 3d, 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 ~~and~~ 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 326.245.

(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. 17. Minnesota Statutes 2006, section 326.244, subdivision 1, is amended to read:

Subdivision 1. **Required inspection.** Except where any political subdivision has by ordinance provided for electrical inspection similar to that herein provided, every new electrical installation in any construction, remodeling, replacement, or repair, except minor repair work as the same is defined ~~by the board~~ by rule, shall be inspected by the ~~board~~ commissioner for compliance with accepted standards of construction for safety to life and property.

Sec. 18. Minnesota Statutes 2007 Supplement, section 326.244, subdivision 5, is amended to read:

Subd. 5. **Exemptions from inspections.** Installations, materials, or equipment shall not be subject to inspection under sections 326B.31 to 326B.399:

(1) when owned or leased, operated and maintained by any employer whose maintenance electricians are exempt from licensing under sections 326B.31 to 326B.399, while performing electrical maintenance work only as defined by ~~board~~ rule;

(2) when owned or leased, and operated and maintained by any electrical, communications, or railway utility, cable communications company as defined in section 238.02, or telephone company as defined under section 237.01, in the exercise of its utility, antenna, or telephone function; and

(i) are used exclusively for the generations, 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 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;

(3) when used in the street lighting operations of an electrical utility;

(4) when used as outdoor area lights which are owned and operated by an electrical utility and which are connected directly to its 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;

(5) when the installation, material, and equipment are in facilities subject to the jurisdiction of the federal Mine Safety and Health Act; or

(6) when the installation, material, and equipment is part of an elevator installation for which the elevator contractor, licensed under section 326.242, is required to obtain a permit from the authority having jurisdiction as provided by section 16B.747, and the inspection has been or will be performed by an elevator inspector certified and licensed by the department. This exemption shall apply only to installations, material, and equipment permitted or required to be connected on the load side of the disconnecting means required for elevator equipment under National Electrical Code Article 620, and elevator communications and alarm systems within the machine room, car, hoistway, or elevator lobby.

Sec. 19. Minnesota Statutes 2007 Supplement, section 326.37, subdivision 1a, is amended to read:

Subd. 1a. **Agreements with municipalities.** The commissioner may enter into an agreement with a municipality, in which the municipality agrees to perform plan and specification reviews required to be performed by the commissioner under Minnesota Rules, part 4715.3130, if:

(a) the municipality has adopted:

(1) the plumbing code;

(2) an ordinance that requires plumbing plans and specifications to be submitted to, reviewed, and approved by the municipality, except as provided in paragraph ~~(n)~~ (n);

(3) an ordinance that authorizes the municipality to perform inspections required by the plumbing code; and

(4) an ordinance that authorizes the municipality to enforce the plumbing code in its entirety, except as provided in paragraph (p);

(b) the municipality agrees to review plumbing plans and specifications for all construction for which the plumbing code requires the review of plumbing plans and specifications, except as provided in paragraph (n);

(c) the municipality agrees that, when it reviews plumbing plans and specifications under paragraph (b), the review will:

(1) reflect the degree to which the plans and specifications affect the public health and conform to the provisions of the plumbing code;

(2) ensure that there is no physical connection between water supply systems that are safe for domestic use and those that are unsafe for domestic use; and

(3) ensure that there is no apparatus through which unsafe water may be discharged or drawn into a safe water supply system;

(d) the municipality agrees to perform all inspections required by the plumbing code in connection with projects for which the municipality reviews plumbing plans and specifications under paragraph (b);

(e) the commissioner determines that the individuals who will conduct the inspections and the plumbing plan and specification reviews for the municipality do not have any conflict of interest in conducting the inspections and the plan and specification reviews;

(f) individuals who will conduct the plumbing plan and specification reviews for the municipality are:

(1) licensed master plumbers;

(2) licensed professional engineers; or

(3) individuals who are working under the supervision of a licensed professional engineer or licensed master plumber and who are licensed master or journeyman plumbers or hold a postsecondary degree in engineering;

(g) individuals who will conduct the plumbing plan and specification reviews for the municipality have passed a competency assessment required by the commissioner to assess the individual's competency at reviewing plumbing plans and specifications;

(h) individuals who will conduct the plumbing inspections for the municipality are licensed master or journeyman plumbers, or inspectors meeting the competency requirements established in rules adopted under section 16B.655;

(i) the municipality agrees to enforce in its entirety the plumbing code on all projects, except as provided in paragraph (p);

(j) the municipality agrees to keep official records of all documents received, including plans, specifications, surveys, and plot plans, and of all plan reviews, permits and certificates issued, reports of inspections, and notices issued in connection with plumbing inspections and the review of plumbing plans and specifications;

(k) the municipality agrees to maintain the records described in paragraph (j) in the official records of the municipality for the period required for the retention of public records under section 138.17, and shall make these records readily available for review at the request of the commissioner;

(l) the municipality and the commissioner agree that if at any time during the agreement the municipality does not have in effect the plumbing code or any of ordinances described in ~~item~~ paragraph (a), or if the commissioner determines that the municipality is not properly administering and enforcing the plumbing code or is otherwise not complying with the agreement:

(1) the commissioner may, effective 14 days after the municipality's receipt of written notice, terminate the agreement;

(2) the municipality may challenge the termination in a contested case before the commissioner pursuant to the Administrative Procedure Act; and

(3) while any challenge is pending under ~~item~~ clause (2), the commissioner shall perform plan and specification reviews within the municipality under Minnesota Rules, part 4715.3130;

(m) the municipality and the commissioner agree that the municipality may terminate the agreement with or without cause on 90 days' written notice to the commissioner;

(n) the municipality and the commissioner agree that the municipality shall forward to the state for review all plumbing plans and specifications for the following types of projects within the municipality:

(1) hospitals, nursing homes, supervised living facilities, and similar health-care-related facilities regulated by the Minnesota Department of Health;

(2) buildings owned by the federal or state government; and

(3) projects of a special nature for which department review is requested by either the municipality or the state;

(o) where the municipality forwards to the state for review plumbing plans and specifications, as provided in paragraph (n), the municipality shall not collect any fee for plan review, and the commissioner shall collect all applicable fees for plan review; and

(p) no municipality shall revoke, suspend, or place restrictions on any plumbing license issued by the state.

Sec. 20. Minnesota Statutes 2007 Supplement, section 326.37, subdivision 4, is amended to read:

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

~~(b) All urinals covered under the jurisdiction of the State Plumbing Code must have a water flush device with a volume of not more than one gallon per use.~~

Sec. 21. Minnesota Statutes 2007 Supplement, section 326.3705, subdivision 1, is amended to read:

Subdivision 1. **Composition.** (a) The Plumbing Board shall consist of 14 members. Twelve 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 of labor and industry's designee, who shall be a voting member. One member shall be the commissioner of health or the commissioner of health's designee, who shall not be a voting member. Of the 12 appointed members, the composition shall be as follows:

(1) two members shall be municipal plumbing inspectors, one from the metropolitan area and one from greater Minnesota;

(2) one member shall be a licensed professional engineer specializing in plumbing designs or systems;

(3) two members shall be commercial/industrial plumbing contractors, one from the metropolitan area and one from greater Minnesota;

(4) one member shall be a residential plumbing contractor;

(5) two members shall be commercial/industrial journeymen, one from the metropolitan area and one from greater Minnesota;

(6) one member shall be a residential plumbing journeyman;

(7) one member shall be a water conditioning contractor;

(8) one member shall be a municipal public water supply system operator or superintendent; and

(9) one member shall be a public member as defined by section 214.02.

One of the municipal plumbing inspectors shall be appointed for an initial term to end on December 31, 2010. The other municipal plumbing inspector shall be appointed for an initial term to end on December 31, 2011. The professional engineer shall be appointed for an initial term to end on December 31, 2011. One of the commercial/industrial plumbing contractors shall be appointed for an initial term to end on December 31, 2010. The other commercial/industrial plumbing contractor shall be appointed for an initial term to end on December 31, 2011. The residential plumbing contractor shall be appointed for an initial term to end on December 31, 2010. One of the commercial/industrial plumbing journeymen shall be appointed for an initial term to end on December 31, 2011. The other commercial/industrial plumbing journeyman shall be appointed for an initial term to end on December 31, 2010. The residential plumbing journeyman shall be appointed for an initial term to end on December 31, 2011. The water conditioning contractor shall be appointed for an initial term to end on December 31, 2011. The municipal public water supply system operator or superintendent shall be appointed for an initial term to end on December 31, 2010. The public member shall be appointed for a term to end December 31, 2010.

(b) The licensed professional engineer must possess a current Minnesota professional engineering license and maintain the license for the duration of their term. All other appointed members, except for the water conditioning contractor, the public member, and the municipal public water supply system operator or superintendent, must possess a current plumbing license issued by the Department of Labor and Industry and maintain that license for the duration of their term. The water conditioning contractor must be licensed as a water conditioning contractor by the Department of Labor and Industry and maintain the license for the duration of the term on the board. All appointed members must be residents of Minnesota at the time of and throughout the member's appointment. The term of any appointed member that does not maintain membership qualification status shall end on the date of the status change and the governor shall appoint a new member. It is the responsibility of the member to notify the board of the member's status change.

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

Sec. 22. Minnesota Statutes 2007 Supplement, section 326.40, subdivision 2, is amended to read:

Subd. 2. **Bond; insurance.** Any person contracting to do plumbing work must give bond to the state in the amount of \$25,000 for all work entered into within the state. 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. 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 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.

Sec. 23. Minnesota Statutes 2007 Supplement, section 326.40, subdivision 3, is amended to read:

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

Sec. 24. Minnesota Statutes 2007 Supplement, section 326.40, is amended by adding a subdivision to read:

Subd. 6. **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 above ground building sewer system and when connecting the exterior water line to the above ground 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.

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

Sec. 25. Minnesota Statutes 2007 Supplement, section 326.47, subdivision 2, is amended to read:

Subd. 2. **Permissive municipal regulation.** The commissioner may enter into an agreement with a municipality, in which the municipality agrees to perform inspections and issue permits for the construction and installation of high pressure piping systems within the municipality's geographical area of jurisdiction, if:

(a) The municipality has adopted:

(1) the code for power piping systems, Minnesota Rules, parts 5230.0250 to 5230.6200;

(2) an ordinance that authorizes the municipality to issue permits to persons holding a high pressure piping business license issued by the department and only for construction or installation that would, if performed properly, fully comply with all Minnesota Statutes and Minnesota Rules;

(3) an ordinance that authorizes the municipality to perform the inspections that are required under Minnesota Statutes or Minnesota Rules ~~of~~ governing the construction and installation of high pressure piping systems; and

(4) an ordinance that authorizes the municipality to enforce the code for power piping systems in its entirety.

(b) The municipality agrees to issue permits only to persons holding a high pressure piping business license as required by law at the time of the permit issuance, and only for construction or installation that would, if performed properly, comply with all Minnesota Statutes and Minnesota Rules governing the construction or installation of high pressure piping systems.

(c) The municipality agrees to issue permits only on forms approved by the department.

(d) The municipality agrees that, for each permit issued by the municipality, the municipality shall perform one or more inspections of the construction or installation to determine whether the construction or installation complies with all Minnesota Statutes and Minnesota Rules governing the construction or installation of high pressure piping systems, and shall prepare a written report of each inspection.

(e) The municipality agrees to notify the commissioner within 24 hours after the municipality discovers any violation of the licensing laws related to high pressure piping.

(f) The municipality agrees to notify the commissioner immediately if the municipality discovers that any entity has failed to meet a deadline set by the municipality for correction of a violation of the high pressure piping laws.

(g) The commissioner determines that the individuals who will conduct the inspections for the municipality do not have any conflict of interest in conducting the inspections.

(h) Individuals who will conduct the inspections for the municipality are permanent employees of the municipality and are licensed contracting high pressure pipefitters or licensed journeyman high pressure pipefitters.

(i) The municipality agrees to notify the commissioner within ten days of any changes in the names or qualifications of the individuals who conduct the inspections for the municipality.

(j) The municipality agrees to enforce in its entirety the code for power piping systems on all projects.

(k) The municipality shall not approve any piping installation unless the installation conforms to all applicable provisions of the high pressure piping laws in effect at the time of the installation.

(l) The municipality agrees to promptly require compliance or revoke a permit that it has issued if there is noncompliance with any of the applicable provisions of the high pressure piping laws in connection with the work covered by the permit. The municipality agrees to revoke the permit if any laws regulating the licensing of pipefitters have been violated.

(m) The municipality agrees to keep official records of all documents received, including permit applications, and of all permits issued, reports of inspections, and notices issued in connection with inspections.

(n) The municipality agrees to maintain the records described in paragraph (m) in the official records of the municipality for the period required for the retention of public records under section 138.17, and shall make these records readily available for review according to section 13.37.

(o) Not later than the tenth day of each month, the municipality shall submit to the commissioner a report of all high pressure piping permits issued by the municipality during the preceding month. This report shall be in a format approved by the commissioner and shall include:

- (1) the name of the contractor;
- (2) the license number of the contractor's license issued by the commissioner;
- (3) the permit number;
- (4) the address of the job;
- (5) the date the permit was issued;
- (6) a brief description of the work; and
- (7) the amount of the inspection fee.

(p) Not later than the 31st day of January of each year, the municipality shall submit a summary report to the commissioner identifying the status of each high pressure piping project for which the municipality issued a permit during the preceding year, and the status of high pressure piping projects for which the municipality issued a permit during a prior year where no final inspection had occurred by the first day of the preceding year. This summary report shall include:

- (1) the permit number;
- (2) the date of any final inspection; and
- (3) identification of any violation of high pressure piping laws related to work covered by the permit.

(q) The municipality and the commissioner agree that if at any time during the agreement the municipality does not have in effect the code for high pressure piping systems or any of the ordinances described in paragraph (a), or if the commissioner determines that the municipality is not properly administering and enforcing the code for high pressure piping or is otherwise not complying with the agreement:

- (1) the commissioner may, effective 14 days after the municipality's receipt of written notice, terminate the agreement and have the administration and enforcement of the high pressure piping code in the involved municipality undertaken by the department;

(2) the municipality may challenge the termination in a contested case before the commissioner pursuant to the Administrative Procedure Act; and

(3) while any challenge under clause (2) is pending, the commissioner may exercise oversight of the municipality to the extent needed to ensure that high pressure piping inspections are performed and permits are issued in accordance with the high pressure piping laws.

(r) The municipality and the commissioner agree that the municipality may terminate the agreement with or without cause on 90 days' written notice to the commissioner.

(s) The municipality and the commissioner agree that no municipality shall revoke, suspend, or place restrictions on any high pressure piping license issued by the commissioner. If the municipality identifies during an inspection any violation that may warrant revocation, suspension, or placement of restrictions on a high pressure piping license issued by the commissioner, the municipality shall promptly notify the commissioner of the violation and the commissioner shall determine whether revocation, suspension, or placement of restrictions on any high pressure piping license issued by the commissioner is appropriate.

Sec. 26. Minnesota Statutes 2007 Supplement, section 326.48, subdivision 1, is amended to read:

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

No person shall construct or install high pressure piping, nor install high pressure piping in connection with the dealing in and selling of high pressure pipe material and supplies, unless, at all times, an individual possessing a contracting high pressure pipefitter ~~individual~~ competency license or a journeyman high pressure pipefitter ~~individual~~ competency license is responsible for ensuring that the high pressure pipefitting work is in conformity with Minnesota Statutes and Minnesota Rules.

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

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

Sec. 27. Minnesota Statutes 2007 Supplement, section 326.48, subdivision 2, is amended to read:

Subd. 2. **High pressure pipefitting business license.** Before obtaining a permit for high pressure piping work, a person 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 ~~an individual~~ a contracting high pressure pipefitter competency license. Only full-time employees who hold ~~individual~~ contracting high pressure pipefitter licenses are authorized to obtain high pressure piping permits in the name of the business. The ~~individual~~ contracting high pressure pipefitter competency license holder can be the employee of only one high pressure piping business at a time.

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

No high pressure pipefitting work may be performed during any period when the high pressure pipefitting business does not have ~~an individual~~ 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. 28. Minnesota Statutes 2007 Supplement, section 326.48, subdivision 2a, is amended to read:

Subd. 2a. **Registration requirement.** All unlicensed individuals, other than pipefitter apprentices, must be registered under subdivision 2b. No licensed high pressure piping business shall employ an unlicensed individual to assist in the practical construction and installation of high pressure piping and appurtenances unless the unlicensed individual is registered with the department. A pipefitter apprentice or registered unlicensed individual employed by a high pressure piping business may assist in the practical construction and installation of high pressure piping and appurtenances only while under direct supervision of a licensed ~~individual~~ contracting high pressure pipefitter or licensed journeyman high pressure pipefitter employed by the same high pressure piping business. The licensed ~~individual~~ contracting high pressure pipefitter or licensed journeyman high pressure pipefitter shall supervise no more than two pipefitter apprentices or registered unlicensed individuals. The licensed ~~individual~~ contracting high pressure pipefitter or journeyman high pressure pipefitter is responsible for ensuring that all high pressure piping work performed by the pipefitter apprentice or registered unlicensed individual complies with Minnesota Statutes and Minnesota Rules.

The board shall make recommendations by October 1, 2008, to the chairs of the standing committees of the senate and house of representatives having jurisdiction over high pressure piping regulation on the ratio of licensed ~~individual~~ contracting high pressure pipefitters or licensed journeyman high pressure pipefitters to pipefitter apprentices or registered unlicensed individuals for purposes of supervision.

Sec. 29. Minnesota Statutes 2007 Supplement, section 326.48, subdivision 2b, is amended to read:

Subd. 2b. **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. The board ~~of High Pressure Piping Systems~~ 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. 30. Minnesota Statutes 2007 Supplement, section 326.48, subdivision 5, is amended to read:

Subd. 5. **License fee.** The department shall charge the following license fees:

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

If an application for renewal of an active or inactive journeyman high pressure ~~piping~~ pipefitter competency license or active or inactive contracting high pressure ~~piping~~ 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.

Sec. 31. Minnesota Statutes 2007 Supplement, section 326.50, is amended to read:

326.50 LICENSE APPLICATION AND RENEWAL.

Application for ~~an individual~~ a contracting high pressure pipefitter competency or ~~an individual~~ a journeyman high pressure pipefitter competency license shall be made to the department, with fees. The applicant 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.

Sec. 32. Minnesota Statutes 2007 Supplement, section 326.505, subdivision 1, is amended to read:

Subdivision 1. **Composition.** (a) The Board of High Pressure Piping Systems shall consist of 13 members. Twelve 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 of labor and industry's designee, who shall be a voting member. Of the 12 appointed members, the composition shall be as follows:

- (1) one member shall be a high pressure piping inspector;
- (2) one member shall be a licensed mechanical engineer;
- (3) one member shall be a representative of the high pressure piping industry;
- (4) four members shall be contracting high pressure piping contractors pipefitters engaged in the scope business of high pressure piping, two from the metropolitan area and two from greater Minnesota;
- (5) two members shall be journeyman high pressure piping journeymen pipefitters engaged in the scope business of high pressure piping systems installation, one from the metropolitan area and one from greater Minnesota;
- (6) one member shall be a representative of industrial companies that use high pressure piping systems in their industrial process;
- (7) one member shall be a representative from utility companies in Minnesota; and
- (8) one member shall be a public member as defined by section 214.02.

The high pressure piping inspector shall be appointed for a term to end December 31, 2011. The professional mechanical engineer shall be appointed for a term to end December 31, 2010. The representative of the high pressure piping industry shall be appointed for a term to end December 31, 2011. Two of the contracting high pressure piping contractors pipefitters shall be appointed for a term to end December 31, 2011. The other two contracting high pressure piping contractors pipefitters shall be appointed for a term to end December 31, 2010. One of the journeyman high pressure piping journeymen pipefitters shall be appointed for a term to end December 31, 2011. The other journeyman high pressure piping journeymen pipefitter shall be appointed for a term to end December 31, 2010. The one representative of industrial companies that use high pressure piping systems in their industrial process shall be appointed for a term to end December 31, 2010. The one representative of a utility company in Minnesota shall be appointed for a term to end December 31, 2010. The public member shall be appointed for a term to end December 31, 2010.

(b) The licensed professional mechanical engineer must possess a current Minnesota professional engineering license and maintain the license for the duration of their term. All other appointed members, except for the representative of the piping industry, the representative of industrial companies that use high pressure piping systems, the public member, and the representative of public utility companies in Minnesota, must possess a current high pressure piping license issued by the Department of Labor and Industry and maintain that license for the duration of their term. All appointed members must be residents of Minnesota at the time of and throughout the member's appointment. The term of any appointed member that does not maintain membership qualification status shall end on the date of status change and the governor shall appoint a new member. It is the responsibility of the member to notify the board of the member's status change.

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

Sec. 33. Minnesota Statutes 2007 Supplement, section 326.505, subdivision 2, is amended to read:

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

- (1) elect its chair, vice-chair, and secretary;
- (2) adopt bylaws that specify the duties of its officers, the meeting dates of the board, and containing such other provisions as may be useful and necessary for the efficient conduct of the business of the board;
- (3) adopt the high pressure piping code that must be followed in this state and any high pressure piping code amendments thereto. The board shall adopt the high pressure piping code and any amendments thereto pursuant to chapter 14, and as provided in subdivision 6, paragraphs (b), (c), and (d);
- (4) review requests for final interpretations and issue final interpretations as provided in section 16B.63, subdivision 5;
- (5) except for rules regulating continuing education, adopt rules that regulate the licensure or registration of high pressure piping contractors, journeymen, and other persons engaged in the design, installation, and alteration of high pressure piping systems, except for those individuals licensed under section 326.02, subdivisions 2 and 3. The board shall adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs (e) and (f);
- (6) advise the commissioner regarding educational requirements for high pressure piping inspectors;
- (7) refer complaints or other communications to the commissioner, whether oral or written, as provided in subdivision ~~7~~ 8 that ~~alleges~~ allege or ~~implies~~ imply a violation of

a statute, rule, or order that the commissioner has the authority to enforce pertaining to code compliance, licensure, or an offering to perform or performance of unlicensed high pressure piping services;

(8) approve per diem and expenses deemed necessary for its members as provided in subdivision 3;

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

(10) recommend the fees for licenses and ~~certifications~~ registrations; and

(11) approve license reciprocity agreements.

Except for the powers granted to the Plumbing Board, Board of Electricity, and the Board of High Pressure Piping Systems, the commissioner of labor and industry shall administer and enforce the provisions of this chapter and any rules promulgated pursuant thereto.

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

(c) The commissioner shall coordinate the board's rulemaking and recommendations with the recommendations and rulemaking conducted by the other boards created pursuant to chapter 326B. The commissioner shall provide staff support to the board. The support includes professional, legal, technical, and clerical staff necessary to perform rulemaking and other duties assigned to the board. The commissioner of labor and industry shall supply necessary office space and supplies to assist the board in its duties.

Sec. 34. Minnesota Statutes 2007 Supplement, section 326.505, subdivision 8, is amended to read:

Subd. 8. **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 the license or registration of any person authorized by the department to provide high pressure piping services, the performance or offering to perform high pressure piping services requiring licensure by an unlicensed person, or high pressure piping code compliance. Each complaint or communication that is forwarded to the commissioner shall 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.

Sec. 35. Minnesota Statutes 2007 Supplement, section 326.62, is amended to read:

326.62 FEES.

~~Unless examination fees have been set by a contract under section 326B.05,~~ Examination fees for both water conditioning contractors and water conditioning installers shall be \$50 for each examination. Each water conditioning contractor and installer license shall expire on December 31 of the year for which it was issued. The license

fee for each initial water conditioning contractor's license shall be \$70, except that the license fee shall be \$35 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. The license fee for each initial water conditioning installer license shall be \$35, except that the license fee shall be \$17.50 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. The commissioner may by rule prescribe for the expiration and renewal of licenses. 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.

Sec. 36. Minnesota Statutes 2007 Supplement, section 326.84, subdivision 1, is amended to read:

Subdivision 1. **Persons required to be licensed.** A person who meets the definition of a residential building contractor as defined in section 326.83, subdivision 15, must be licensed as a residential building contractor by the commissioner. A person who meets the definition of a residential remodeler as defined in section 326.83, subdivision 16, must be licensed by the commissioner as a residential remodeler or residential building contractor. A person who meets the definition of a residential roofer as defined in section 326.83, subdivision 18, must be licensed by the commissioner as a residential roofer, residential building contractor, or residential remodeler. A person who meets the definition of a manufactured home installer as defined in section 327.31, subdivision ~~6~~ 11, must be licensed as a manufactured home installer by the commissioner.

Sec. 37. Minnesota Statutes 2007 Supplement, section 326.86, subdivision 1, is amended to read:

Subdivision 1. **Licensing fee.** The licensing fee for persons licensed pursuant to sections 326.83 to 326.98, except for manufactured home installers, is \$100 per year. The licensing fee for manufactured home installers under section 326.841 is \$300 for a three-year period.

Sec. 38. 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. 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:

(1) courses designed solely to prepare students for a license examination;

(2) courses in mechanical office or business skills, including typing, speed reading, or other machines or equipment. Computer courses are allowed, if appropriate and related to the regulated industry of the licensee;

(3) courses in sales promotion, including meetings held in conjunction with the general business of the licensee;

(4) courses in motivation, salesmanship, psychology, time management, or communication; or

(5) courses that are primarily intended to impart knowledge of specific products of specific companies, if the use of the product or products relates to the sales promotion or marketing of one or more of the products discussed.

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

Sec. 39. Minnesota Statutes 2007 Supplement, section 326.93, subdivision 4, is amended to read:

Subd. 4. **Service on commissioner.** (a) When a person, including any nonresident of this state, engages in conduct prohibited or made actionable by sections 326.83 to 326.98, or any rule or order under those sections, and the person has not consented to service of process under subdivision 3, that conduct is equivalent to an appointment of the commissioner and successors in office as the person's agent to receive service of process in any noncriminal suit, action, or proceeding against the person that is based on that conduct and is brought under sections 326.83 to 326.98, or any rule or order under those sections, with the same force and validity as if served personally on the person consenting to the appointment of the commissioner and successors in office. Service under this section shall be made in compliance with subdivision 5.

(b) Subdivision 5 applies in all other cases in which a person, including a nonresident of this state, has filed a consent to service of process. This paragraph supersedes any inconsistent provision of law.

(c) Subdivision 5 applies in all cases in which service of process is allowed to be made on the commissioner.

~~(d) Subdivision 5 applies to any document served by the commissioner or the department under section 326B.08.~~

Sec. 40. Minnesota Statutes 2007 Supplement, section 326.94, subdivision 2, is amended to read:

Subd. 2. **Insurance.** ~~Licenses must have public liability insurance with limits of at least \$300,000 per occurrence, which must include at least \$10,000 property damage coverage. Each licensee shall have and maintain in effect commercial general liability insurance, which includes premises and operations insurance and products and completed operations insurance, with limits of at least \$100,000 per occurrence, \$300,000 aggregate limit for bodily injury, and property damage insurance with limits of at least \$25,000 or a policy with a single limit for bodily injury and property damage of \$300,000 per occurrence and \$300,000 aggregate limits. The insurance must be written by an insurer licensed to do business in this state. Each licensee shall maintain on file with the commissioner a certificate evidencing the insurance which provides that the insurance shall not be canceled without the insurer first giving 15 days' written notice of cancellation to the commissioner. The commissioner may increase the minimum amount of insurance required for any licensee or class of licensees if the commissioner considers it to be in the public interest and necessary to protect the interests of Minnesota consumers.~~

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

Sec. 41. Minnesota Statutes 2007 Supplement, section 326.97, subdivision 1a, is amended to read:

Subd. 1a. **Annual renewal.** Any license issued or renewed after August 1, 1993, must be renewed annually except for a manufactured home installer's license which shall have a renewal period of three years, effective for all renewals and new licenses issued after December 31, 2008.

Sec. 42. Minnesota Statutes 2007 Supplement, section 326B.082, subdivision 8, is amended to read:

Subd. 8. **Hearings related to administrative orders.** (a) Within 30 days after the commissioner issues an administrative order or within 20 days after the commissioner issues the notice under section 326B.083, subdivision 3, paragraph (b), clause (3), the person to whom the administrative order or notice is issued may request an expedited hearing to review the commissioner's order or notice. The request for hearing must be in writing and must be served on or faxed to the commissioner at the address or fax number specified in the order or notice. If the person does not request a hearing or if the person's written request for hearing is not served on or faxed to the commissioner by the 30th day after the commissioner issues the administrative order or the 20th day after the commissioner issues the notice under section 326B.083, subdivision 3, paragraph (b), clause (3), the order will become a final order of the commissioner and will not be subject to review by any court or agency. The date on which a request for hearing is served by mail shall be the postmark date on the envelope in which the request for hearing is mailed. The hearing request must specifically state the reasons for seeking review of the order or notice. The person to whom the order or notice is issued and the commissioner are the parties to the expedited hearing. The commissioner must notify the person to whom the order or notice is issued of the time and place of the hearing at least 15 days before the

hearing. The expedited hearing must be held within 45 days after a request for hearing has been ~~serve~~d or received by the commissioner unless the parties agree to a later date.

(b) Parties may submit written arguments if permitted by the administrative law judge. All written arguments must be submitted within ten days following the ~~close~~ completion of the hearing or the receipt of any late-filed exhibits that the parties and the administrative law judge have agreed should be received into the record, whichever is later. The hearing shall be conducted under Minnesota Rules, parts 1400.8510 to 1400.8612, as modified by this subdivision. The Office of Administrative Hearings may, in consultation with the agency, adopt rules specifically applicable to cases under this section.

(c) The administrative law judge shall issue a report making findings of fact, conclusions of law, and a recommended order to the commissioner within 30 days following the ~~close of the record~~ completion of the hearing, the receipt of late-filed exhibits, or the submission of written arguments, whichever is later.

(d) If the administrative law judge makes a finding that the hearing was requested solely for purposes of delay or that the hearing request was frivolous, the commissioner may add to the amount of the penalty the costs charged to the department by the Office of Administrative Hearings for the hearing.

(e) If a hearing has been held, the commissioner shall not issue a final order until at least five days after the date of the administrative law judge's report. Any person aggrieved by the administrative law judge's report may, within those five days, serve written comments to the commissioner on the report and the commissioner shall consider and enter the comments in the record. The commissioner's final order shall comply with sections 14.61, subdivision 2, and 14.62, subdivisions 1 and 2, may be appealed in the manner provided in sections 14.63 to 14.69.

Sec. 43. Minnesota Statutes 2007 Supplement, section 326B.082, subdivision 10, is amended to read:

Subd. 10. **Stop orders.** (a) If the commissioner determines based on an inspection or investigation that a person has violated or is about to violate the applicable law, the commissioner may issue to the person a stop order requiring the person to cease and desist from committing the violation.

(b) If the commissioner determines that a condition exists on real property that violates the applicable law, the commissioner may issue a stop order to the owner or lessee of the real property to cease and desist from committing the violation and to correct the condition that is in violation.

(c) The commissioner shall issue the stop work order by:

(1) serving the order on the person who has committed or is about to commit the violation;

(2) posting the order at the location where the violation was committed or is about to be committed or at the location where the violating condition exists; or

(3) serving the order on any owner or lessee of the real property where the violating condition exists.

(d) A stop order shall:

(1) describe the act, conduct, or practice committed or about to be committed, or the condition, and include a reference to the applicable law that the act, conduct, practice, or condition violates or would violate; and

(2) provide notice that any person aggrieved by the stop order may request a hearing as provided in paragraph (e).

(e) Within 30 days after the commissioner issues a stop order, any person aggrieved by the order may request an expedited hearing to review the commissioner's action. The request for hearing must be made in writing and must be served on or faxed to the commissioner at the address or fax number specified in the order. If the person does not request a hearing or if the person's written request for hearing is not served on or faxed to the commissioner on or before the 30th day after the commissioner issued the stop order, the order will become a final order of the commissioner and will not be subject to review by any court or agency. The date on which a request for hearing is served by mail is the postmark date on the envelope in which the request for hearing is mailed. The hearing request must specifically state the reasons for seeking review of the order. The person who requested the hearing and the commissioner are the parties to the expedited hearing. The hearing shall be commenced within ten days after the commissioner receives the request for hearing. The hearing shall be conducted under Minnesota Rules, parts 1400.8510 to 1400.8612, as modified by this subdivision. The administrative law judge shall issue a report containing findings of fact, conclusions of law, and a recommended order within ten days after the conclusion completion of the hearing, the receipt of late-filed exhibits, or the submission of written arguments, whichever is later. Any party aggrieved by the administrative law judge's report shall have five days after the date of the administrative law judge's report to submit written exceptions and argument to the commissioner that the commissioner shall consider and enter in the record. Within 15 days after receiving the administrative law judge's report, the commissioner shall issue an order vacating, modifying, or making permanent the stop order. The commissioner and the person requesting the hearing may by agreement lengthen any time periods described in this paragraph. The Office of Administrative Hearings may, in consultation with the agency, adopt rules specifically applicable to cases under this subdivision.

(f) A stop order issued under this subdivision shall be in effect until it is modified or vacated by the commissioner or an appellate court. The administrative hearing provided by this subdivision and any appellate judicial review as provided in chapter 14 shall constitute the exclusive remedy for any person aggrieved by a stop order.

(g) Upon the application of the commissioner, a district court shall find the failure of any person to comply with a final stop order lawfully issued by the commissioner under this subdivision as a contempt of court.

Sec. 44. Minnesota Statutes 2007 Supplement, section 326B.082, subdivision 11, is amended to read:

Subd. 11. **Licensing orders; grounds; reapplication.** (a) The commissioner may deny an application for a permit, license, registration, or certificate if the applicant does not meet or fails to maintain the minimum qualifications for holding the permit, license, registration, or certificate, or has any unresolved violations or unpaid fees or monetary penalties related to the activity for which the permit, license, registration, or certificate has been applied for or was issued.

(b) The commissioner may deny, suspend, limit, place conditions on, or revoke a person's permit, license, registration, or certificate, or censure the person holding the permit, license, registration, or certificate, if the commissioner finds that the person:

- (1) committed one or more violations of the applicable law;
- (2) submitted false or misleading information to the state in connection with activities for which the permit, license, registration, or certificate was issued, or in connection with the application for the permit, license, registration, or certificate;
- (3) allowed the alteration or use of the person's own permit, license, registration, or certificate by another person;
- (4) within the previous five years, was convicted of a crime in connection with activities for which the permit, license, registration, or certificate was issued;
- (5) violated a final administrative order issued under subdivision 7 or a final stop order issued under subdivision 10, or injunctive relief issued under subdivision 9;
- (6) failed to cooperate with a commissioner's request to give testimony, to produce documents, things, apparatus, devices, equipment, or materials, or to access property under subdivision 2;
- (7) retaliated in any manner against any employee or person who is questioned by, cooperates with, or provides information to the commissioner or an employee or agent authorized by the commissioner who seeks access to property or things under subdivision 2;
- (8) engaged in any fraudulent, deceptive, or dishonest act or practice; or
- (9) performed work in connection with the permit, license, registration, or certificate or conducted the person's affairs in a manner that demonstrates incompetence, untrustworthiness, or financial irresponsibility.

(c) If the commissioner revokes or denies a person's permit, license, registration, or certificate under paragraph (b), the person is prohibited from reapplying for the same type of permit, license, registration, or certificate for at least two years after the effective date of the revocation or denial. The commissioner may, as a condition of reapplication, require the person to obtain a bond or comply with additional reasonable conditions the commissioner considers necessary to protect the public.

(d) If a permit, license, registration, or certificate expires, or is surrendered, withdrawn, or terminated, or otherwise becomes ineffective, the commissioner may institute a proceeding under this subdivision within two years after the permit, license, registration, or certificate was last effective and enter a revocation or suspension order as of the last date on which the permit, license, registration, or certificate was in effect.

Sec. 45. Minnesota Statutes 2007 Supplement, section 326B.082, subdivision 12, is amended to read:

Subd. 12. **Issuance of licensing orders; hearings related to licensing orders.**

(a) If the commissioner determines that a permit, license, registration, or certificate should be conditioned, limited, suspended, revoked, or denied under subdivision 11, or that the permit holder, licensee, registrant, or certificate holder should be censured under subdivision 11, then the commissioner shall issue to the person an order denying,

conditioning, limiting, suspending, or revoking the person's permit, license, registration, or certificate, or censuring the permit holder, licensee, registrant, or certificate holder.

(b) Any order issued under paragraph (a) may include an assessment of monetary penalties and may require the person to cease and desist from committing the violation or committing the act, conduct, or practice set out in subdivision 11, paragraph (b). The monetary penalty may be up to \$10,000 for each violation or act, conduct, or practice committed by the person. The procedures in section 326B.083 must be followed when issuing orders under paragraph (a).

(c) The permit holder, licensee, registrant, certificate holder, or applicant to whom the commissioner issues an order under paragraph (a) shall have 30 days after service of the order to request a hearing. The request for hearing must be in writing and must be served on or faxed to the commissioner at the address or fax number specified in the order by the 30th day after service of the order. If the person does not request a hearing or if the person's written request for hearing is not served on or faxed to the commissioner by the 30th day after service of the order, the order shall become a final order of the commissioner and will not be subject to review by any court or agency. The date on which a request for hearing is served by mail shall be the postmark date on the envelope in which the request for hearing is mailed. If the person submits to the commissioner a timely request for hearing, the order is stayed unless the commissioner summarily suspends the license, registration, certificate, or permit under subdivision 13, and a contested case hearing shall be held in accordance with chapter 14.

~~(d) Paragraph (c) does not apply to summary suspension under subdivision 13.~~

Sec. 46. Minnesota Statutes 2007 Supplement, section 326B.082, subdivision 13, is amended to read:

Subd. 13. **Summary suspension.** In any case where the commissioner has issued an order to revoke, or suspend, or deny a license, registration, certificate, or permit under ~~subdivision~~ subdivisions 11, paragraph (b), and 12, the commissioner may summarily suspend the person's permit, license, registration, or certificate before the order becomes final. The commissioner shall issue a summary suspension order when the safety of life or property is threatened or to prevent the commission of fraudulent, deceptive, untrustworthy, or dishonest acts against the public. The summary suspension shall not affect the deadline for submitting a request for hearing under subdivision 12. If the commissioner summarily suspends a person's permit, license, registration, or certificate, a timely request for hearing submitted under subdivision 12 shall also be considered a timely request for hearing on continuation of the summary suspension. If the commissioner summarily suspends a person's permit, license, registration, or certificate under this subdivision and the person submits a timely request for a hearing, then a hearing on continuation of the summary suspension must be held within ten days after the commissioner receives the request for hearing unless the parties agree to a later date.

Sec. 47. Minnesota Statutes 2007 Supplement, section 326B.083, subdivision 3, is amended to read:

Subd. 3. **Penalty.** (a) If an administrative order includes a penalty assessment, then the penalty is due and payable on the date the administrative order becomes final unless some or all of the penalty is forgivable. If a licensing order includes a penalty assessment, then the penalty is due and payable on the date the licensing order becomes final.

(b) This paragraph applies if an administrative order includes a penalty assessment and all or a portion of the penalty is forgivable.

(1) If any portion of the penalty is not forgivable, that portion of the penalty is due and payable ten days after the date the administrative order becomes final.

(2) The commissioner shall forgive the forgivable portion of the penalty if the commissioner determines that the violation has been corrected within the time set by the order or the person to whom the order was issued has developed a correction plan acceptable to the commissioner within the time set by the order.

(3) If the commissioner determines that the person to whom the order was issued has failed to correct the violation within the time set by the order or has failed to develop a correction plan acceptable to the commissioner within the time set by the order, then the forgivable portion of the penalty is due and payable ~~ten~~ 20 days after the commissioner serves notice of the determination on the person or on the date the administrative order becomes final, whichever is later.

(c) This paragraph applies if an administrative order or a licensing order includes a penalty assessment and if the person subject to the order has requested a hearing. The administrative law judge may not recommend a change in the amount of the penalty if the penalty was assessed in accordance with a plan prepared under section 326B.082, subdivision 14. If the commissioner has not prepared a plan under section 326B.082, subdivision 14, then the administrative law judge may not recommend a change in the amount of the penalty unless the administrative law judge determines that, based on the factors in section 14.045, subdivision 3, the amount of the penalty is unreasonable.

(d) The assessment of a penalty does not preclude the use of other enforcement provisions, under which penalties are not assessed, in connection with the violation for which the penalty was assessed.

Sec. 48. Minnesota Statutes 2007 Supplement, section 326B.42, is amended by adding a subdivision to read:

Subd. 7. **Plumber's apprentice.** A "plumber's apprentice" is any individual, other than a master, restricted master, journeyman, or restricted journeyman plumber who, as a principal occupation, is engaged in working as an employee of a plumbing contractor under the direct supervision of a master, restricted master, journeyman, or restricted journeyman plumber and is learning and assisting in the installation of plumbing.

Sec. 49. Minnesota Statutes 2007 Supplement, section 326B.89, subdivision 5, is amended to read:

Subd. 5. **Payment limitations.** Except as otherwise provided in this section, the commissioner shall not pay compensation from the fund to an owner or a lessee in an amount greater than \$75,000. Except as otherwise provided in this section, the commissioner shall not pay compensation from the fund to owners and lessees in an amount that totals more than \$150,000 per licensee. The commissioner shall not pay compensation from the fund for a final judgment based on a cause of action that arose before the commissioner's receipt of the licensee's fee required by subdivision 3. The commissioner shall only pay compensation from the fund for a final judgment that is based on a contract directly between the licensee and the homeowner or lessee that was

entered into prior to the cause of action and that requires licensure as a residential building contractor or residential remodeler.

Sec. 50. Minnesota Statutes 2007 Supplement, section 326B.89, subdivision 6, is amended to read:

Subd. 6. **Verified application.** To be eligible for compensation from the fund, an owner or lessee shall serve on the commissioner a verified application for compensation on a form approved by the commissioner. The application shall verify the following information:

(1) the specific grounds upon which the owner or lessee seeks to recover from the fund;

(2) that the owner or the lessee has obtained a final judgment in a court of competent jurisdiction against a licensee licensed under section 326B.803;

(3) that the final judgment was obtained against the licensee on the grounds of fraudulent, deceptive, or dishonest practices, conversion of funds, or failure of performance that arose directly out of a ~~transaction~~ contract directly between the licensee and the homeowner or lessee that was entered into prior to the cause of action and that occurred when the licensee was licensed and performing any of the special skills enumerated under section 326B.802, subdivision 19;

(4) the amount of the owner's or the lessee's actual and direct out-of-pocket loss on the owner's residential real estate, on residential real estate leased by the lessee, or on new residential real estate that has never been occupied or that was occupied by the licensee for less than one year prior to purchase by the owner;

(5) that the residential real estate is located in Minnesota;

(6) that the owner or the lessee is not the spouse of the licensee or the personal representative of the licensee;

(7) the amount of the final judgment, any amount paid in satisfaction of the final judgment, and the amount owing on the final judgment as of the date of the verified application; ~~and~~

(8) that the owner or lessee has diligently pursued remedies against all the judgment debtors and all other persons liable to the judgment debtor in the contract for which the owner or lessee seeks recovery from the fund; and

~~(8)~~ (9) that the verified application is being served within two years after the judgment became final.

The owner's and the lessee's actual and direct out-of-pocket loss shall not include attorney fees, litigation costs or fees, interest on the loss, and interest on the final judgment obtained as a result of the loss. Any amount paid in satisfaction of the final judgment shall be applied to the owner's or lessee's actual and direct out-of-pocket loss. An owner or lessee may serve a verified application regardless of whether the final judgment has been discharged by a bankruptcy court. A judgment issued by a court is final if all proceedings on the judgment have either been pursued and concluded or been forgone, including all reviews and appeals. For purposes of this section, owners who are joint tenants or tenants in common are deemed to be a single owner. For purposes of this section, owners and lessees eligible for payment of compensation from the fund shall not include government

agencies, political subdivisions, financial institutions, and any other entity that purchases, guarantees, or insures a loan secured by real estate.

Sec. 51. Minnesota Statutes 2007 Supplement, section 326B.89, subdivision 12, is amended to read:

Subd. 12. **Limitation.** Notwithstanding subdivision 5, nothing may obligate the fund ~~to compensate~~ for claims brought by:

(1) insurers or sureties under subrogation or similar theories; or

(2) ~~an owner~~ owners of residential property ~~for final judgments against a prior owner of the residential property where the contracting activity complained of was the result of a contract entered into with a prior owner,~~ unless the claim is brought and judgment is rendered for breach of the statutory warranty set forth in chapter 327A.

Sec. 52. Minnesota Statutes 2007 Supplement, section 326B.89, subdivision 14, is amended to read:

Subd. 14. **Accelerated compensation.** (a) Payments made from the fund to compensate owners and lessees that do not exceed the jurisdiction limits for conciliation court matters as specified in section 491A.01 may be paid on an accelerated basis if all of the following requirements in paragraphs (b) and (c) have been satisfied.

(b) The owner or the lessee has served upon the commissioner a verified application for compensation that complies with the requirements set out in subdivision 6 and the commissioner determines based on review of the application that compensation should be paid from the fund. The commissioner shall calculate the actual and direct out-of-pocket loss in the transaction, minus attorney fees, litigation costs or fees, interest on the loss and on the judgment obtained as a result of the loss, and any satisfaction of the judgment, and make payment to the owner or the lessee up to the conciliation court jurisdiction limits within ~~15~~ 45 days after the owner or lessee serves the verified application.

(c) The commissioner may pay compensation to owners or lessees that totals not more than \$50,000 per licensee per fiscal year under this accelerated process. The commissioner may prorate the amount of compensation paid to owners or lessees under this subdivision if applications submitted by owners and lessees seek compensation in excess of \$50,000 against a licensee. Any unpaid portion of a verified application that has been prorated under this subdivision shall be satisfied in the manner set forth in subdivision 9.

Sec. 53. Minnesota Statutes 2006, section 327.32, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** No person shall sell, or offer for sale, in this state, any manufactured home manufactured after July 1, 1972, ~~manufacture any manufactured home in this state or park~~ install for occupancy any manufactured home manufactured after July 1, 1972, in any manufactured home park in this state unless the manufactured home complies with the Manufactured Home Building Code and:

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

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

Sec. 54. Minnesota Statutes 2006, section 327.33, is amended by adding a subdivision to read:

Subd. 2a. **Construction seal fees.** Replacement manufactured home or accessory structure construction seal fees, including certificates, are \$30 per seal.

Sec. 55. Minnesota Statutes 2006, section 327.33, is amended by adding a subdivision to read:

Subd. 2b. **Installation seal fees.** Manufactured home installation seal fees, including anchoring and support and including certificates, are \$80.

Sec. 56. Minnesota Statutes 2006, section 327.33, is amended by adding a subdivision to read:

Subd. 2c. **Temporary installation certificate fees.** A temporary certificate fee is \$2 per certificate.

Sec. 57. Minnesota Statutes 2006, section 327.33, is amended by adding a subdivision to read:

Subd. 2d. **Label fee.** The United States Department of Housing and Urban Development label fee shall be paid by the manufacturer to the secretary.

Sec. 58. Minnesota Statutes 2006, section 327.33, is amended by adding a subdivision to read:

Subd. 2e. **Seal order shipping and handling fee.** The shipping and handling fee for each order of seals is the current postage rate plus a \$3 handling fee.

Sec. 59. Minnesota Statutes 2006, section 327A.04, subdivision 2, is amended to read:

Subd. 2. **Modification.** At any time after a contract for the sale of a dwelling is entered into by and between a vendor and a vendee or a contract for home improvement work is entered into by and between a home improvement contractor and an owner, any of the statutory warranties provided for in section 327A.02 may be excluded or modified only by a written instrument, printed in boldface type of a minimum size of ten points, which is signed by the vendee or the owner and which sets forth in detail the warranty involved, the consent of the vendee or the owner, and the terms of the new agreement contained in the writing. No exclusion or modification shall be effective unless the vendor or the home improvement contractor provides substitute express warranties offering substantially the same protections to the vendee or the owner as the statutory warranties set forth in section 327A.02. Any modification or exclusion agreed to by vendee and vendor or the owner and home improvement contractor pursuant to this subdivision shall not require the approval of the commissioner of ~~administration~~ labor and industry pursuant to section 327A.07.

Sec. 60. Minnesota Statutes 2006, section 327A.07, is amended to read:

327A.07 VARIATIONS.

The commissioner of ~~administration~~ labor and industry may approve pursuant to sections 14.05 to 14.28, variations from the provisions of sections 327A.02 and 327A.03 if the warranty program of the vendor or the home improvement contractor requesting

the variation offers at least substantially the same protections to the vendee or owner as provided by the statutory warranties set forth in section 327A.02.

Sec. 61. Minnesota Statutes 2007 Supplement, section 327B.04, subdivision 4, is amended to read:

Subd. 4. **License prerequisites.** No application shall be granted nor license issued until the applicant proves to the commissioner that:

(a) the applicant has a permanent, established place of business at each licensed location. An "established place of business" means a permanent enclosed building other than a residence, or a commercial office space, either owned by the applicant or leased by the applicant for a term of at least one year, located in an area where zoning regulations allow commercial activity, and where the books, records and files necessary to conduct the business are kept and maintained. The owner of a licensed manufactured home park who resides in or adjacent to the park may use the residence as the established place of business required by this subdivision, unless prohibited by local zoning ordinance.

If a license is granted, the licensee may use unimproved lots and premises for sale, storage, and display of manufactured homes, if the licensee first notifies the commissioner in writing;

(b) if the applicant desires to sell, solicit or advertise the sale of new manufactured homes, it has a bona fide contract or franchise in effect with a manufacturer or distributor of the new manufactured home it proposes to deal in;

(c) the applicant has secured: (1) a surety bond in the amount of \$20,000 for ~~the~~ each agency and each subagency location that bears the applicant's name and the name under which the applicant will be licensed and do business in this state. Each bond is for the protection of consumer customers, and must be executed by the applicant as principal and issued by a surety company admitted to do business in this state. Each bond shall be exclusively for the purpose of reimbursing consumer customers and shall be conditioned upon the faithful compliance by the applicant with all of the laws and rules of this state pertaining to the applicant's business as a dealer or manufacturer, including sections 325D.44, 325F.67 and 325F.69, and upon the applicant's faithful performance of all its legal obligations to consumer customers; and (2) a certificate of liability insurance in the amount of \$1,000,000 that provides aggregate coverage for the agency and each subagency location;

(d) the applicant has established a trust account as required by section 327B.08, subdivision 3, unless the applicant states in writing its intention to limit its business to selling, offering for sale, soliciting or advertising the sale of new manufactured homes; and

(e) the applicant has provided evidence of having had at least two years' prior experience in the sale of manufactured homes, working for a licensed dealer.

Sec. 62. Minnesota Statutes 2006, section 327B.06, subdivision 1, is amended to read:

Subdivision 1. **Retention.** A dealer shall retain for ~~three~~ five years copies of all listings, deposit receipts, credit applications, contracts, disclosure forms, canceled checks, trust account records and other documents reasonably related to carrying on the business of a dealer. The retention period shall run from the date of the closing of the transaction or from the date of the listing if the transaction is not consummated.

Sec. 63. Laws 2007, chapter 140, article 4, section 12, is amended to read:

Sec. 12. Minnesota Statutes 2006, section 16B.65, is amended to read:

16B.65 BUILDING OFFICIALS.

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

Subd. 2. **Qualifications.** A building official, to be eligible for designation, must be certified and have the experience in design, construction, and supervision which the commissioner deems necessary and must be generally informed on the quality and strength of building materials, accepted building construction requirements, and the nature of equipment and needs conducive to the safety, comfort, and convenience of building occupants. No person may be designated as a building official for a municipality unless the commissioner determines that the official is qualified as provided in subdivision 3.

Subd. 3. **Certification.** 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.

Subd. 4. **Duties.** Building officials shall, in the municipality for which they are designated, be responsible for all aspects of code administration for which they are certified, including the issuance of all building permits and the inspection of all manufactured home installations. The commissioner may direct a municipality with a building official to perform services for another municipality, and in that event the municipality being served shall pay the municipality rendering the services the reasonable costs of the services. The costs may be subject to approval by the commissioner.

~~Subd. 5. **Oversight committee.** (a) The commissioner shall establish a Code Administration Oversight Committee that will, at the commissioner's request, recommend to the commissioner appropriate action pursuant to section 326B.82, in response to~~

~~information received or obtained by the commissioner that supports a finding that: (1) an individual has engaged in, or is about to engage in, the unauthorized performance of the duties of a certified building official or the unauthorized use of the certified building official title, or (2) a certified building official has violated a statute, rule, stipulation, agreement, settlement, compliance agreement, cease and desist agreement, or order that the commissioner has adopted, issued, or has the authority to enforce and that is related to the duties of a certified building official.~~

~~(b) The committee shall consist of six members. One member shall be the commissioner's designee and five members shall be certified building officials who are appointed by the commissioner. At least two of the appointed certified building officials must be from nonmetropolitan counties. For the committee members who are not state officials or employees, their compensation and removal from the oversight committee is governed by section 15.059. The commissioner's designee shall serve as the chair of the oversight committee and shall not vote. The terms of the appointed members of the oversight committee shall be four years. The terms of three of the appointed members shall be coterminous with the governor and the terms of the remaining two appointed members shall end on the first Monday in January one year after the terms of the other appointed members expire. An appointed member may be reappointed. The committee is not subject to the expiration provisions of section 15.059, subdivision 5.~~

~~(c) If the commissioner determines that an individual has engaged in the unauthorized performance of the duties of a certified building official or the unauthorized use of the certified building official title, or that a certified building official has violated a statute, rule, stipulation, agreement, settlement, compliance agreement, cease and desist agreement, or order that the commissioner has adopted, issued, or is authorized to enforce that is related to the duties of a certified building official, the commissioner may take administrative actions against the individual pursuant to section 326B.082, subdivisions 7 and 11.~~

Subd. 5b. **Grounds.** In addition to the grounds set forth in section 326B.082, subdivision 11, the commissioner may deny, suspend, limit, place conditions on, or revoke a certificate, or may censure an applicant or individual holding a certificate, if the applicant or individual:

(1) violates a provision of sections 16B.59 to 16B.75 or a rule adopted under those sections; or

(2) engages in fraud, deceit, or misrepresentation while performing the duties of a certified building official.

Nothing in this subdivision limits or otherwise affects the authority of a municipality to dismiss or suspend a building official at its discretion, except as otherwise provided for by law.

Subd. 5c. **Action against unlicensed persons.** The commissioner may take any administrative action provided under section 326B.082, against an individual required to be certified under subdivision 3, based upon conduct that would provide grounds for action against a certificate holder under this section.

Subd. 6. **Vacancies.** In the event that a designated building official position is vacant within a municipality, that municipality shall designate a certified building official to fill the vacancy as soon as possible. The commissioner must be notified of any vacancy or designation in writing within 15 days. If the municipality fails to designate a certified building official within 15 days of the occurrence of the vacancy, the state building official

may provide state employees to serve that function as provided in subdivision 1 until the municipality makes a temporary or permanent designation. Municipalities must not issue permits without a designated certified building official.

Subd. 7. **Continuing education.** Subject to sections 16B.59 to 16B.75, the commissioner may by rule establish or approve continuing education programs for certified building officials dealing with matters of building code administration, inspection, and enforcement.

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

Subd. 8. **Renewal.** (a) Subject to sections 16B.59 to 16B.76, the commissioner of labor and industry may by rule adopt standards dealing with renewal requirements.

(b) If the commissioner has not issued a notice of denial of application for a certificate holder and if the certificate holder has properly and timely filed a fully completed renewal application, then the certificate holder may continue to engage in building official activities whether or not the renewed certificate has been received. Applications must be made on a form approved by the commissioner. Each application for renewal must be fully completed, and be accompanied by proof of the satisfactory completion of minimum continuing education requirements and the certification renewal fee established by the commissioner. Applications are timely if received prior to the expiration of the most recently issued certificate. An application for renewal that does not contain all of the information requested is an incomplete application and will not be accepted.

Subd. 9. **Expiration.** All certificates expire at 11:59:59 p.m. central time on the date of expiration if not properly renewed in accordance with subdivision 8, paragraph (b).

Subd. 10. **Failure to renew.** An individual who has failed to make a timely application for renewal of a certificate is not certified and must not serve as the designated building official for any municipality until a renewed certificate has been issued by the commissioner.

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 64. **REVISOR'S INSTRUCTION.**

(a) The revisor of statutes shall renumber each section of Minnesota Statutes listed in column A with the number listed in column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

<u>Column A</u>	<u>Column B</u>
<u>16B.655</u>	<u>326B.135</u>
<u>326.01, subdivision 4a</u>	<u>326B.31, subdivision 4a</u>
<u>326.01, subdivision 4b</u>	<u>326B.31, subdivision 4b</u>
<u>326.01, subdivision 4c</u>	<u>326B.31, subdivision 4c</u>
<u>326.01, subdivision 4d</u>	<u>326B.31, subdivision 4d</u>
<u>326.01, subdivision 4e</u>	<u>326B.31, subdivision 4e</u>
<u>326.01, subdivision 7</u>	<u>326B.42, subdivision 5</u>
<u>326.01, subdivision 8</u>	<u>326B.42, subdivision 6</u>

<u>326.3705</u>	<u>326B.435</u>
<u>326.371</u>	<u>326B.439</u>
<u>326.401</u>	<u>326B.474</u>
<u>326.402</u>	<u>326B.475</u>
<u>326.505</u>	<u>326B.925</u>

(b) Notwithstanding the repeal of Minnesota Statutes 2006, section 16B.76, in Laws 2007, chapter 133, article 2, section 13, the revisor shall give effect to the revisor's instruction in Laws 2007, chapter 140, article 4, section 61, to renumber Minnesota Statutes, section 16B.76, as section 326B.07, by including the language of Minnesota Statutes, section 16B.76, as amended by Laws 2007, chapter 140, article 4, section 27, in Minnesota Statutes, section 326B.07.

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

Sec. 65. **REPEALER.**

Minnesota Statutes 2006, section 16B.69, Minnesota Statutes 2007 Supplement, sections 326.2411; 326.372; and 326.471, Laws 2007, chapter 9, section 1; Laws 2007, chapter 135, article 4, sections 2; 8; Laws 2007, chapter 135, article 6, section 3; Laws 2007, chapter 140, article 12, section 9; and Minnesota Rules, part 3800.3510, are repealed.

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

Presented to the governor May 15, 2008

Signed by the governor May 19, 2008, 10:03 a.m.