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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. **5217**

04/02/2024 Authored by Nelson, M.,
The bill was read for the first time and referred to the Committee on Labor and Industry Finance and Policy
04/24/2024 Adoption of Report: Amended and re-referred to the Committee on Ways and Means

1.1 A bill for an act

1.2 relating to labor and industry; making supplemental appropriation changes to labor

1.3 provisions; modifying combative sports regulations, construction codes and

1.4 licensing, Bureau of Mediation provisions, public employee labor relations

1.5 provisions, University of Minnesota collective bargaining units, miscellaneous

1.6 labor provisions, broadband and pipeline safety, employee misclassification, and

1.7 minors appearing in internet content; authorizing rulemaking; appropriating money;

1.8 amending Minnesota Statutes 2022, sections 116J.395, subdivision 6; 177.27,

1.9 subdivision 3; 179A.11, subdivisions 1, 2, by adding a subdivision; 179A.12,

1.10 subdivision 5; 181.171, subdivision 1; 181.722; 181.723; 181.960, subdivision 3;

1.11 181A.03, by adding subdivisions; 216B.17, by adding a subdivision; 270B.14,

1.12 subdivision 17, by adding a subdivision; 299J.01; 299J.02, by adding a subdivision;

1.13 299J.04, subdivision 2; 299J.11; 326B.081, subdivisions 3, 6, 8; 326B.082,

1.14 subdivisions 1, 2, 4, 6, 7, 10, 11, 13, by adding a subdivision; 326B.701; 326B.802,

1.15 subdivision 13; 326B.89, subdivisions 1, 5; 341.28, by adding a subdivision;

1.16 341.29; 626.892, subdivision 10; Minnesota Statutes 2023 Supplement, sections

1.17 116J.871, subdivision 1, as amended; 177.27, subdivisions 1, 2, 4, 7; 177.42,

1.18 subdivision 2; 179A.03, subdivision 14; 179A.041, subdivision 10; 179A.06,

1.19 subdivision 6; 179A.07, subdivisions 8, 9; 179A.10, subdivision 2; 179A.12,

1.20 subdivisions 2a, 6, 11; 326B.106, subdivision 1; 326B.802, subdivision 15; 341.25;

1.21 341.28, subdivision 5; 341.30, subdivision 4; 341.321; 341.33, by adding a

1.22 subdivision; 341.355; Laws 2023, chapter 53, article 19, sections 2, subdivisions

1.23 1, 3, 5; 4; proposing coding for new law in Minnesota Statutes, chapters 116J;

1.24 181; 181A; repealing Minnesota Statutes 2022, sections 116J.398; 179.81; 179.82;

1.25 179.83, subdivision 1; 179.84, subdivision 1; 179.85; Minnesota Rules, parts

1.26 5520.0100; 5520.0110; 5520.0120; 5520.0200; 5520.0250; 5520.0300; 5520.0500;

1.27 5520.0520; 5520.0540; 5520.0560; 5520.0600; 5520.0620; 5520.0700; 5520.0710;

1.28 5520.0800.

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

1.30 **ARTICLE 1**

1.31 **APPROPRIATIONS**

1.32 Section 1. **APPROPRIATIONS.**

2.1 (a) The sums shown in the columns under "Appropriations" are added to the
 2.2 appropriations in Laws 2023, chapter 53, or other law to the specified agency. The
 2.3 appropriations are from the general fund, or another named fund, and are available for the
 2.4 fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article
 2.5 mean that the appropriations listed under them are available for the fiscal year ending June
 2.6 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second
 2.7 year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

2.8 (b) If an appropriation in this article is enacted more than once in the 2024 regular or
 2.9 special legislative session, the appropriation must be given effect only once.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2024</u>	<u>2025</u>
2.14	Sec. 2. <u>DEPARTMENT OF HEALTH</u>	\$ <u>-0-</u> \$ <u>174,000</u>

2.15 \$174,000 the second year is for technical
 2.16 assistance for rulemaking for acceptable blood
 2.17 lead levels for workers. This is a onetime
 2.18 appropriation and is available until June 30,
 2.19 2026.

2.20	Sec. 3. <u>DEPARTMENT OF EMPLOYMENT</u>	
2.21	<u>AND ECONOMIC DEVELOPMENT</u>	\$ <u>-0-</u> \$ <u>9,000,000</u>

2.22 \$9,000,000 the second year is for a grant to
 2.23 Tending the Soil, to design, redesign, renovate,
 2.24 construct, furnish, and equip the Rise Up
 2.25 Center, a building located in Minneapolis, that
 2.26 will house a workforce development and job
 2.27 training center, administrative offices, and a
 2.28 public gathering space.

2.29 Sec. 4. Laws 2023, chapter 53, article 19, section 2, subdivision 1, is amended to read:

				44,044,000
2.31	Subdivision 1. Total Appropriation	\$	47,710,000	\$ 44,720,000

<u>Appropriations by Fund</u>				
	<u>2024</u>	<u>2025</u>		
2.33				

3.1			4,889,000
3.2	General	7,200,000	<u>5,286,000</u>
3.3	Workers'		32,390,000
3.4	Compensation	30,599,000	<u>32,669,000</u>
3.5	Workforce		
3.6	Development	9,911,000	6,765,000

3.7 The amounts that may be spent for each
 3.8 purpose are specified in the following
 3.9 subdivisions. The general fund base for this
 3.10 appropriation is ~~\$4,936,000~~ \$5,006,000 in
 3.11 fiscal year 2026 and ~~\$4,958,000~~ \$4,959,000
 3.12 in fiscal year 2027 and each year thereafter.

3.13 The workers compensation fund base is
 3.14 ~~\$32,749,000~~ \$32,892,000 in fiscal year 2026
 3.15 and \$32,458,000 in fiscal year 2027 and each
 3.16 year thereafter. The workforce development
 3.17 fund base is \$6,765,000 in fiscal year 2026
 3.18 and each year thereafter.

3.19 Sec. 5. Laws 2023, chapter 53, article 19, section 2, subdivision 3, is amended to read:

3.20			6,270,000
3.21	Subd. 3. Labor Standards		<u>6,667,000</u>
		6,520,000	

3.22 Appropriations by Fund

3.23			4,635,000
3.24	General	4,957,000	<u>5,032,000</u>
3.25	Workforce		
3.26	Development	1,563,000	1,635,000

3.27 The general fund base for this appropriation
 3.28 is ~~\$4,682,000~~ \$4,752,000 in fiscal year 2026
 3.29 and ~~\$4,704,000~~ \$4,705,000 in fiscal year 2027
 3.30 and each year thereafter.

3.31 (a) \$2,046,000 each year is for wage theft
 3.32 prevention.

3.33 (b) \$1,563,000 the first year and \$1,635,000
 3.34 the second year are from the workforce
 3.35 development fund for prevailing wage
 3.36 enforcement.

4.1 (c) \$134,000 the first year and \$134,000 the
 4.2 second year are for outreach and enforcement
 4.3 efforts related to changes to the nursing
 4.4 mothers, lactating employees, and pregnancy
 4.5 accommodations law.

4.6 (d) \$661,000 the first year and \$357,000 the
 4.7 second year are to perform work for the
 4.8 Nursing Home Workforce Standards Board.
 4.9 The base for this appropriation is \$404,000 in
 4.10 fiscal year 2026 and \$357,000 in fiscal year
 4.11 2027.

4.12 (e) \$225,000 the first year and \$169,000 the
 4.13 second year are for the purposes of the Safe
 4.14 Workplaces for Meat and Poultry Processing
 4.15 Workers Act.

4.16 (f) \$27,000 the first year is for the creation
 4.17 and distribution of a veterans' benefits and
 4.18 services poster under Minnesota Statutes,
 4.19 section 181.536.

4.20 (g) \$141,000 the second year is to inform and
 4.21 educate employers relating to Minnesota
 4.22 Statutes, section 181.960. This is a onetime
 4.23 appropriation.

4.24 (h) \$200,000 the second year is for education
 4.25 and training related to employee
 4.26 misclassification. This is a onetime
 4.27 appropriation and is available until June 30,
 4.28 2026.

4.29 Sec. 6. Laws 2023, chapter 53, article 19, section 2, subdivision 5, is amended to read:

4.30			7,559,000
4.31	Subd. 5. Workplace Safety	8,644,000	<u>7,838,000</u>

5.1	Appropriations by Fund		
5.2	General	2,000,000	-0-
5.3	Workers'		7,559,000
5.4	Compensation	6,644,000	<u>7,838,000</u>

5.5 The workers compensation fund base for this
 5.6 appropriation is ~~\$7,918,000~~ \$8,061,000 in
 5.7 fiscal year 2026 and \$7,627,000 in fiscal year
 5.8 2027 and each year thereafter.

5.9 \$2,000,000 the first year is for the ergonomics
 5.10 safety grant program. This appropriation is
 5.11 available until June 30, 2026. This is a onetime
 5.12 appropriation.

5.13 Sec. 7. Laws 2023, chapter 53, article 19, section 4, is amended to read:

5.14 Sec. 4. **BUREAU OF MEDIATION SERVICES** \$ 3,707,000 \$ 3,789,000

5.15 ~~(a)~~ \$750,000 each year is for purposes of the
 5.16 Public Employment Relations Board under
 5.17 Minnesota Statutes, section 179A.041.

5.18 ~~(b) \$68,000 each year is for grants to area~~
 5.19 ~~labor management committees. Grants may~~
 5.20 ~~be awarded for a 12-month period beginning~~
 5.21 ~~July 1 each year. Any unencumbered balance~~
 5.22 ~~remaining at the end of the first year does not~~
 5.23 ~~cancel but is available for the second year.~~

5.24 ~~(c) \$47,000 each year is for rulemaking,~~
 5.25 ~~staffing, and other costs associated with peace~~
 5.26 ~~officer grievance procedures.~~

5.27 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2023.

5.28 **ARTICLE 2**
 5.29 **COMBATIVE SPORTS**

5.30 Section 1. Minnesota Statutes 2022, section 326B.89, subdivision 5, is amended to read:

5.31 Subd. 5. **Payment limitations.** The commissioner shall not pay compensation from the
 5.32 fund to an owner or a lessee in an amount greater than ~~\$75,000~~ \$100,000 per licensee. The

6.1 commissioner shall not pay compensation from the fund to owners and lessees in an amount
6.2 that totals more than \$550,000 per licensee. The commissioner shall only pay compensation
6.3 from the fund for a final judgment that is based on a contract directly between the licensee
6.4 and the homeowner or lessee that was entered into prior to the cause of action and that
6.5 requires licensure as a residential building contractor or residential remodeler.

6.6 **EFFECTIVE DATE.** This section is effective July 1, 2024.

6.7 Sec. 2. Minnesota Statutes 2023 Supplement, section 341.25, is amended to read:

6.8 **341.25 RULES.**

6.9 (a) The commissioner may adopt rules that include standards for the physical examination
6.10 and condition of combatants and referees.

6.11 (b) The commissioner may adopt other rules necessary to carry out the purposes of this
6.12 chapter, including, but not limited to, the conduct of all combative sport contests and their
6.13 manner, supervision, time, and place.

6.14 (c) The most recent version of the Unified Rules of Mixed Martial Arts, as promulgated
6.15 by the Association of Boxing Commissions, is incorporated by reference and made a part
6.16 of this chapter except as qualified by this chapter and Minnesota Rules, chapter 2202. In
6.17 the event of a conflict between this chapter and the Unified Rules, this chapter must govern.

6.18 (d) The most recent version of the Unified Rules of Boxing, as promulgated by the
6.19 Association of Boxing Commissions, is incorporated by reference and made a part of this
6.20 chapter except as qualified by this chapter and Minnesota Rules, chapter 2201. In the event
6.21 of a conflict between this chapter and the Unified Rules, this chapter must govern.

6.22 (e) The most recent version of the Unified Rules of Kickboxing and Unified Rules of
6.23 Muay Thai, as promulgated by the Association of Boxing Commissions, ~~is~~ are incorporated
6.24 by reference and made a part of this chapter except as qualified by this chapter and any
6.25 applicable Minnesota Rules. In the event of a conflict between this chapter and ~~the Unified~~
6.26 ~~Rules~~ those rules, this chapter must govern. If a promoter seeks to hold a kickboxing event
6.27 governed by a different set of kickboxing rules, the promoter must send the commissioner
6.28 a copy of the rules under which the proposed bouts will be conducted at least 45 days before
6.29 the event. The commissioner may approve or deny the use of the alternative rules at the
6.30 commissioner's discretion. If the alternative rules are approved for an event, this chapter
6.31 and any applicable Minnesota Rules, except of those incorporating the Unified Rules of
6.32 Kickboxing and Unified Rules of Muay Thai, must govern if there is a conflict between the
6.33 rules and Minnesota law.

7.1 Sec. 3. Minnesota Statutes 2023 Supplement, section 341.28, subdivision 5, is amended
7.2 to read:

7.3 Subd. 5. **Regulatory authority; martial arts and amateur boxing.** (a) Unless this
7.4 chapter specifically states otherwise, contests or exhibitions for martial arts and amateur
7.5 boxing are exempt from the requirements of this chapter and officials at these events are
7.6 not required to be licensed under this chapter.

7.7 (b) Martial arts and amateur boxing contests, unless subject to the exceptions set forth
7.8 in subdivision 6 or 7, must be regulated by a nationally recognized organization approved
7.9 by the commissioner. The organization must have a set of written standards, procedures, or
7.10 rules used to sanction the combative sports it oversees.

7.11 (c) Any regulatory body overseeing a martial arts or amateur boxing event must submit
7.12 bout results to the commissioner within 72 hours after the event. If the regulatory body
7.13 issues suspensions, the regulatory body must submit to the commissioner a list of any
7.14 suspensions resulting from the event within 72 hours after the event. Regulatory bodies that
7.15 oversee combative sports or martial arts contests under subdivision 6 or 7 are not subject
7.16 to this paragraph.

7.17 Sec. 4. Minnesota Statutes 2022, section 341.28, is amended by adding a subdivision to
7.18 read:

7.19 Subd. 7. **Regulatory authority; youth competition.** Combative sports or martial arts
7.20 contests between individuals under the age of 18 years are exempt from the requirements
7.21 of this chapter and officials at these events are not required to be licensed under this chapter.
7.22 A contest under this subdivision must be regulated by (1) a widely recognized organization
7.23 that regularly oversees youth competition, or (2) a local government.

7.24 Sec. 5. Minnesota Statutes 2022, section 341.29, is amended to read:

7.25 **341.29 JURISDICTION OF COMMISSIONER.**

7.26 The commissioner shall:

7.27 (1) have sole direction, supervision, regulation, control, and jurisdiction over all
7.28 combative sport contests that are held within this state unless a contest is exempt from the
7.29 application of this chapter under federal law;

7.30 (2) have sole control, authority, and jurisdiction over all licenses required by this chapter;

8.1 (3) grant a license to an applicant if, in the judgment of the commissioner, the financial
8.2 responsibility, experience, character, and general fitness of the applicant are consistent with
8.3 the public interest, ~~convenience, or necessity~~ and in the best interests of combative sports
8.4 and conforms with this chapter and the commissioner's rules;

8.5 (4) deny, suspend, or revoke a license using the enforcement provisions of section
8.6 326B.082, except that the licensing reapplication time frames remain within the sole
8.7 discretion of the commissioner; and

8.8 (5) serve final nonlicensing orders in performing the duties of this chapter which are
8.9 subject to the contested case procedures provided in sections 14.57 to 14.69.

8.10 Sec. 6. Minnesota Statutes 2023 Supplement, section 341.30, subdivision 4, is amended
8.11 to read:

8.12 Subd. 4. **Prelicensure requirements.** (a) Before the commissioner issues a promoter's
8.13 license to an individual, corporation, or other business entity, the applicant shall complete
8.14 a licensing application on the Office of Combative Sports website or on forms prescribed
8.15 by the commissioner and shall:

8.16 (1) show on the licensing application the owner or owners of the applicant entity and
8.17 the percentage of interest held by each owner holding a 25 percent or more interest in the
8.18 applicant;

8.19 (2) provide the commissioner with a copy of the latest financial statement of the applicant;

8.20 (3) provide proof, where applicable, of authorization to do business in the state of
8.21 Minnesota; and

8.22 (4) deposit with the commissioner a surety bond in an amount set by the commissioner,
8.23 which must not be less than \$10,000. The bond shall be executed in favor of this state and
8.24 shall be conditioned on the faithful performance by the promoter of the promoter's obligations
8.25 under this chapter and the rules adopted under it.

8.26 (b) Before the commissioner issues a license to a combatant, the applicant shall:

8.27 (1) submit to the commissioner the results of current medical examinations on forms
8.28 prescribed by the commissioner that state that the combatant is cleared to participate in a
8.29 combative sport contest. The applicant must undergo and submit the results of the following
8.30 medical examinations, which do not exempt a combatant from the requirements in section
8.31 341.33:

9.1 (i) a physical examination performed by a licensed medical doctor, doctor of osteopathic
9.2 medicine, advance practice nurse practitioner, or a physician assistant. Physical examinations
9.3 are valid for one year from the date of the exam;

9.4 (ii) an ophthalmological examination performed by an ophthalmologist or optometrist
9.5 that includes dilation designed to detect any retinal defects or other damage or a condition
9.6 of the eye that could be aggravated by combative sports. Ophthalmological examinations
9.7 are valid for one year from the date of the exam;

9.8 (iii) blood work results for HBsAg (Hepatitis B surface antigen), HCV (Hepatitis C
9.9 antibody), and HIV. Blood work results are good for one year from the date blood was
9.10 drawn. The commissioner shall not issue a license to an applicant submitting positive test
9.11 results for HBsAg, HCV, or HIV; and

9.12 (iv) other appropriate neurological or physical examinations before any contest, if the
9.13 commissioner determines that the examination is desirable to protect the health of the
9.14 combatant;

9.15 (2) complete a licensing application on the Office of Combative Sports website or on
9.16 forms prescribed by the commissioner; and

9.17 (3) provide proof that the applicant is 18 years of age. Acceptable proof is a photo driver's
9.18 license, state photo identification card, passport, or birth certificate combined with additional
9.19 photo identification.

9.20 (c) Before the commissioner issues an amateur combatant license to an individual, the
9.21 applicant must submit proof of qualifications that includes at a minimum: (1) an applicant's
9.22 prior bout history and evidence showing that the applicant has completed at least six months
9.23 of training in a combative sport; or (2) a letter of recommendation from a coach or trainer.

9.24 (d) Before the commissioner issues a professional combatant license to an individual,
9.25 the applicant must submit proof of qualifications that includes an applicant's prior bout
9.26 history showing the applicant has competed in at least four sanctioned combative sports
9.27 contests. If the applicant has not competed in at least four sanctioned combative sports
9.28 contests, the commissioner may still grant the applicant a license if the applicant provides
9.29 evidence demonstrating that the applicant has sufficient skills and experience in combative
9.30 sports or martial arts to compete as a professional combatant.

9.31 ~~(e)~~ (e) Before the commissioner issues a license to a referee, judge, or timekeeper, the
9.32 applicant must submit proof of qualifications that may include certified training from the

10.1 Association of Boxing Commissions, licensure with other regulatory bodies, professional
10.2 references, or a log of bouts worked.

10.3 ~~(d)~~ (f) Before the commissioner issues a license to a ringside physician, the applicant
10.4 must submit proof that they are licensed to practice medicine in the state of Minnesota and
10.5 in good standing.

10.6 Sec. 7. Minnesota Statutes 2023 Supplement, section 341.321, is amended to read:

10.7 **341.321 FEE SCHEDULE.**

10.8 (a) The fee schedule for professional and amateur licenses issued by the commissioner
10.9 is as follows:

10.10 (1) referees, \$25;

10.11 (2) promoters, \$700;

10.12 (3) judges and knockdown judges, \$25;

10.13 (4) trainers and seconds, \$40;

10.14 (5) timekeepers, \$25;

10.15 (6) professional combatants, \$70;

10.16 (7) amateur combatants, \$35; and

10.17 (8) ringside physicians, \$25.

10.18 All license fees shall be paid no later than the weigh-in prior to the contest. No license may
10.19 be issued until all prelicensure requirements in section 341.30 are satisfied and fees are
10.20 paid.

10.21 (b) A promoter or event organizer of an event regulated by the Department of Labor and
10.22 Industry must pay, per event, a combative sport contest fee of ~~of~~.

10.23 (c) If the promoter sells tickets for the event, the event fee is \$1,500 per event or four
10.24 percent of the gross ticket sales, whichever is greater. The fee must be paid as follows:

10.25 (1) \$500 at the time the combative sport contest is scheduled, which is nonrefundable;

10.26 (2) \$1,000 at the weigh-in prior to the contest;

10.27 (3) if four percent of the gross ticket sales is greater than \$1,500, the balance is due to
10.28 the commissioner within 14 days of the completed contest; and

11.1 (4) the value of all complimentary tickets distributed for an event, to the extent they
11.2 exceed five percent of total event attendance, counts toward gross tickets sales for the
11.3 purposes of determining a combative sports contest fee. For purposes of this clause, the
11.4 lowest advertised ticket price shall be used to calculate the value of complimentary tickets.

11.5 (d) If the promoter does not sell tickets and receives only a flat payment from a venue
11.6 to administer the event, the event fee is \$1,500 per event or four percent of the flat payment,
11.7 whichever is greater. The fee must be paid as follows:

11.8 (1) \$500 at the time the combative sport contest is scheduled, which is nonrefundable;

11.9 (2) \$1,000 at the weigh-in prior to the contest; and

11.10 (3) if four percent of the flat payment is greater than \$1,500, the balance is due to the
11.11 commissioner within 14 days of the completed contest.

11.12 ~~(e)~~ (e) All fees and penalties collected by the commissioner must be deposited in the
11.13 commissioner account in the special revenue fund.

11.14 Sec. 8. Minnesota Statutes 2023 Supplement, section 341.33, is amended by adding a
11.15 subdivision to read:

11.16 Subd. 3. **Medical records.** The commissioner may, if the commissioner determines that
11.17 doing so would be desirable to protect the health of a combatant, provide the combatant's
11.18 medical information collected under this chapter to the physician conducting a prebout exam
11.19 under this section or to the ringside physician or physicians assigned to the combatant's
11.20 combative sports contest.

11.21 Sec. 9. Minnesota Statutes 2023 Supplement, section 341.355, is amended to read:

11.22 **341.355 CIVIL PENALTIES.**

11.23 When the commissioner finds that a person has violated one or more provisions of any
11.24 statute, rule, or order that the commissioner is empowered to regulate, enforce, or issue, the
11.25 commissioner may impose, for each violation, a civil penalty of up to \$10,000 for each
11.26 violation, or a civil penalty that deprives the person of any economic advantage gained by
11.27 the violation, or both. The commissioner may also impose these penalties against a person
11.28 who has violated section 341.28, subdivision 5, paragraph (b) or (c), or subdivision 7.

12.1

ARTICLE 3

12.2

CONSTRUCTION CODES AND LICENSING

12.3 Section 1. Minnesota Statutes 2023 Supplement, section 326B.106, subdivision 1, is
12.4 amended to read:

12.5 Subdivision 1. **Adoption of code.** (a) Subject to paragraphs (c) and (d) and sections
12.6 326B.101 to 326B.194, the commissioner shall by rule and in consultation with the
12.7 Construction Codes Advisory Council establish a code of standards for the construction,
12.8 reconstruction, alteration, and repair of buildings, governing matters of structural materials,
12.9 design and construction, fire protection, health, sanitation, and safety, including design and
12.10 construction standards regarding heat loss control, illumination, and climate control. The
12.11 code must also include duties and responsibilities for code administration, including
12.12 procedures for administrative action, penalties, and suspension and revocation of certification.
12.13 The code must conform insofar as practicable to model building codes generally accepted
12.14 and in use throughout the United States, including a code for building conservation. In the
12.15 preparation of the code, consideration must be given to the existing statewide specialty
12.16 codes presently in use in the state. Model codes with necessary modifications and statewide
12.17 specialty codes may be adopted by reference. The code must be based on the application
12.18 of scientific principles, approved tests, and professional judgment. To the extent possible,
12.19 the code must be adopted in terms of desired results instead of the means of achieving those
12.20 results, avoiding wherever possible the incorporation of specifications of particular methods
12.21 or materials. To that end the code must encourage the use of new methods and new materials.
12.22 Except as otherwise provided in sections 326B.101 to 326B.194, the commissioner shall
12.23 administer and enforce the provisions of those sections.

12.24 (b) The commissioner shall develop rules addressing the plan review fee assessed to
12.25 similar buildings without significant modifications including provisions for use of building
12.26 systems as specified in the industrial/modular program specified in section 326B.194.
12.27 Additional plan review fees associated with similar plans must be based on costs
12.28 commensurate with the direct and indirect costs of the service.

12.29 (c) Beginning with the 2018 edition of the model building codes and every six years
12.30 thereafter, the commissioner shall review the new model building codes and adopt the model
12.31 codes as amended for use in Minnesota, within two years of the published edition date. The
12.32 commissioner may adopt amendments to the building codes prior to the adoption of the
12.33 new building codes to advance construction methods, technology, or materials, or, where
12.34 necessary to protect the health, safety, and welfare of the public, or to improve the efficiency
12.35 or the use of a building.

13.1 (d) Notwithstanding paragraph (c), the commissioner shall act on each new model
13.2 residential energy code and the new model commercial energy code in accordance with
13.3 federal law for which the United States Department of Energy has issued an affirmative
13.4 determination in compliance with United States Code, title 42, section 6833. The
13.5 commissioner may adopt amendments prior to adoption of the new energy codes, as amended
13.6 for use in Minnesota, to advance construction methods, technology, or materials, or, where
13.7 necessary to protect the health, safety, and welfare of the public, or to improve the efficiency
13.8 or use of a building.

13.9 (e) Beginning in 2024, the commissioner shall act on the new model commercial energy
13.10 code by adopting each new published edition of ASHRAE 90.1 or a more efficient standard.
13.11 The commercial energy code in effect in 2036 and thereafter must achieve an 80 percent
13.12 reduction in annual net energy consumption or greater, using the ASHRAE 90.1-2004 as a
13.13 baseline. The commissioner shall adopt commercial energy codes from 2024 to 2036 that
13.14 incrementally move toward achieving the 80 percent reduction in annual net energy
13.15 consumption. By January 15 of the year following each new code adoption, the commissioner
13.16 shall make a report on progress under this section to the legislative committees with
13.17 jurisdiction over the energy code.

13.18 (f) Nothing in this section shall be interpreted to limit the ability of a public utility to
13.19 offer code support programs, or to claim energy savings resulting from such programs,
13.20 through its energy conservation and optimization plans approved by the commissioner of
13.21 commerce under section 216B.241 or an energy conservation and optimization plan filed
13.22 by a consumer-owned utility under section 216B.2403.

13.23 (g) Beginning in 2026, the commissioner shall act on the new model residential energy
13.24 code by adopting each new published edition of the International Energy Conservation Code
13.25 or a more efficient standard. The residential energy code in effect in 2038 and thereafter
13.26 must achieve a 70 percent reduction in annual net energy consumption or greater, using the
13.27 2006 International Energy Conservation Code State Level Residential Codes Energy Use
13.28 Index for Minnesota, as published by the United States Department of Energy's Building
13.29 Energy Codes Program, as a baseline. The commissioner shall adopt residential energy
13.30 codes from 2026 to 2038 that incrementally move toward achieving the 70 percent reduction
13.31 in annual net energy consumption. By January 15 of the year following each new code
13.32 adoption, the commissioner shall submit a report on progress under this section to the
13.33 legislative committees with jurisdiction over the energy code.

14.1 Sec. 2. Minnesota Statutes 2022, section 326B.802, subdivision 13, is amended to read:

14.2 Subd. 13. **Residential real estate.** "Residential real estate" means a new or existing
14.3 building constructed for habitation by one to four families, and includes detached garages
14.4 and swimming pools.

14.5 Sec. 3. Minnesota Statutes 2023 Supplement, section 326B.802, subdivision 15, is amended
14.6 to read:

14.7 Subd. 15. **Special skill.** "Special skill" means one of the following eight categories:

14.8 (a) **Excavation.** Excavation includes work in any of the following areas:

14.9 (1) excavation;

14.10 (2) trenching;

14.11 (3) grading; and

14.12 (4) site grading.

14.13 (b) **Masonry and concrete.** Masonry and concrete includes work in any of the following
14.14 areas:

14.15 (1) drain systems;

14.16 (2) poured walls;

14.17 (3) slabs and poured-in-place footings;

14.18 (4) masonry walls;

14.19 (5) masonry fireplaces;

14.20 (6) masonry veneer; and

14.21 (7) water resistance and waterproofing.

14.22 (c) **Carpentry.** Carpentry includes work in any of the following areas:

14.23 (1) rough framing;

14.24 (2) finish carpentry;

14.25 (3) doors, windows, and skylights;

14.26 (4) porches and decks, excluding footings;

14.27 (5) wood foundations; and

14.28 (6) drywall installation, excluding taping and finishing.

15.1 (d) **Interior finishing.** Interior finishing includes work in any of the following areas:

15.2 (1) floor covering;

15.3 (2) wood floors;

15.4 (3) cabinet and counter top installation;

15.5 (4) insulation and vapor barriers;

15.6 (5) interior or exterior painting;

15.7 (6) ceramic, marble, and quarry tile;

15.8 (7) ornamental guardrail and installation of prefabricated stairs; and

15.9 (8) wallpapering.

15.10 (e) **Exterior finishing.** Exterior finishing includes work in any of the following areas:

15.11 (1) siding;

15.12 (2) soffit, fascia, and trim;

15.13 (3) exterior plaster and stucco;

15.14 (4) painting; and

15.15 (5) rain carrying systems, including gutters and down spouts.

15.16 (f) **Drywall and plaster.** Drywall and plaster includes work in any of the following
15.17 areas:

15.18 (1) installation;

15.19 (2) taping;

15.20 (3) finishing;

15.21 (4) interior plaster;

15.22 (5) painting; and

15.23 (6) wallpapering.

15.24 (g) **Residential roofing.** Residential roofing includes work in any of the following areas:

15.25 (1) roof coverings;

15.26 (2) roof sheathing;

15.27 (3) roof weatherproofing and insulation;

- 16.1 (4) repair of roof support system, but not construction of new roof support system; and
- 16.2 (5) penetration of roof coverings for purposes of attaching a solar photovoltaic system.
- 16.3 (h) **General installation specialties.** Installation includes work in any of the following
- 16.4 areas:
- 16.5 (1) garage doors and openers;
- 16.6 (2) ~~pools~~, spas; and hot tubs;
- 16.7 (3) fireplaces and wood stoves;
- 16.8 (4) asphalt paving and seal coating;
- 16.9 (5) ornamental guardrail and prefabricated stairs; and
- 16.10 (6) assembly of the support system for a solar photovoltaic system.

16.11 Sec. 4. Minnesota Statutes 2022, section 326B.89, subdivision 1, is amended to read:

16.12 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have

16.13 the meanings given them.

16.14 (b) "Gross annual receipts" means the total amount derived from residential contracting

16.15 or residential remodeling activities, regardless of where the activities are performed, and

16.16 must not be reduced by costs of goods sold, expenses, losses, or any other amount.

16.17 (c) "Licensee" means a person licensed as a residential contractor or residential remodeler.

16.18 (d) "Residential real estate" means a new or existing building constructed for habitation

16.19 by one to four families, and includes detached garages intended for storage of vehicles

16.20 associated with the residential real estate, and private swimming pools connected with the

16.21 residential real estate, which are controlled and used by the owner or the owner's family or

16.22 invited guests and are not used as part of a business.

16.23 (e) "Fund" means the contractor recovery fund.

16.24 (f) "Owner" when used in connection with real property, means a person who has any

16.25 legal or equitable interest in real property and includes a condominium or townhome

16.26 association that owns common property located in a condominium building or townhome

16.27 building or an associated detached garage. Owner does not include any real estate developer

16.28 or any owner using, or intending to use, the property for a business purpose and not as

16.29 owner-occupied residential real estate.

16.30 (g) "Cycle One" means the time period between July 1 and December 31.

17.1 (h) "Cycle Two" means the time period between January 1 and June 30.

17.2 **ARTICLE 4**

17.3 **BUREAU OF MEDIATION SERVICES**

17.4 Section 1. Minnesota Statutes 2022, section 626.892, subdivision 10, is amended to read:

17.5 Subd. 10. **Training.** (a) A person appointed to the arbitrator roster under this section
17.6 must complete training as required by the commissioner during the person's appointment.
17.7 At a minimum, an initial training must include:

17.8 (1) at least six hours on the topics of cultural competency, racism, implicit bias, and
17.9 recognizing and valuing community diversity and cultural differences; and

17.10 (2) at least six hours on topics related to the daily experience of peace officers, which
17.11 may include ride-alongs with on-duty officers or other activities that provide exposure to
17.12 the environments, choices, and judgments required of officers in the field.

17.13 (b) The commissioner may adopt rules establishing training requirements consistent
17.14 with this subdivision.

17.15 ~~(b) An arbitrator appointed to the roster of arbitrators in 2020 must complete the required~~
17.16 ~~initial training by July 1, 2021.~~ (c) An arbitrator appointed to the roster of arbitrators after
17.17 2020 must complete the required initial training within six months of the arbitrator's
17.18 appointment.

17.19 ~~(e)~~ (d) The Bureau of Mediation Services must pay for all costs associated with the
17.20 required training ~~must be borne by the arbitrator.~~

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

17.22 Sec. 2. **REPEALER.**

17.23 (a) Minnesota Statutes 2022, sections 179.81; 179.82; 179.83, subdivision 1; 179.84,
17.24 subdivision 1; and 179.85, are repealed.

17.25 (b) Minnesota Rules, parts 5520.0100; 5520.0110; 5520.0120; 5520.0200; 5520.0250;
17.26 5520.0300; 5520.0500; 5520.0520; 5520.0540; 5520.0560; 5520.0600; 5520.0620;
17.27 5520.0700; 5520.0710; and 5520.0800, are repealed.

ARTICLE 5

PUBLIC EMPLOYMENT LABOR RELATIONS

18.1
18.2
18.3 Section 1. Minnesota Statutes 2023 Supplement, section 179A.041, subdivision 10, is
18.4 amended to read:

18.5 Subd. 10. **Open Meeting Law; exceptions.** Chapter 13D does not apply to ~~meetings of~~
18.6 ~~the~~ a board meeting when ~~it~~ the board is:

18.7 (1) deliberating on the merits of an unfair labor practice charges charge under sections
18.8 179.11, 179.12, and 179A.13;

18.9 (2) reviewing a hearing officer's recommended decision and order of a hearing officer
18.10 under section 179A.13; or

18.11 (3) reviewing decisions of the commissioner of the Bureau of Mediation Services relating
18.12 to a commissioner's decision on an unfair labor practices practice under section 179A.12,
18.13 subdivision 11.

18.14 Sec. 2. Minnesota Statutes 2023 Supplement, section 179A.06, subdivision 6, is amended
18.15 to read:

18.16 Subd. 6. **Payroll deduction, authorization, and remittance.** (a) Public employees ~~have~~
18.17 ~~the right to~~ may request and be allowed payroll deduction for the exclusive representative
18.18 ~~and the~~ its associated political fund ~~associated with the exclusive representative and registered~~
18.19 ~~pursuant to~~ under section 10A.12. If there is no exclusive representative, public employees
18.20 may request payroll deduction for the employee organization of their choice. A public
18.21 employer must provide payroll deduction according to any public employee's request under
18.22 this paragraph.

18.23 (b) A public employer must rely on a certification from any an exclusive representative
18.24 requesting remittance of a deduction that the employee organization has and will maintain
18.25 an authorization, signed, either by hand or electronically according to section 325L.02,
18.26 paragraph (h), by the public employee from whose salary or wages the deduction is to be
18.27 made, which may include an electronic signature by the public employee as defined in
18.28 section 325L.02, paragraph (h). An exclusive representative making such a certification
18.29 ~~must not be~~ is not required to provide the public employer a copy of the authorization unless
18.30 a dispute arises about the authorization's existence or terms ~~of the authorization.~~ ~~The exclusive~~
18.31 ~~representative must indemnify the public employer for any successful claims made by the~~
18.32 ~~employee for unauthorized deductions in reliance on the certification.~~

19.1 ~~(b)~~ (c) A ~~dues payroll~~ deduction authorization ~~remains in effect~~ is effective until the
 19.2 exclusive representative notifies the employer ~~receives notice from the exclusive~~
 19.3 ~~representative~~ that a public employee has changed or canceled ~~their~~ the employee's
 19.4 authorization in writing in accordance with the terms of the original ~~authorizing document,~~
 19.5 ~~and~~ authorization. When determining whether deductions have been properly changed or
 19.6 canceled, a public employer must rely on information from the exclusive representative
 19.7 receiving remittance of the deduction ~~regarding whether the deductions have been properly~~
 19.8 ~~changed or canceled~~. ~~The exclusive representative must indemnify the public employer,~~
 19.9 ~~including any reasonable attorney fees and litigation costs, for any successful claims made~~
 19.10 ~~by the employee for unauthorized deductions made in reliance on such information.~~

19.11 ~~(e)~~ (d) Deduction authorization under this section is:

19.12 (1) independent from the public employee's membership status in the employee
 19.13 organization to which payment is remitted; and is

19.14 (2) effective regardless of whether a collective bargaining agreement authorizes the
 19.15 deduction.

19.16 ~~(d) Employers~~ (e) An employer must ~~commence~~:

19.17 (1) begin deductions within 30 days of notice of authorization from the ~~after an~~ exclusive
 19.18 representative submits a certification under paragraph (b); and must

19.19 (2) remit the deductions to the exclusive representative within 30 days of the deduction.
 19.20 ~~The failure of an employer to comply with the provisions of this paragraph shall be an unfair~~
 19.21 ~~labor practice under section 179A.13, the relief for which shall be reimbursement by the~~
 19.22 ~~employer of deductions that should have been made or remitted based on a valid authorization~~
 19.23 ~~given by the employee or employees.~~

19.24 ~~(e) In the absence of an exclusive representative, public employees have the right to~~
 19.25 ~~request and be allowed payroll deduction for the organization of their choice.~~

19.26 (f) An exclusive representative must indemnify a public employer:

19.27 (1) for any successful employee claim for unauthorized employer deductions made by
 19.28 relying on an exclusive representative's certification under paragraph (b); and

19.29 (2) for any successful employee claim for unauthorized employer deductions made by
 19.30 relying on information for changing or canceling deductions under paragraph (c), with
 19.31 indemnification including any reasonable attorney fees and litigation costs.

20.1 ~~(f)~~ (g) Any dispute under this subdivision must be resolved through an unfair labor
20.2 practice proceeding under section 179A.13. It is an unfair labor practice if an employer fails
20.3 to comply with paragraph (e), and the employer must reimburse deductions that should have
20.4 been made or remitted based on a valid authorization given by the employee or employees.

20.5 Sec. 3. Minnesota Statutes 2023 Supplement, section 179A.07, subdivision 8, is amended
20.6 to read:

20.7 Subd. 8. **Bargaining unit information.** (a) Within 20 calendar days ~~from the date of~~
20.8 ~~hire of~~ after a bargaining unit employee is hired, a public employer must provide the
20.9 following ~~contact~~ information on the employee to an the unit's exclusive representative in
20.10 an Excel file format or other format agreed to by the exclusive representative:

20.11 (1) name;

20.12 (2) job title;

20.13 (3) worksite location, including location ~~within~~ in a facility when appropriate;

20.14 (4) home address;

20.15 (5) work telephone number;

20.16 (6) home and personal cell phone numbers on file with the public employer;

20.17 (7) date of hire; and

20.18 (8) work email address and personal email address on file with the public employer.

20.19 (b) Every 120 calendar days ~~beginning on January 1, 2024~~, a public employer must
20.20 provide to ~~an~~ a bargaining unit's exclusive representative in an Excel file or similar format
20.21 agreed to by the exclusive representative the ~~following~~ information under paragraph (a) for
20.22 all bargaining unit employees: ~~name; job title; worksite location, including location within~~
20.23 ~~a facility when appropriate; home address; work telephone number; home and personal cell~~
20.24 ~~phone numbers on file with the public employer; date of hire; and work email address and~~
20.25 ~~personal email address on file with the public employer.~~

20.26 (c) ~~A public employer must notify an exclusive representative within 20 calendar days~~
20.27 ~~of the separation of~~ If a bargaining unit employee separates from employment or transfer
20.28 transfers out of the a bargaining unit of a bargaining unit employee, the employee's public
20.29 employer must notify the employee's exclusive representative within 20 calendar days after
20.30 the separation or transfer.

21.1 Sec. 4. Minnesota Statutes 2023 Supplement, section 179A.07, subdivision 9, is amended
21.2 to read:

21.3 Subd. 9. **Access.** (a) A public employer must allow an exclusive representative to meet
21.4 in person with a newly hired employees, without charge to the pay or leave time of the
21.5 employees, for 30 minutes, employee within 30 calendar days from the date of hire; during
21.6 new employee orientations or, if the employer does not conduct new employee orientations,
21.7 at individual or group meetings. For an orientation or meeting under this paragraph, an
21.8 employer must allow the employee and exclusive representative up to 30 minutes to meet
21.9 and must not charge the employee's pay or leave time during the orientation or meeting. An
21.10 orientation or meeting may be held virtually or for longer than 30 minutes only by mutual
21.11 agreement of the employer and exclusive representative.

21.12 (b) An exclusive representative ~~shall~~ must receive ~~no less than~~ at least ten days' notice
21.13 ~~in advance~~ of an orientation, ~~except that~~ but a shorter notice may be provided ~~where~~ if there
21.14 is an urgent need critical to the employer's operations ~~of the public employer~~ that was not
21.15 reasonably foreseeable. Notice of and attendance at new employee orientations and other
21.16 meetings under this paragraph ~~must be~~ and paragraph (a) are limited to:

21.17 (1) the public employer;₂

21.18 (2) the employees;₂

21.19 (3) the exclusive representative;₂ and

21.20 (4) any vendor contracted to provide a service for ~~purposes of the meeting. Meetings~~
21.21 ~~may be held virtually or for longer than 30 minutes only by mutual agreement of the public~~
21.22 ~~employer and exclusive representative.~~

21.23 ~~(b)~~ (c) A public employer must allow an exclusive representative to communicate with
21.24 bargaining unit members ~~using their employer-issued email addresses regarding by email~~
21.25 on:

21.26 (1) collective bargaining;₂

21.27 (2) the administration of collective bargaining agreements;₂

21.28 (3) the investigation of grievances; and other workplace-related complaints and issues;₂
21.29 and

21.30 (4) internal matters involving the governance or business of the exclusive representative;
21.31 ~~consistent with the employer's generally applicable technology use policies.~~

22.1 (d) An exclusive representative may communicate with bargaining unit members under
 22.2 paragraph (c) via the members' employer-issued email addresses, but the communication
 22.3 must be consistent with the employer's generally applicable technology use policies.

22.4 ~~(e)~~ (e) A public employer must allow an exclusive representative to meet with bargaining
 22.5 unit members in facilities owned or leased by the public employer ~~regarding to communicate~~
 22.6 on:

22.7 (1) collective bargaining;

22.8 (2) the administration of collective bargaining agreements;

22.9 (3) the investigation of grievances and other workplace-related complaints and issues;

22.10 and

22.11 (4) internal matters involving the governance or business of the exclusive representative;
 22.12 ~~provided the use does not interfere with governmental operations and the exclusive~~
 22.13 ~~representative complies with worksite security protocols established by the public employer.~~

22.14 (f) The following applies for a meeting under paragraph (e):

22.15 (1) a meeting cannot interfere with government operations;

22.16 (2) the exclusive representative must comply with employer-established worksite security
 22.17 protocols;

22.18 ~~Meetings conducted~~ (3) a meeting in a government building pursuant to this paragraph
 22.19 ~~must not~~ building cannot be for the purpose of supporting or opposing any candidate for
 22.20 ~~partisan political office or for the purpose of distributing literature or information regarding~~
 22.21 on partisan elections; and

22.22 (4) an exclusive representative conducting a meeting in a government building or other
 22.23 government facility pursuant to this subdivision may be charged for maintenance, security,
 22.24 and other costs related to the use of using the government building or facility that would
 22.25 not otherwise be incurred by the government entity.

22.26 Sec. 5. Minnesota Statutes 2023 Supplement, section 179A.10, subdivision 2, is amended
 22.27 to read:

22.28 Subd. 2. **State employees.** (a) Unclassified employees, unless otherwise excluded, are
 22.29 included within the units ~~which~~ that include the classifications to which they are assigned
 22.30 for purposes of compensation. Supervisory employees ~~shall only~~ can be assigned only to
 22.31 ~~units~~ unit 12 and or 16. The following units are the appropriate units of executive branch
 22.32 state employees:

- 23.1 (1) law enforcement unit;
- 23.2 (2) craft, maintenance, and labor unit;
- 23.3 (3) service unit;
- 23.4 (4) health care nonprofessional unit;
- 23.5 (5) health care professional unit;
- 23.6 (6) clerical and office unit;
- 23.7 (7) technical unit;
- 23.8 (8) correctional guards unit;
- 23.9 (9) state university instructional unit;
- 23.10 (10) state college instructional unit;
- 23.11 (11) state university administrative unit;
- 23.12 (12) professional engineering unit;
- 23.13 (13) health treatment unit;
- 23.14 (14) general professional unit;
- 23.15 (15) professional state residential instructional unit;
- 23.16 (16) supervisory employees unit;
- 23.17 (17) public safety radio communications operator unit;
- 23.18 (18) licensed peace officer special unit; and
- 23.19 (19) licensed peace officer leader unit.

23.20 ~~Each unit consists of the classifications or positions assigned to it in the schedule of~~
23.21 ~~state employee job classification and positions maintained by the commissioner. The~~
23.22 ~~commissioner may only make changes in the schedule in existence on the day prior to~~
23.23 ~~August 1, 1984, as required by law or as provided in subdivision 4.~~

- 23.24 (b) The following positions are included in the licensed peace officer special unit:
- 23.25 (1) State Patrol lieutenant;
- 23.26 (2) NR district supervisor - enforcement;
- 23.27 (3) assistant special agent in charge;
- 23.28 (4) corrections investigation assistant director 2;

24.1 (5) corrections investigation supervisor; and

24.2 (6) commerce supervisor special agent.

24.3 (c) The following positions are included in the licensed peace officer leader unit:

24.4 (1) State Patrol captain;

24.5 (2) NR program manager 2 enforcement; and

24.6 (3) special agent in charge.

24.7 (d) Each unit consists of the classifications or positions assigned to it in the schedule of
24.8 state employee job classification and positions maintained by the commissioner. The
24.9 commissioner may make changes in the schedule in existence on the day before August 1,
24.10 1984, only:

24.11 (1) as required by law; or

24.12 (2) as provided in subdivision 4.

24.13 Sec. 6. Minnesota Statutes 2023 Supplement, section 179A.12, subdivision 2a, is amended
24.14 to read:

24.15 Subd. 2a. **Majority verification procedure.** ~~(a) Notwithstanding any other provision~~
24.16 ~~of this section,~~ An employee organization may file a petition with the commissioner
24.17 requesting certification as the exclusive representative of ~~an~~ a proposed appropriate unit
24.18 ~~based on a verification that~~ for which there is no currently certified exclusive representative.
24.19 The petition must verify that over 50 percent of the employees in the proposed appropriate
24.20 unit wish to be represented by the petitioner organization. The commissioner shall require
24.21 ~~dated representation authorization signatures of affected employees as verification of the~~
24.22 ~~employee organization's claim of majority status.~~

24.23 ~~(b) Upon receipt of an employee organization's petition, accompanied by employee~~
24.24 ~~authorization signatures under this subdivision, the commissioner shall investigate the~~
24.25 ~~petition.~~ If the commissioner determines that over 50 percent of the employees in ~~an~~ the
24.26 appropriate unit have provided authorization signatures designating the petitioning employee
24.27 organization specified in the petition as their exclusive representative, the commissioner
24.28 ~~shall not order an election but shall~~ must certify the employee organization as the employees'
24.29 exclusive representative without ordering an election under this section.

25.1 Sec. 7. Minnesota Statutes 2022, section 179A.12, subdivision 5, is amended to read:

25.2 Subd. 5. **Commissioner to investigate.** ~~The commissioner shall,~~ Upon receipt of an
 25.3 ~~employee organization's~~ receiving a petition to the commissioner under subdivision 3 1a
 25.4 or 2a, the commissioner must:

25.5 (1) investigate to determine if sufficient evidence of a question of representation exists;
 25.6 and

25.7 (2) hold hearings necessary to determine the appropriate unit and other matters necessary
 25.8 to determine the representation rights of the affected employees and employer.

25.9 Sec. 8. Minnesota Statutes 2023 Supplement, section 179A.12, subdivision 6, is amended
 25.10 to read:

25.11 Subd. 6. **Authorization signatures.** ~~In (a) When~~ determining the numerical status of
 25.12 an employee organization for purposes of this section, the commissioner ~~shall~~ must require
 25.13 a dated representation authorization signatures of affected employees signature of each
 25.14 affected employee as verification of the statements contained in the joint request or petitions
 25.15 petition. These

25.16 (b) An authorization signatures shall be signature is privileged and confidential
 25.17 information available to the commissioner only. An electronic signatures signature, as
 25.18 defined in section 325L.02, paragraph (h), ~~shall be~~ is valid as an authorization signatures
 25.19 signature.

25.20 (c) An authorization signatures shall be signature is valid for a ~~period of~~ one year
 25.21 following the signature date of signature.

25.22 Sec. 9. Minnesota Statutes 2023 Supplement, section 179A.12, subdivision 11, is amended
 25.23 to read:

25.24 Subd. 11. **Unfair labor practices.** The commissioner may void the result of an election
 25.25 or majority verification procedure and order a new election or procedure if the commissioner
 25.26 finds ~~that~~ one of the following:

25.27 (1) there was an unfair labor practice that:

25.28 (i) was committed by an employer or, a representative candidate or, an employee, or a
 25.29 group of employees; and ~~that the unfair labor practice~~

25.30 (ii) affected the result of an the election or the majority verification procedure pursuant
 25.31 to subdivision 2a; or ~~that~~

26.1 (2) procedural or other irregularities in the conduct of the election or majority verification
 26.2 procedure may have substantially affected its the results, ~~the commissioner may void the~~
 26.3 ~~result and order a new election or majority verification procedure.~~

26.4 Sec. 10. RULEMAKING.

26.5 The commissioner must adopt rules on petitions for majority verification, including
 26.6 technical changes needed for consistency with Minnesota Statutes, section 179A.12, and
 26.7 the commissioner may use the expedited rulemaking process under Minnesota Statutes,
 26.8 section 14.389.

26.9 Sec. 11. REVISOR INSTRUCTION.

26.10 The revisor of statutes must renumber Minnesota Statutes, section 179A.12, subdivision
 26.11 3, as Minnesota Statutes, section 179A.12, subdivision 1a.

26.12 **ARTICLE 6**

26.13 **UNIVERSITY OF MINNESOTA COLLECTIVE BARGAINING UNITS**

26.14 Section 1. Minnesota Statutes 2023 Supplement, section 179A.03, subdivision 14, is
 26.15 amended to read:

26.16 Subd. 14. **Public employee or employee.** (a) "Public employee" or "employee" means
 26.17 any person appointed or employed by a public employer except:

26.18 (1) elected public officials;

26.19 (2) election officers;

26.20 (3) commissioned or enlisted personnel of the Minnesota National Guard;

26.21 (4) emergency employees who are employed for emergency work caused by natural
 26.22 disaster;

26.23 (5) part-time employees whose service does not exceed the lesser of 14 hours per week
 26.24 or 35 percent of the normal work week in the employee's appropriate unit;

26.25 (6) employees whose positions are basically temporary or seasonal in character and: (i)
 26.26 are not for more than 67 working days in any calendar year; or (ii) are not working for a
 26.27 Minnesota school district or charter school; ~~or (iii) are not for more than 100 working days~~
 26.28 ~~in any calendar year and the employees are under the age of 22, are full-time students~~
 26.29 ~~enrolled in a nonprofit or public educational institution prior to being hired by the employer,~~
 26.30 ~~and have indicated, either in an application for employment or by being enrolled at an~~

27.1 ~~educational institution for the next academic year or term, an intention to continue as students~~
 27.2 ~~during or after their temporary employment;~~

27.3 (7) employees providing services for not more than two consecutive quarters to the
 27.4 Board of Trustees of the Minnesota State Colleges and Universities under the terms of a
 27.5 professional or technical services contract as defined in section 16C.08, subdivision 1;

27.6 (8) employees of charitable hospitals as defined by section 179.35, subdivision 3, except
 27.7 that employees of charitable hospitals as defined by section 179.35, subdivision 3, are public
 27.8 employees for purposes of sections 179A.051, 179A.052, and 179A.13;

27.9 ~~(9) full-time undergraduate students employed by the school which they attend under a~~
 27.10 ~~work-study program or in connection with the receipt of financial aid, irrespective of number~~
 27.11 ~~of hours of service per week;~~

27.12 ~~(10)~~ (9) an individual who is employed for less than 300 hours in a fiscal year as an
 27.13 instructor in an adult vocational education program;

27.14 ~~(11)~~ (10) with respect to court employees:

27.15 (i) personal secretaries to judges;

27.16 (ii) law clerks;

27.17 (iii) managerial employees;

27.18 (iv) confidential employees; and

27.19 (v) supervisory employees; or

27.20 ~~(12)~~ (11) with respect to employees of Hennepin Healthcare System, Inc., managerial,
 27.21 supervisory, and confidential employees.

27.22 (b) The following individuals are public employees regardless of the exclusions of
 27.23 paragraph (a), clauses (5) to (7):

27.24 (1) an employee hired by a school district or the Board of Trustees of the Minnesota
 27.25 State Colleges and Universities except at the university established in the Twin Cities
 27.26 metropolitan area under section 136F.10 or for community services or community education
 27.27 instruction offered on a noncredit basis: (i) to replace an absent teacher or faculty member
 27.28 who is a public employee, where the replacement employee is employed more than 30
 27.29 working days as a replacement for that teacher or faculty member; or (ii) to take a teaching
 27.30 position created due to increased enrollment, curriculum expansion, courses which are a
 27.31 part of the curriculum whether offered annually or not, or other appropriate reasons;

28.1 (2) an employee hired for a position under paragraph (a), clause (6), item (i), if that same
 28.2 position has already been filled under paragraph (a), clause (6), item (i), in the same calendar
 28.3 year and the cumulative number of days worked in that same position by all employees
 28.4 exceeds 67 calendar days in that year. For the purpose of this paragraph, "same position"
 28.5 includes a substantially equivalent position if it is not the same position solely due to a
 28.6 change in the classification or title of the position;

28.7 (3) an early childhood family education teacher employed by a school district; ~~and~~

28.8 (4) an individual hired by the Board of Trustees of the Minnesota State Colleges and
 28.9 Universities or the University of Minnesota as the instructor of record to teach (i) one class
 28.10 for more than three credits in a fiscal year, or (ii) two or more credit-bearing classes in a
 28.11 fiscal year; and

28.12 (5) an individual who: (i) is paid by the Board of Regents of the University of Minnesota
 28.13 for work performed at the direction of the university or any of its employees or contractors;
 28.14 and (ii) is enrolled in three or more university credit-bearing classes or one semester as a
 28.15 full-time student or post-doctoral fellow during the fiscal year in which the work is
 28.16 performed. For purposes of this section, work paid by the university includes but is not
 28.17 limited to work that is required as a condition of receiving a stipend or tuition benefit,
 28.18 whether or not the individual also receives educational benefit from performing that work.
 28.19 Individuals who perform supervisory functions in regard to any of the aforementioned
 28.20 workers are not considered supervisory employees for the purpose of section 179A.06,
 28.21 subdivision 2.

28.22 Sec. 2. Minnesota Statutes 2022, section 179A.11, subdivision 1, is amended to read:

28.23 Subdivision 1. **Units.** (a) The following are ~~the~~ appropriate units of University of
 28.24 Minnesota employees. All units shall exclude managerial and confidential employees.
 28.25 ~~Supervisory employees shall only be assigned to unit 13. No additional units of University~~
 28.26 ~~of Minnesota employees shall be recognized for the purpose of meeting and negotiating.~~

28.27 (1) The Law Enforcement Unit ~~consists of~~ includes the positions of all employees with
 28.28 the power of arrest.

28.29 (2) The Craft and Trades Unit ~~consists of~~ includes the positions of all employees whose
 28.30 work requires specialized manual skills and knowledge acquired through formal training
 28.31 or apprenticeship or equivalent on-the-job training or experience.

29.1 (3) The Service, Maintenance, and Labor Unit ~~consists of~~ includes the positions of all
29.2 employees whose work is typically that of maintenance, service, or labor and which does
29.3 not require extensive previous training or experience, except as provided in unit 4.

29.4 (4) The Health Care Nonprofessional and Service Unit ~~consists of~~ includes the positions
29.5 of all nonprofessional employees of the University of Minnesota hospitals, dental school,
29.6 and health service whose work is unique to those settings, excluding labor and maintenance
29.7 employees as defined in unit 3.

29.8 (5) The Nursing Professional Unit ~~consists of~~ includes all positions which are required
29.9 to be filled by registered nurses.

29.10 (6) The Clerical and Office Unit ~~consists of~~ includes the positions of all employees
29.11 whose work is typically clerical or secretarial, including nontechnical data recording and
29.12 retrieval and general office work, except as provided in unit 4.

29.13 (7) The Technical Unit ~~consists of~~ includes the positions of all employees whose work
29.14 is not typically manual and which requires specialized knowledge or skills acquired through
29.15 two-year academic programs or equivalent experience or on-the-job training, except as
29.16 provided in unit 4.

29.17 ~~(8) The Twin Cities Instructional Unit consists of the positions of all instructional~~
29.18 ~~employees with the rank of professor, associate professor, assistant professor, including~~
29.19 ~~research associate or instructor, including research fellow, located on the Twin Cities~~
29.20 ~~campuses.~~

29.21 ~~(9)~~ (8) The Outstate Instructional Unit ~~consists of~~ includes the positions of all instructional
29.22 employees with the rank of professor, associate professor, assistant professor, including
29.23 research associate or instructor, including research fellow, located at the Duluth campus,
29.24 provided that the positions of instructional employees of the same ranks at the Morris,
29.25 Crookston, or ~~Waseca~~ Rochester campuses shall be included within this unit if a majority
29.26 of the eligible employees voting at a campus so vote during an election conducted by the
29.27 commissioner, provided that the election or majority verification procedure shall not be
29.28 held until the Duluth campus has voted in favor of representation. The election shall be held
29.29 or majority verification procedure shall take place when an employee organization or group
29.30 of employees petitions the commissioner stating that a majority of the eligible employees
29.31 at one of these campuses wishes to join the unit and this petition is supported by a showing
29.32 of at least 30 percent support from eligible employees at that campus and is filed between
29.33 September 1 and November 1.

30.1 ~~Should both units 8 and 9 elect exclusive bargaining representatives, those representatives~~
30.2 ~~may by mutual agreement jointly negotiate a contract with the regents, or may negotiate~~
30.3 ~~separate contracts with the regents. If the exclusive bargaining representatives jointly~~
30.4 ~~negotiate a contract with the regents, the contract shall be ratified by each unit. For the~~
30.5 ~~purposes of this section, "instructional employees" shall include all individuals who spend~~
30.6 ~~35 percent or more of their work time creating, delivering, and assessing the mastery of~~
30.7 ~~credit-bearing coursework.~~

30.8 (10) The Graduate Assistant Unit ~~consists of~~ includes the positions of all graduate
30.9 assistants who are enrolled in the graduate school and who hold the rank of research assistant,
30.10 teaching assistant, teaching associate I or II, project assistant, graduate school fellow,
30.11 graduate school trainee, professional school fellow, professional school trainee, or
30.12 administrative fellow I or II. None of the listed ranks refer to ranks under the job category
30.13 of professionals-in-training.

30.14 (11) ~~The Academic Professional and Administrative Staff Unit consists of all academic~~
30.15 ~~professional and administrative staff positions that are not defined as included in an~~
30.16 ~~instructional unit, the supervisory unit, the clerical unit, or the technical unit.~~

30.17 (12) ~~The Noninstructional Professional Unit consists of the positions of all employees~~
30.18 ~~meeting the requirements of section 179A.03, subdivision 13, clause (1) or (2), which are~~
30.19 ~~not defined as included within an instructional unit, the Academic Professional and~~
30.20 ~~Administrative Staff Unit, or the supervisory unit.~~

30.21 (13) ~~The Supervisory Employees Unit consists of the positions of all supervisory~~
30.22 ~~employees.~~

30.23 (b) All University of Minnesota employees whose positions are not within an enumerated
30.24 bargaining unit in this subdivision may organize in the manner set forth in section 179A.09,
30.25 and the commissioner must place special weight on the desires of the petitioning employee
30.26 representatives.

30.27 Sec. 3. Minnesota Statutes 2022, section 179A.11, subdivision 2, is amended to read:

30.28 Subd. 2. **University of Minnesota employee severance.** (a) Each of the following
30.29 groups of University of Minnesota employees has the right, as specified in this subdivision,
30.30 to separate from the instructional and supervisory units: (1) health sciences instructional
30.31 employees at all campuses with the rank of professor, associate professor, assistant professor,
30.32 including research associate, or instructor, including research fellow, (2) instructional
30.33 employees of the law school with the rank of professor, associate professor, assistant

31.1 professor, including research associate, or instructor, including research fellow, (3)
 31.2 instructional supervisors, (4) noninstructional professional supervisors, and (5) academic
 31.3 professional and administrative staff supervisors.

31.4 ~~This~~ (b) The right to separate may be exercised:

31.5 (1) by petition between September 1 and November 1. If a group separates from its unit,
 31.6 it has no right to meet and negotiate, but retains the right to meet and confer with the
 31.7 appropriate officials on any matter of concern to the group. The right to separate must be
 31.8 exercised as follows: An employee organization or group of employees claiming that a
 31.9 majority of any one of these groups of employees on a statewide basis wish to separate from
 31.10 their unit may petition the commissioner for an election during the petitioning period. If the
 31.11 petition is supported by a showing of at least 30 percent support from the employees, the
 31.12 commissioner ~~shall~~ may hold an election on the separation issue or the petitioning group
 31.13 may proceed under the process set forth in section 179A.12. This election must be conducted
 31.14 within 30 days of the close of the petition period. If a majority of votes cast endorse severance
 31.15 from their unit, the commissioner shall certify that result; or

31.16 (2) by the group's exclusion from a proposed unit in a representation petition.

31.17 (c) Where not inconsistent with other provisions of this section, the election is governed
 31.18 by section 179A.12. If a group of employees severs, it may rejoin that unit by following the
 31.19 procedures for severance during the periods for severance.

31.20 Sec. 4. Minnesota Statutes 2022, section 179A.11, is amended by adding a subdivision to
 31.21 read:

31.22 Subd. 3. **Joint bargaining.** Units organized under this section that have elected exclusive
 31.23 bargaining representatives may by mutual agreement jointly negotiate a contract with the
 31.24 regents, or may negotiate separate contracts with the regents. If the exclusive bargaining
 31.25 representatives jointly negotiate a contract with the regents, the contract must be ratified
 31.26 by each unit.

31.27 ARTICLE 7

31.28 MISCELLANEOUS LABOR PROVISIONS

31.29 Section 1. Minnesota Statutes 2023 Supplement, section 116J.871, subdivision 1, as
 31.30 amended by Laws 2024, chapter 85, section 15, is amended to read:

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

32.1 (b) "Economic development" means financial assistance provided to a person directly
32.2 or to a local unit of government or nonprofit organization on behalf of a person who is
32.3 engaged in the manufacture or sale of goods and services. Economic development does not
32.4 include (1) financial assistance for rehabilitation of existing housing; (2) financial assistance
32.5 for new housing construction in which total financial assistance at a single project site is
32.6 less than \$100,000; or (3) financial assistance for the new construction of fully detached
32.7 single-family affordable homeownership units for which the financial assistance covers no
32.8 more than ten fully detached single-family affordable homeownership units. For purposes
32.9 of this paragraph, "affordable homeownership" means housing targeted at households with
32.10 incomes, at initial occupancy, at or below 115 percent of the state or area median income,
32.11 whichever is greater, as determined by the United States Department of Housing and Urban
32.12 Development.

32.13 (c) "Financial assistance" means (1) a grant awarded by a state agency for economic
32.14 development related purposes if a single business receives \$200,000 or more of the grant
32.15 proceeds; (2) a loan or the guaranty or purchase of a loan made by a state agency for
32.16 economic development related purposes if a single business receives \$500,000 or more of
32.17 the loan proceeds; ~~or~~ (3) a reduction, credit, or abatement of a tax assessed under chapter
32.18 297A where the tax reduction, credit, or abatement applies to a geographic area smaller
32.19 than the entire state and was granted for economic development related purposes; (4) tax
32.20 increment financing pursuant to section 469.174, provided that such tax increment financing
32.21 (i) provides financial assistance to a development that consists, in part or in whole, of 25
32.22 units or more of multifamily housing, or (ii) provides \$100,000 or more of financial assistance
32.23 to a development; or (5) allocations of low-income housing credits by all suballocators as
32.24 defined under section 462A.222, for which tax credits are used for multifamily housing
32.25 projects consisting of more than ten units. Financial assistance does not include payments
32.26 by the state of aids and credits under chapter 273 or 477A to a political subdivision.

32.27 (d) "Project site" means the location where improvements are made that are financed in
32.28 whole or in part by the financial assistance; or the location of employees that receive financial
32.29 assistance in the form of employment and training services as defined in section 116L.19,
32.30 subdivision 4, or customized training from a technical college.

32.31 (e) "State agency" means any agency defined under section 16B.01, subdivision 2,
32.32 Enterprise Minnesota, Inc., and the Department of Iron Range Resources and Rehabilitation.

32.33 **EFFECTIVE DATE.** This section is effective for financial assistance provided after
32.34 August 1, 2024, and applies only to tax increment financing districts for which the request
32.35 for certification was made on or after August 1, 2024.

33.1 Sec. 2. Minnesota Statutes 2023 Supplement, section 177.42, subdivision 2, is amended
33.2 to read:

33.3 Subd. 2. **Project.** "Project" means demolition, erection, construction, alteration,
33.4 improvement, restoration, remodeling, or repairing of a public building, structure, facility,
33.5 land, or other public work, which includes any work suitable for and intended for use by
33.6 the public, or for the public benefit, financed in whole or part by state funds. Project also
33.7 includes demolition, erection, construction, alteration, improvement, restoration, remodeling,
33.8 or repairing of a building, structure, facility, land, or public work when:

33.9 (1) the acquisition of property, predesign, design, or demolition is financed in whole or
33.10 part by state funds; or

33.11 (2) the project is owned by a city, county, or school district and the materials and supplies
33.12 used or consumed in and equipment incorporated into the construction, reconstruction,
33.13 upgrade, expansion, renovation, or remodeling of the project qualify for an exemption from
33.14 sales and use tax under chapter 297A or special law.

33.15 Sec. 3. Minnesota Statutes 2022, section 181.960, subdivision 3, is amended to read:

33.16 Subd. 3. **Employer.** "Employer" means a person who has ~~20~~ one or more employees.
33.17 Employer does not include a state agency, statewide system, political subdivision, or advisory
33.18 board or commission that is subject to chapter 13.

33.19 Sec. 4. **RULEMAKING; ACCEPTABLE BLOOD LEAD LEVELS FOR WORKERS.**

33.20 The commissioner of labor and industry, in consultation with the commissioner of health,
33.21 shall adopt rules to:

33.22 (1) lower the acceptable blood lead levels above which require mandatory removal of
33.23 workers from the lead exposure; and

33.24 (2) lower the blood lead levels required before a worker is allowed to return to work.
33.25 The thresholds established must be based on the most recent public health information on
33.26 the safety of lead exposure.

34.1 **ARTICLE 8**34.2 **BROADBAND AND PIPELINE SAFETY**

34.3 Section 1. Minnesota Statutes 2022, section 116J.395, subdivision 6, is amended to read:

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

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

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

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

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

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

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

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

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

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

34.26 (9) leverage greater amounts of funding for the project from other private and public
34.27 sources.

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

35.1 (d) No less than the following percentages of the total border-to-border broadband grant
35.2 funds awarded in the year indicated shall be reserved for applicants that agree to implement
35.3 the workforce best practices as defined in paragraph (e):

35.4 (1) 50 percent in 2024;

35.5 (2) 60 percent in 2025; and

35.6 (3) 70 percent in 2026 and thereafter.

35.7 The applicant's agreement to implement the workforce best practices as defined in paragraph
35.8 (e) must be an express condition of providing the grant in the grant agreement.

35.9 (e) An applicant for a grant under this section is considered to implement workforce
35.10 best practices only if the applicant can demonstrate that:

35.11 (1) there is credible evidence of support for the application and the applicant's workforce
35.12 needs on the project for which the grant is provided from one or more labor,
35.13 labor-management, or other workforce organizations that have a track record of representing
35.14 and advocating for workers or recruiting, training, and securing employment for people of
35.15 color, Indigenous people, women, or people with disabilities in the construction industry;
35.16 and

35.17 (2) all laborers and mechanics performing construction, installation, remodeling, or
35.18 repairs on the project sites for which the grant is provided:

35.19 (i) are paid the prevailing wage rate as defined in section 177.42, subdivision 6, and the
35.20 applicant and all of its construction contractors and subcontractors agree that the payment
35.21 of prevailing wage to such laborers and mechanics is subject to the requirements and
35.22 enforcement provisions under sections 177.27, 177.30, 177.32, 177.41 to 177.435, and
35.23 177.45, which the commissioner of labor and industry shall have the authority to enforce;
35.24 or

35.25 (ii) receive from their employer:

35.26 (A) at least 80 hours of skills training annually, of which at least 40 hours must consist
35.27 of hands-on instruction;

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

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

35.31 (f) In the event that the commissioner does not receive enough qualified applications to
35.32 achieve the standards under paragraph (d), the commissioner shall consult with prospective

36.1 applicants and labor and workforce organizations under paragraph (e), clause (1), to solicit
36.2 additional qualified applications.

36.3 **Sec. 2. [116J.3991] BROADBAND, EQUITY, ACCESS, AND DEPLOYMENT**
36.4 **(BEAD).**

36.5 Subdivision 1. **Implementation.** The commissioner shall implement a Broadband,
36.6 Equity, Access, and Deployment (BEAD) Program that prioritizes applicants for state
36.7 funding that demonstrate the following:

36.8 (1) commitment by the applicant to robust training programs with established
36.9 requirements that are tied to uniform wage scales, job titles, and relevant certifications or
36.10 skill codes;

36.11 (2) use of a directly employed workforce, as opposed to a subcontracted workforce, to
36.12 perform broadband placing, splicing, and maintenance work. Public entity applicants may
36.13 meet this requirement by use of a directly employed workforce or committing to contract
36.14 with an Internet service provider that will use a directly employed workforce;

36.15 (3) commitment to implement workforce best practices under section 116J.395,
36.16 subdivision 6, paragraph (e), on the project or projects for which the applicant seeks public
36.17 funding; and

36.18 (4) commitment to retaining a locally based workforce and establishing programs to
36.19 promote training and hiring pipelines for underrepresented communities.

36.20 Subd. 2. **Project evaluation.** In projects funded by the BEAD Program, the criteria
36.21 under subdivision 1 and section 116J.395, subdivision 6, paragraph (e), shall receive a
36.22 priority point allocation in the point scheme for project applications, such that these criteria
36.23 shall, together with points awarded for labor law compliance, constitute no fewer than 25
36.24 points of the evaluation scheme, out of 100. No fewer than 20 points must be based on an
36.25 applicant's forward-looking commitments regarding implementation of workforce best
36.26 practices and other commitments listed in this section.

36.27 Subd. 3. **Disclosures.** Applicants' disclosures responding to the criteria in subdivision
36.28 1 and section 116J.395, subdivision 6, paragraph (e), must be publicly available on the
36.29 department website, and all workforce commitments made under this section and section
36.30 116J.395 shall become enforceable, certified commitments and conditions of the grant.

36.31 Subd. 4. **Workforce plan data.** (a) Grantees in projects funded by the program under
36.32 this section and section 116J.395 are required to provide in biannual reports information
36.33 on their workforce, including:

37.1 (1) whether the workforce will be directly employed by the grantee or the Internet service
37.2 provider or whether work will be performed by a subcontracted workforce;

37.3 (2) the entities that the contractor plans to subcontract with in carrying out the proposed
37.4 work, if any, and the entity employing the workforce in each job title;

37.5 (3) the job titles and size of the workforce, including the number of full-time equivalent
37.6 positions that are required to carry out the proposed work over the course of the project;

37.7 (4) for each job title required to carry out the proposed work, a description of wages,
37.8 benefits, applicable wage scales including overtime rates, and a description of how wages
37.9 are calculated; and

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

37.11 (b) Following an award, the workforce plan and the requirement to submit ongoing
37.12 workforce reports shall be incorporated as material conditions of the contract with the
37.13 department and become enforceable, certified commitments. The commissioner must conduct
37.14 regular reviews to assure compliance and take appropriate measures for enforcement.

37.15 Subd. 5. **Failure to meet requirements or falsification of data.** If successful applicants
37.16 fail to meet the program requirements under this section, or otherwise falsify information
37.17 regarding such requirements, the commissioner shall investigate the failure and issue an
37.18 appropriate action, up to and including a determination that the applicant is ineligible for
37.19 future participation in broadband grant programs funded by the department.

37.20 Subd. 6. **Federal grant requirements.** The commissioner shall have authority not to
37.21 enforce or apply any requirement of this section to the extent that the requirement would
37.22 prevent the state from receiving federal broadband grant funding.

37.23 Sec. 3. **[181.912] UNDERGROUND TELECOMMUNICATIONS**
37.24 **INFRASTRUCTURE.**

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

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

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

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

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

38.4 Subd. 2. **Installation requirements.** The installation of underground telecommunications
38.5 infrastructure that is located within ten feet of existing underground utilities or that crosses
38.6 said utilities must be performed by safety-qualified underground telecommunications
38.7 installers as follows:

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

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

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

38.16 Subd. 3. **Certification Standards.** (a) The commissioner of labor and industry shall
38.17 approve standards for a safety-qualified underground telecommunications installer
38.18 certification program that requires a person to:

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

38.21 (i) regulations applicable to excavation near existing utilities;

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

38.24 (iii) response to line strike incidents;

38.25 (iv) traffic control procedures;

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

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

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

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

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

39.7 Sec. 4. Minnesota Statutes 2022, section 216B.17, is amended by adding a subdivision to
39.8 read:

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

39.16 (b) For purposes of this subdivision:

39.17 (1) "telecommunications carrier" has the meaning given in section 237.01, subdivision
39.18 6;

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

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

39.22 Sec. 5. Minnesota Statutes 2022, section 299J.01, is amended to read:

39.23 **299J.01 AUTHORITY OF OFFICE OF PIPELINE SAFETY.**

39.24 The commissioner of public safety shall, to the extent authorized by agreement with the
39.25 United States Secretary of Transportation, act as agent for the United States Secretary of
39.26 Transportation to implement the federal Hazardous Liquid Pipeline Safety Act, ~~United~~
39.27 ~~States Code, title 49, sections 2001 to 2014, the federal~~ and Natural Gas Pipeline Safety
39.28 ~~Act acts, United States Code, title 49, sections 1671 to 1686~~ 60101 to 60141, and federal
39.29 pipeline safety regulations with respect to interstate pipelines located within this state. The
39.30 commissioner shall, to the extent authorized by federal law, regulate pipelines in the state
39.31 as authorized by sections 299J.01 to 299J.17 and 299F.56 to 299F.641.

40.1 Sec. 6. Minnesota Statutes 2022, section 299J.02, is amended by adding a subdivision to
40.2 read:

40.3 Subd. 14. Utility corridor. "Utility corridor" means land that contains access to
40.4 above-ground utility infrastructure or an underground facility as defined in section 216D.01,
40.5 subdivision 11.

40.6 Sec. 7. Minnesota Statutes 2022, section 299J.04, subdivision 2, is amended to read:

40.7 Subd. 2. **Delegated duties.** (a) The commissioner shall seek and accept federal
40.8 designation of the office's pipeline inspectors as federal agents for the purposes of
40.9 enforcement of the federal Hazardous Liquid Pipeline Safety Act, ~~United States Code, title~~
40.10 ~~49, sections 2001 to 2014, the federal~~ and Natural Gas Pipeline Safety Act acts, United
40.11 States Code, title 49, sections ~~1671 to 1686~~ 60101 to 60141, and federal rules adopted to
40.12 implement those acts. The commissioner shall establish and submit to the United States
40.13 Secretary of Transportation an inspection program that complies with requirements for
40.14 delegated interstate agent inspection authority.

40.15 (b) To the extent that federal delegation of interstate agent inspection authority permits,
40.16 the inspection program for interstate pipelines and LNG facilities must be the same as the
40.17 inspection program for intrastate pipelines and LNG facilities. If the United States Secretary
40.18 of Transportation delegates inspection authority to the state as provided in this subdivision,
40.19 the commissioner, at a minimum, shall do the following to carry out the delegated federal
40.20 authority:

40.21 (1) inspect pipelines and LNG facilities periodically as specified in the inspection
40.22 program;

40.23 (2) collect inspection fees;

40.24 (3) order and oversee the testing of pipelines and LNG facilities as authorized by federal
40.25 law and regulations; and

40.26 (4) file reports with the United States Secretary of Transportation as required to maintain
40.27 the delegated inspection authority.

40.28 Sec. 8. Minnesota Statutes 2022, section 299J.11, is amended to read:

40.29 **299J.11 ADOPTION OF FEDERAL PIPELINE INSPECTION RULES.**

40.30 (a) To enable the state to act as an agent of the United States Secretary of Transportation
40.31 and to qualify for annual federal certification to enforce the federal pipeline inspection

41.1 program authorized by the Hazardous Liquid Pipeline Safety Act, ~~United States Code, title~~
41.2 ~~49, sections 2001 to 2014, the federal~~ and Natural Gas Pipeline Safety Act acts, United
41.3 States Code, title 49, sections ~~1671 to 1686~~ 60101 to 60141, and the rules implementing
41.4 those acts, the federal pipeline inspection rules and safety standards, and regulations and
41.5 standards that may be adopted that amend them, are adopted.

41.6 (b) An individual or contractor performing construction or maintenance work within 20
41.7 feet of a utility corridor must comply with the operator qualification rules set forth in Code
41.8 of Federal Regulations, title 49, parts 192, subpart N, and 195, subpart G.

41.9 (c) An individual or contractor performing construction or maintenance work within 20
41.10 feet of a utility corridor must comply with the workplace drug and alcohol testing rules set
41.11 forth in Code of Federal Regulations, title 49, part 40.

41.12 Sec. 9. **REPEALER.**

41.13 Minnesota Statutes 2022, section 116J.398, is repealed.

41.14 ARTICLE 9

41.15 EMPLOYEE MISCLASSIFICATION PROHIBITED

41.16 Section 1. Minnesota Statutes 2023 Supplement, section 177.27, subdivision 1, is amended
41.17 to read:

41.18 Subdivision 1. **Examination of records.** The commissioner may enter during reasonable
41.19 office hours or upon request and inspect the place of business or employment of any employer
41.20 of employees working in the state, to examine and inspect books, registers, payrolls, and
41.21 other records of any employer that in any way relate to wages, hours, and other conditions
41.22 of employment of any employees. The commissioner may transcribe any or all of the books,
41.23 registers, payrolls, and other records as the commissioner deems necessary or appropriate
41.24 and may question the employer, employees, and other persons to ascertain compliance with
41.25 any of the sections 177.21 to 177.435 and 181.165 listed in subdivision 4. The commissioner
41.26 may investigate wage claims or complaints by an employee against an employer if the failure
41.27 to pay a wage may violate Minnesota law or an order or rule of the department.

41.28 Sec. 2. Minnesota Statutes 2023 Supplement, section 177.27, subdivision 2, is amended
41.29 to read:

41.30 Subd. 2. **Submission of records; penalty.** The commissioner may require the employer
41.31 of employees working in the state to submit to the commissioner photocopies, certified

42.1 copies, or, if necessary, the originals of ~~employment~~ records that relate to employment or
42.2 employment status which the commissioner deems necessary or appropriate. The records
42.3 which may be required include full and correct statements in writing, including sworn
42.4 statements by the employer, containing information relating to wages, hours, names,
42.5 addresses, and any other information pertaining to the employer's employees and the
42.6 conditions of their employment as the commissioner deems necessary or appropriate.

42.7 The commissioner may require the records to be submitted by certified mail delivery
42.8 or, if necessary, by personal delivery by the employer or a representative of the employer,
42.9 as authorized by the employer in writing.

42.10 The commissioner may fine the employer up to \$10,000 for each failure to submit or
42.11 deliver records as required by this section. This penalty is in addition to any penalties
42.12 provided under section 177.32, subdivision 1. In determining the amount of a civil penalty
42.13 under this subdivision, the appropriateness of such penalty to the size of the employer's
42.14 business and the gravity of the violation shall be considered.

42.15 Sec. 3. Minnesota Statutes 2022, section 177.27, subdivision 3, is amended to read:

42.16 Subd. 3. **Adequacy of records.** If the records maintained by the employer do not provide
42.17 sufficient information to determine the exact amount of back wages due an employee, the
42.18 commissioner may make a determination of wages due based on available evidence ~~and~~
42.19 ~~mediate a settlement with the employer.~~

42.20 Sec. 4. Minnesota Statutes 2023 Supplement, section 177.27, subdivision 4, is amended
42.21 to read:

42.22 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an
42.23 employer to comply with sections 177.21 to 177.435, 179.86, 181.02, 181.03, 181.031,
42.24 181.032, 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.165, 181.172, paragraph
42.25 (a) or (d), 181.214 to 181.217, 181.275, subdivision 2a, 181.635, 181.722, 181.723, 181.79,
42.26 181.85 to 181.89, 181.939 to 181.943, 181.9445 to 181.9448, 181.987, 181.991, 268B.09,
42.27 subdivisions 1 to 6, and 268B.14, subdivision 3, with any rule promulgated under section
42.28 177.28, 181.213, or 181.215. The commissioner shall issue an order requiring an employer
42.29 to comply with sections 177.41 to 177.435, 181.165, or 181.987 if the violation is repeated.
42.30 For purposes of this subdivision only, a violation is repeated if at any time during the two
42.31 years that preceded the date of violation, the commissioner issued an order to the employer
42.32 for violation of sections 177.41 to 177.435, 181.165, or 181.987 and the order is final or
42.33 the commissioner and the employer have entered into a settlement agreement that required

43.1 the employer to pay back wages that were required by sections 177.41 to 177.435. The
43.2 department shall serve the order upon the employer or the employer's authorized
43.3 representative in person or by certified mail at the employer's place of business. An employer
43.4 who wishes to contest the order must file written notice of objection to the order with the
43.5 commissioner within 15 calendar days after being served with the order. A contested case
43.6 proceeding must then be held in accordance with sections 14.57 to 14.69 or 181.165. If,
43.7 within 15 calendar days after being served with the order, the employer fails to file a written
43.8 notice of objection with the commissioner, the order becomes a final order of the
43.9 commissioner. For the purposes of this subdivision, an employer includes a contractor that
43.10 has assumed a subcontractor's liability within the meaning of section 181.165.

43.11 Sec. 5. Minnesota Statutes 2023 Supplement, section 177.27, subdivision 7, is amended
43.12 to read:

43.13 Subd. 7. **Employer liability.** If an employer is found by the commissioner to have
43.14 violated a section identified in subdivision 4, or any rule adopted under section 177.28,
43.15 181.213, or 181.215, and the commissioner issues an order to comply, the commissioner
43.16 shall order the employer to cease and desist from engaging in the violative practice and to
43.17 take such affirmative steps that in the judgment of the commissioner will effectuate the
43.18 purposes of the section or rule violated. In addition to remedies, damages, and penalties
43.19 provided for in the violated section, the commissioner shall order the employer to pay to
43.20 the aggrieved parties back pay, gratuities, and compensatory damages, less any amount
43.21 actually paid to the ~~employee~~ aggrieved parties by the employer, and for an additional equal
43.22 amount as liquidated damages. Any employer who is found by the commissioner to have
43.23 repeatedly or willfully violated a section or sections identified in subdivision 4 shall be
43.24 subject to ~~a~~ an additional civil penalty of up to \$10,000 for each violation for each employee.
43.25 In determining the amount of a civil penalty under this subdivision, the appropriateness of
43.26 such penalty to the size of the employer's business and the gravity of the violation shall be
43.27 considered. In addition, the commissioner may order the employer to reimburse the
43.28 department and the attorney general for all appropriate litigation and hearing costs expended
43.29 in preparation for and in conducting the contested case proceeding, unless payment of costs
43.30 would impose extreme financial hardship on the employer. If the employer is able to establish
43.31 extreme financial hardship, then the commissioner may order the employer to pay a
43.32 percentage of the total costs that will not cause extreme financial hardship. Costs include
43.33 but are not limited to the costs of services rendered by the attorney general, private attorneys
43.34 if engaged by the department, administrative law judges, court reporters, and expert witnesses
43.35 as well as the cost of transcripts. Interest shall accrue on, and be added to, the unpaid balance

44.1 of a commissioner's order from the date the order is signed by the commissioner until it is
 44.2 paid, at an annual rate provided in section 549.09, subdivision 1, paragraph (c). The
 44.3 commissioner may establish escrow accounts for purposes of distributing remedies and
 44.4 damages.

44.5 Sec. 6. Minnesota Statutes 2022, section 181.171, subdivision 1, is amended to read:

44.6 Subdivision 1. **Civil action; damages.** A person may bring a civil action seeking redress
 44.7 for violations of sections 181.02, 181.03, 181.031, 181.032, 181.08, 181.09, 181.10, 181.101,
 44.8 181.11, 181.13, 181.14, 181.145, ~~and 181.15,~~ 181.722, and 181.723 directly to district court.
 44.9 An employer who is found to have violated the above sections is liable to the aggrieved
 44.10 party for the civil penalties or damages provided for in the section violated. An employer
 44.11 who is found to have violated the above sections shall also be liable for compensatory
 44.12 damages and other appropriate relief including but not limited to injunctive relief.

44.13 Sec. 7. Minnesota Statutes 2022, section 181.722, is amended to read:

44.14 **181.722 MISREPRESENTATION MISCLASSIFICATION OF EMPLOYMENT**
 44.15 **RELATIONSHIP PROHIBITED EMPLOYEES.**

44.16 Subdivision 1. ~~Prohibition~~ **Prohibited activities related to employment status.** ~~No~~
 44.17 ~~employer shall misrepresent the nature of its employment relationship with its employees~~
 44.18 ~~to any federal, state, or local government unit; to other employers; or to its employees. An~~
 44.19 ~~employer misrepresents the nature of its employment relationship with its employees if it~~
 44.20 ~~makes any statement regarding the nature of the relationship that the employer knows or~~
 44.21 ~~has reason to know is untrue and if it fails to report individuals as employees when legally~~
 44.22 ~~required to do so.~~

44.23 (a) A person shall not:

44.24 (1) fail to classify, represent, or treat an individual who is the person's employee pursuant
 44.25 to subdivision 3 as an employee in accordance with the requirements of any applicable local,
 44.26 state, or federal law. A violation under this clause is in addition to any violation of local,
 44.27 state, or federal law;

44.28 (2) fail to report or disclose to any person or to any local, state, or federal government
 44.29 agency an individual who is the person's employee pursuant to subdivision 3 as an employee
 44.30 when required to do so under any applicable local, state, or federal law. Each failure to
 44.31 report or disclose an individual as an employee shall constitute a separate violation of this
 44.32 clause; or

45.1 (3) require or request an individual who is the person's employee pursuant to subdivision
45.2 3 to enter into any agreement or complete any document that misclassifies, misrepresents,
45.3 or treats the individual as an independent contractor or otherwise does not reflect that the
45.4 individual is the person's employee pursuant to subdivision 3. Each agreement or completed
45.5 document constitutes a separate violation of this provision.

45.6 (b) An owner, partner, principal, member, officer, or agent, on behalf of the person, who
45.7 engaged in any of the prohibited activities in this subdivision may be held individually
45.8 liable.

45.9 (c) An order issued by the commissioner to a person for engaging in any of the prohibited
45.10 activities in this subdivision is in effect against any successor person. A person is a successor
45.11 person if the person shares three or more of the following with the person to whom the order
45.12 was issued:

45.13 (1) has one or more of the same owners, members, principals, officers, or managers;

45.14 (2) performs similar work within the state of Minnesota;

45.15 (3) has one or more of the same telephone or fax numbers;

45.16 (4) has one or more of the same email addresses or websites;

45.17 (5) employs or engages substantially the same individuals to provide or perform services;

45.18 (6) utilizes substantially the same vehicles, facilities, or equipment; or

45.19 (7) lists or advertises substantially the same project experience and portfolio of work.

45.20 Subd. 1a. **Definitions.** (a) "Person" means any individual, sole proprietor, limited liability
45.21 company, limited liability partnership, corporation, partnership, incorporated or
45.22 unincorporated association, joint stock company, or any other legal or commercial entity.

45.23 (b) "Department" means the Department of Labor and Industry.

45.24 (c) "Commissioner" means the commissioner of labor and industry or a duly designated
45.25 representative of the commissioner who is either an employee of the Department of Labor
45.26 and Industry or a person working under contract with the Department of Labor and Industry.

45.27 (d) "Individual" means a human being.

45.28 ~~Subd. 2. **Agreements to misclassify prohibited.** No employer shall require or request~~
45.29 ~~any employee to enter into any agreement, or sign any document, that results in~~
45.30 ~~misclassification of the employee as an independent contractor or otherwise does not~~
45.31 ~~accurately reflect the employment relationship with the employer.~~

46.1 Subd. 3. **Determination of employment relationship.** For purposes of this section, the
46.2 nature of an employment relationship is determined using the same tests and in the same
46.3 manner as employee status is determined under the applicable workers' compensation ~~and~~
46.4 or unemployment insurance program laws and rules.

46.5 Subd. 4. ~~Civil remedy~~ **Damages and penalties.** ~~A construction worker, as defined in~~
46.6 ~~section 179.254, who is not an independent contractor and has been injured by a violation~~
46.7 ~~of this section, may bring a civil action for damages against the violator. If the construction~~
46.8 ~~worker injured is an employee of the violator of this section, the employee's representative,~~
46.9 ~~as defined in section 179.01, subdivision 5, may bring a civil action for damages against~~
46.10 ~~the violator on behalf of the employee. The court may award attorney fees, costs, and~~
46.11 ~~disbursements to a construction worker recovering under this section.~~

46.12 (a) The following damages and penalties may be imposed for a violation of this section:

46.13 (1) compensatory damages to the individual the person has failed to classify, represent,
46.14 or treat as an employee pursuant to subdivision 3. Compensatory damages includes but is
46.15 not limited to the value of supplemental pay including minimum wage; overtime; shift
46.16 differentials; vacation pay, sick pay, and other forms of paid time off; health insurance; life
46.17 and disability insurance; retirement plans; savings plans and any other form of benefit;
46.18 employer contributions to unemployment insurance; Social Security and Medicare; and any
46.19 costs and expenses incurred by the individual resulting from the person's failure to classify,
46.20 represent, or treat the individual as an employee;

46.21 (2) a penalty of up to \$10,000 for each individual the person failed to classify, represent,
46.22 or treat as an employee pursuant to subdivision 3;

46.23 (3) a penalty of up to \$10,000 for each violation of subdivision 1; and

46.24 (4) a penalty of \$1,000 for each person who delays, obstructs, or otherwise fails to
46.25 cooperate with the commissioner's investigation. Each day of delay, obstruction, or failure
46.26 to cooperate constitutes a separate violation.

46.27 (b) This section may be investigated and enforced under the commissioner's authority
46.28 under state law.

46.29 Subd. 5. **Reporting of violations.** Any court finding that a violation of this section has
46.30 occurred shall transmit a copy of its findings of fact and conclusions of law to the
46.31 commissioner of labor and industry. The commissioner of labor and industry shall report
46.32 the finding to relevant local, state, and federal agencies, including the commissioner of

47.1 commerce, the commissioner of employment and economic development, the commissioner
47.2 of revenue, the federal Internal Revenue Service, and the United States Department of Labor.

47.3 Sec. 8. Minnesota Statutes 2022, section 181.723, is amended to read:

47.4 **181.723 MISCLASSIFICATION OF CONSTRUCTION CONTRACTORS**
47.5 **EMPLOYEES.**

47.6 Subdivision 1. **Definitions.** The definitions in this subdivision apply to this section.

47.7 (a) "Person" means any individual, sole proprietor, limited liability company, limited
47.8 liability partnership, corporation, partnership, incorporated or unincorporated association,
47.9 ~~sole proprietorship~~, joint stock company, or any other legal or commercial entity.

47.10 (b) "Department" means the Department of Labor and Industry.

47.11 (c) "Commissioner" means the commissioner of labor and industry or a duly designated
47.12 representative of the commissioner who is either an employee of the Department of Labor
47.13 and Industry or person working under contract with the Department of Labor and Industry.

47.14 (d) "Individual" means a human being.

47.15 (e) "Day" means calendar day unless otherwise provided.

47.16 (f) "Knowingly" means knew or could have known with the exercise of reasonable
47.17 diligence.

47.18 (g) "Business entity" means a person ~~other than an individual or a sole proprietor~~ as that
47.19 term is defined in paragraph (a), except the term does not include an individual.

47.20 (h) "Independent contractor" means a business entity that meets all the requirements
47.21 under subdivision 4, paragraph (a).

47.22 Subd. 2. **Limited application.** This section only applies to ~~individuals~~ persons providing
47.23 or performing public or private sector commercial or residential building construction or
47.24 improvement services. Building construction and or improvement services do not include
47.25 all public or private sector commercial or residential building construction or improvement
47.26 services except for: (1) the manufacture, supply, or sale of products, materials, or
47.27 merchandise; (2) landscaping services for the maintenance or removal of existing plants,
47.28 shrubs, trees, and other vegetation, whether or not the services are provided as part of a
47.29 contract for the building construction or improvement services; and (3) all other landscaping
47.30 services, unless the other landscaping services are provided as part of a contract for the
47.31 building construction or improvement services.

48.1 Subd. 3. **Employee-employer relationship.** Except as provided in subdivision 4, for
48.2 purposes of chapters 176, 177, 181, 181A, 182, ~~and 268, as of January 1, 2009~~ and 326B,
48.3 an individual who provides or performs building construction or improvement services for
48.4 a person that are in the course of the person's trade, business, profession, or occupation is
48.5 an employee of that person and that person is an employer of the individual.

48.6 Subd. 4. **Independent contractor.** (a) An individual is an independent contractor and
48.7 not an employee of the person for whom the individual is providing or performing services
48.8 in the course of the person's trade, business, profession, or occupation only if the individual
48.9 is operating as a business entity that meets all of the following requirements at the time the
48.10 services were provided or performed:

48.11 ~~(1) maintains a separate business with the individual's own office, equipment, materials,~~
48.12 ~~and other facilities;~~

48.13 ~~(2)(i) holds or has applied for a federal employer identification number or (ii) has filed~~
48.14 ~~business or self-employment income tax returns with the federal Internal Revenue Service~~
48.15 ~~if the individual has performed services in the previous year;~~

48.16 ~~(3) is operating under contract to perform the specific services for the person for specific~~
48.17 ~~amounts of money and under which the individual controls the means of performing the~~
48.18 ~~services;~~

48.19 ~~(4) is incurring the main expenses related to the services that the individual is performing~~
48.20 ~~for the person under the contract;~~

48.21 ~~(5) is responsible for the satisfactory completion of the services that the individual has~~
48.22 ~~contracted to perform for the person and is liable for a failure to complete the services;~~

48.23 ~~(6) receives compensation from the person for the services performed under the contract~~
48.24 ~~on a commission or per-job or competitive bid basis and not on any other basis;~~

48.25 ~~(7) may realize a profit or suffer a loss under the contract to perform services for the~~
48.26 ~~person;~~

48.27 ~~(8) has continuing or recurring business liabilities or obligations; and~~

48.28 ~~(9) the success or failure of the individual's business depends on the relationship of~~
48.29 ~~business receipts to expenditures.~~

48.30 ~~An individual who is not registered, if required by section 326B.701, is presumed to be~~
48.31 ~~an employee of a person for whom the individual performs services in the course of the~~
48.32 ~~person's trade, business, profession, or occupation. The person for whom the services were~~

49.1 ~~performed may rebut this presumption by showing that the unregistered individual met all~~
49.2 ~~nine factors in this paragraph at the time the services were performed.~~

49.3 ~~(b) If an individual is an owner or partial owner of a business entity, the individual is~~
49.4 ~~an employee of the person for whom the individual is performing services in the course of~~
49.5 ~~the person's trade, business, profession, or occupation, and is not an employee of the business~~
49.6 ~~entity in which the individual has an ownership interest, unless:~~

49.7 ~~(1) the business entity meets the nine factors in paragraph (a);~~

49.8 ~~(2) invoices and payments are in the name of the business entity; and~~

49.9 ~~(3) the business entity is registered with the secretary of state, if required.~~

49.10 ~~If the business entity in which the individual has an ownership interest is not registered,~~
49.11 ~~if required by section 326B.701, the individual is presumed to be an employee of a person~~
49.12 ~~for whom the individual performs services and not an employee of the business entity in~~
49.13 ~~which the individual has an ownership interest. The person for whom the services were~~
49.14 ~~performed may rebut the presumption by showing that the business entity met the~~
49.15 ~~requirements of clauses (1) to (3) at the time the services were performed.~~

49.16 ~~(1) was established and maintained separately from and independently of the person for~~
49.17 ~~whom the services were provided or performed;~~

49.18 ~~(2) owns, rents, or leases equipment, tools, vehicles, materials, supplies, office space,~~
49.19 ~~or other facilities that are used by the business entity to provide or perform building~~
49.20 ~~construction or improvement services;~~

49.21 ~~(3) provides or performs, or offers to provide or perform, the same or similar building~~
49.22 ~~construction or improvement services for multiple persons or the general public;~~

49.23 ~~(4) is in compliance with all of the following:~~

49.24 ~~(i) holds a federal employer identification number if required by federal law;~~

49.25 ~~(ii) holds a Minnesota tax identification number if required by Minnesota law;~~

49.26 ~~(iii) has received and retained 1099 forms for income received for building construction~~
49.27 ~~or improvement services provided or performed, if required by Minnesota or federal law;~~

49.28 ~~(iv) has filed business or self-employment income tax returns, including estimated tax~~
49.29 ~~filings, with the federal Internal Revenue Service and the Department of Revenue, as the~~
49.30 ~~business entity or as a self-employed individual reporting income earned, for providing or~~
49.31 ~~performing building construction or improvement services, if any, in the previous 12 months;~~
49.32 ~~and~~

50.1 (v) has completed and provided a W-9 federal income tax form to the person for whom
50.2 the services were provided or performed if required by federal law;

50.3 (5) is in good standing as defined by section 5.26 and, if applicable, has a current
50.4 certificate of good standing issued by the secretary of state pursuant to section 5.12;

50.5 (6) has a Minnesota unemployment insurance account if required by chapter 268;

50.6 (7) has obtained required workers' compensation insurance coverage if required by
50.7 chapter 176;

50.8 (8) holds current business licenses, registrations, and certifications if required by chapter
50.9 326B and sections 327.31 to 327.36;

50.10 (9) is operating under a written contract to provide or perform the specific services for
50.11 the person that:

50.12 (i) is signed and dated by both an authorized representative of the business entity and
50.13 of the person for whom the services are being provided or performed;

50.14 (ii) is fully executed no later than 30 days after the date work commences;

50.15 (iii) identifies the specific services to be provided or performed under the contract;

50.16 (iv) provides for compensation from the person for the services provided or performed
50.17 under the contract on a commission or per-job or competitive bid basis and not on any other
50.18 basis; and

50.19 (v) the requirements of item (ii) shall not apply to change orders;

50.20 (10) submits invoices and receives payments for completion of the specific services
50.21 provided or performed under the written proposal, contract, or change order in the name of
50.22 the business entity. Payments made in cash do not meet this requirement;

50.23 (11) the terms of the written proposal, contract, or change order provide the business
50.24 entity control over the means of providing or performing the specific services, and the
50.25 business entity in fact controls the provision or performance of the specific services;

50.26 (12) incurs the main expenses and costs related to providing or performing the specific
50.27 services under the written proposal, contract, or change order;

50.28 (13) is responsible for the completion of the specific services to be provided or performed
50.29 under the written proposal, contract, or change order and is responsible, as provided under
50.30 the written proposal, contract, or change order, for failure to complete the specific services;
50.31 and

51.1 (14) may realize additional profit or suffer a loss, if costs and expenses to provide or
51.2 perform the specific services under the written proposal, contract, or change order are less
51.3 than or greater than the compensation provided under the written proposal, contract, or
51.4 change order.

51.5 (b)(1) Any individual providing or performing the services as or for a business entity is
51.6 an employee of the person who engaged the business entity and is not an employee of the
51.7 business entity, unless the business entity meets all of the requirements under subdivision
51.8 4, paragraph (a).

51.9 (2) Any individual who is determined to be the person's employee is acting as an agent
51.10 of and in the interest of the person when engaging any other individual or business entity
51.11 to provide or perform any portion of the services that the business entity was engaged by
51.12 the person to provide or perform.

51.13 (3) Any individual engaged by an employee of the person, at any tier under the person,
51.14 is also the person's employee, unless the individual is providing or performing the services
51.15 as or for a business entity that meets the requirements of subdivision 4, paragraph (a).

51.16 (4) Clauses (1) to (3) do not create an employee-employer relationship between a person
51.17 and an employee at any tier under the person if there is an intervening business entity in the
51.18 contractual chain that meets the requirements of subdivision 4, paragraph (a).

51.19 **Subd. 7. Prohibited activities related to independent contractor status.** (a) The
51.20 prohibited activities in ~~this subdivision~~ paragraphs (b) and (c) are in addition to ~~those the~~
51.21 activities prohibited in sections 326B.081 to 326B.085.

51.22 (b) An individual providing or performing building construction or improvement services
51.23 shall not hold himself or herself out represent themselves as an independent contractor
51.24 unless the individual is operating as a business entity that meets all the requirements of
51.25 subdivision 4, paragraph (a).

51.26 (c) A person who provides or performs building construction or improvement services
51.27 in the course of the person's trade, business, occupation, or profession shall not:

51.28 (1) as a condition of payment for services provided or performed, require an individual
51.29 ~~through coercion, misrepresentation, or fraudulent means,~~ who is an employee pursuant to
51.30 this section, to register as a construction contractor under section 326B.701, or to adopt or
51.31 agree to being classified, represented, or treated as an independent contractor ~~status~~ or form
51.32 a business entity. Each instance of conditioning payment to an individual who is an employee
51.33 on one of these conditions shall constitute a separate violation of this provision;

52.1 ~~(2) knowingly misrepresent or misclassify an individual as an independent contractor;~~
52.2 fail to classify, represent, or treat an individual who is an employee pursuant to this section
52.3 as an employee in accordance with the requirements of any of the chapters listed in
52.4 subdivision 3. Failure to classify, represent, or treat an individual who is an employee
52.5 pursuant to this section as an employee in accordance with each requirement of a chapter
52.6 listed in subdivision 3 shall constitute a separate violation of this provision;

52.7 (3) fail to report or disclose to any person or to any local, state, or federal government
52.8 agency an individual who is an employee pursuant to subdivision 3, as an employee when
52.9 required to do so under any applicable local, state, or federal law. Each failure to report or
52.10 disclose an individual as an employee shall constitute a separate violation of this provision;

52.11 (4) require or request an individual who is an employee pursuant to this section to enter
52.12 into any agreement or complete any document that misclassifies, misrepresents, or treats
52.13 the individual as an independent contractor or otherwise does not reflect that the individual
52.14 is an employee pursuant to this section. Each agreement or completed document shall
52.15 constitute a separate violation of this provision; or

52.16 (5) require an individual who is an employee under this section to register under section
52.17 326B.701.

52.18 (d) In addition to the person providing or performing building construction or
52.19 improvement services in the course of the person's trade, business, occupation, or profession,
52.20 any owner, partner, principal, member, officer, or agent who engaged in any of the prohibited
52.21 activities in this subdivision may be held individually liable.

52.22 (e) An order issued by the commissioner to a person for engaging in any of the prohibited
52.23 activities in this subdivision is in effect against any successor person. A person is a successor
52.24 person if the person shares three or more of the following with the person to whom the order
52.25 was issued:

52.26 (1) has one or more of the same owners, members, principals, officers, or managers;

52.27 (2) performs similar work within the state of Minnesota;

52.28 (3) has one or more of the same telephone or fax numbers;

52.29 (4) has one or more of the same email addresses or websites;

52.30 (5) employs or engages substantially the same individuals to provide or perform building
52.31 construction or improvement services;

52.32 (6) utilizes substantially the same vehicles, facilities, or equipment; or

53.1 (7) lists or advertises substantially the same project experience and portfolio of work.

53.2 (f) If a person who has engaged an individual to provide or perform building construction
53.3 or improvement services that are in the course of the person's trade, business, profession,
53.4 or occupation, classifies, represents, treats, reports, or discloses the individual as an
53.5 independent contractor, the person shall maintain, for at least three years, and in a manner
53.6 that may be readily produced to the commissioner upon demand, all the information and
53.7 documentation upon which the person based the determination that the individual met all
53.8 the requirements under subdivision 4, paragraph (a), at the time the individual was engaged
53.9 and at the time the services were provided or performed.

53.10 (g) The following damages and penalties may be imposed for a violation of this section:

53.11 (1) compensatory damages to the individual the person failed to classify, represent, or
53.12 treat as an employee pursuant to this section. Compensatory damages include but are not
53.13 limited to the value of supplemental pay including minimum wage; overtime; shift
53.14 differentials; vacation pay; sick pay; and other forms of paid time off; health insurance; life
53.15 and disability insurance; retirement plans; saving plans and any other form of benefit;
53.16 employer contributions to unemployment insurance; Social Security and Medicare and any
53.17 costs and expenses incurred by the individual resulting from the person's failure to classify,
53.18 represent, or treat the individual as an employee;

53.19 (2) a penalty of up to \$10,000 for each individual the person failed to classify, represent,
53.20 or treat as an employee pursuant to this section;

53.21 (3) a penalty of up to \$10,000 for each violation of this subdivision; and

53.22 (4) a penalty of \$1,000 for any person who delays, obstructs, or otherwise fails to
53.23 cooperate with the commissioner's investigation. Each day of delay, obstruction, or failure
53.24 to cooperate constitutes a separate violation.

53.25 (h) This section may be investigated and enforced under the commissioner's authority
53.26 under state law.

53.27 Subd. 13. **Rulemaking.** The commissioner may, in consultation with the commissioner
53.28 of revenue and the commissioner of employment and economic development, adopt, amend,
53.29 suspend, and repeal rules under the rulemaking provisions of chapter 14 that relate to the
53.30 commissioner's responsibilities under this section. ~~This subdivision is effective May 26,~~
53.31 ~~2007.~~

53.32 Subd. 15. **Notice and review by commissioners of revenue and employment and**
53.33 **economic development.** When the commissioner has reason to believe that a person has

54.1 violated subdivision 7, ~~paragraph (b); or (c), clause (1) or (2)~~; the commissioner must notify
54.2 the commissioner of revenue and the commissioner of employment and economic
54.3 development. Upon receipt of notification from the commissioner, the commissioner of
54.4 revenue must review the information returns required under section 6041A of the Internal
54.5 Revenue Code. The commissioner of revenue shall also review the submitted certification
54.6 that is applicable to returns audited or investigated under section 289A.35.

54.7 **EFFECTIVE DATE.** This section is effective August 1, 2024, except that the
54.8 amendments to subdivision 4 are effective for contracts entered into on or after that date
54.9 and for all building construction or improvement services provided or performed on or after
54.10 January 1, 2025.

54.11 **Sec. 9. [181.724] INTERGOVERNMENTAL MISCLASSIFICATION**
54.12 **ENFORCEMENT AND EDUCATION PARTNERSHIP ACT.**

54.13 Subdivision 1. **Citation.** This section and section 181.725 may be cited as the
54.14 "Intergovernmental Misclassification Enforcement and Education Partnership Act."

54.15 Subd. 2. **Policy and statement of purpose.** It is the policy of the state of Minnesota to
54.16 prevent employers from misclassifying workers, because employee misclassification allows
54.17 an employer to illegally evade obligations under state labor, employment, and tax laws,
54.18 including but not limited to the laws governing minimum wage, overtime, unemployment
54.19 insurance, paid family medical leave, earned sick and safe time, workers' compensation
54.20 insurance, temporary disability insurance, the payment of wages, and payroll taxes.

54.21 Subd. 3. **Definitions.** (a) For the purposes of this section and section 181.725, the
54.22 following terms have the meanings given, unless the language or context clearly indicates
54.23 that a different meaning is intended.

54.24 (b) "Partnership entity" means one of the following governmental entities with jurisdiction
54.25 over employee misclassification in Minnesota:

54.26 (1) the Department of Labor and Industry;

54.27 (2) the Department of Revenue;

54.28 (3) the Department of Employment and Economic Development;

54.29 (4) the Department of Commerce; and

54.30 (5) the attorney general in the attorney general's enforcement capacity under sections
54.31 177.45 and 181.1721.

55.1 (c) "Employee misclassification" means the practice by an employer of not properly
55.2 classifying workers as employees.

55.3 Subd. 4. **Coordination, collaboration, and information sharing.** For purposes of this
55.4 section, a partnership entity:

55.5 (1) shall communicate with other entities to help detect and investigate instances of
55.6 employee misclassification;

55.7 (2) may request from, provide to, or receive from the other partnership entities data
55.8 necessary for the purpose of detecting and investigating employee misclassification, unless
55.9 prohibited by federal law; and

55.10 (3) may collaborate with one another when investigating employee misclassification,
55.11 unless prohibited by federal law. Collaboration includes but is not limited to referrals,
55.12 strategic enforcement, and joint investigations by two or more partnership entities.

55.13 Sec. 10. **[181.725] INTERGOVERNMENTAL MISCLASSIFICATION**
55.14 **ENFORCEMENT AND EDUCATION PARTNERSHIP.**

55.15 Subdivision 1. **Composition.** The Intergovernmental Misclassification Enforcement and
55.16 Education Partnership is composed of the following members or their designees, who shall
55.17 serve on behalf of their respective partnership entities:

55.18 (1) the commissioner of labor and industry;

55.19 (2) the commissioner of revenue;

55.20 (3) the commissioner of employment and economic development;

55.21 (4) the commissioner of commerce; and

55.22 (5) the attorney general.

55.23 Subd. 2. **Meetings.** The commissioner of labor and industry, in consultation with other
55.24 members of the partnership, shall convene and lead meetings of the partnership to discuss
55.25 issues related to the investigation of employee misclassification and public outreach.
55.26 Members of the partnership may select a designee to attend any such meeting. Meetings
55.27 must occur at least quarterly.

55.28 Subd. 2a. **Additional meetings.** (a) In addition to regular quarterly meetings under
55.29 subdivision 2, the commissioner of labor and industry, in consultation with members of the
55.30 partnership, may convene and lead additional meetings for the purpose of discussing and
55.31 making recommendations under subdivision 4a.

56.1 (b) This subdivision expires July 31, 2025, unless a different expiration date is specified
56.2 in law.

56.3 Subd. 3. **Roles.** Each partnership entity may use the information received through its
56.4 participation in the partnership to investigate employee misclassification within their relevant
56.5 jurisdictions as follows:

56.6 (1) the Department of Labor and Industry in its enforcement authority under chapters
56.7 176, 177, and 181;

56.8 (2) the Department of Revenue in its enforcement authority under chapters 289A and
56.9 290;

56.10 (3) the Department of Employment and Economic Development in its enforcement
56.11 authority under chapters 268 and 268B;

56.12 (4) the Department of Commerce in its enforcement authority under chapters 45, 60A,
56.13 60K, 79, and 79A; and

56.14 (5) the attorney general in the attorney general's enforcement authority under sections
56.15 177.45 and 181.1721.

56.16 Subd. 4. **Annual presentation to the legislature.** At the request of the chairs, the
56.17 Intergovernmental Misclassification Enforcement and Education Partnership shall present
56.18 annually to members of the house of representatives and senate committees with jurisdiction
56.19 over labor. The presentation shall include information about how the partnership carried
56.20 out its duties during the preceding calendar year.

56.21 Subd. 4a. **First presentation.** (a) By March 1, 2025, the Intergovernmental
56.22 Misclassification Enforcement and Education Partnership shall make its first presentation
56.23 to members of the house of representatives and senate committees with jurisdiction over
56.24 labor. The first presentation may be made in a form and manner determined by the
56.25 partnership. In addition to providing information about how the partnership carried out its
56.26 duties in its first year, the presentation shall include the following information and
56.27 recommendations, including any budget requests to carry out the recommendations:

56.28 (1) consider any staffing recommendations for the partnership and each partnership
56.29 entity to carry out the duties and responsibilities under this section;

56.30 (2) provide a summary of the industries, areas, and employers with high numbers of
56.31 misclassification violations and recommendations for proactive review and enforcement
56.32 efforts;

- 57.1 (3) propose a system for making cross referrals between partnership entities;
- 57.2 (4) identify cross-training needs and a proposed cross-training plan; and
- 57.3 (5) propose a metric or plan for monitoring and assessing:
- 57.4 (i) the number and severity of employee misclassification violations; and
- 57.5 (ii) the adequacy and effectiveness of the partnership's duties related to employee
- 57.6 misclassification, including but not limited to the partnership's efforts on education, outreach,
- 57.7 detection, investigation, deterrence, and enforcement of employee misclassification.
- 57.8 (b) This subdivision expires July 31, 2025, unless a different expiration date is specified
- 57.9 in law.
- 57.10 Subd. 5. **Separation.** The Intergovernmental Misclassification Enforcement and
- 57.11 Education Partnership is not a separate agency or board and is not subject to chapter 13D.
- 57.12 Data shared or created by the partnership entities under this section or section 181.724 are
- 57.13 subject to chapter 13 and hold the data classification prescribed by law.
- 57.14 Subd. 6. **Duties.** The Intergovernmental Misclassification Enforcement and Education
- 57.15 Partnership shall:
- 57.16 (1) set goals to maximize Minnesota's efforts to detect, investigate, and deter employee
- 57.17 misclassification;
- 57.18 (2) share information to facilitate the detection and investigation of employee
- 57.19 misclassification;
- 57.20 (3) develop a process or procedure that provides a person with relevant information and
- 57.21 connects them with relevant partnership entities, regardless of which partnership entity that
- 57.22 person contacts for assistance;
- 57.23 (4) identify best practices in investigating employee misclassification;
- 57.24 (5) identify resources needed for better enforcement of employee misclassification;
- 57.25 (6) inform and educate stakeholders on rights and responsibilities related to employee
- 57.26 misclassification;
- 57.27 (7) serve as a unified point of contact for workers, businesses, and the public impacted
- 57.28 by misclassification;
- 57.29 (8) inform the public on enforcement actions taken by the partnership entities; and
- 57.30 (9) perform other duties as necessary to:

58.1 (i) increase the effectiveness of detection, investigation, enforcement, and deterrence of
58.2 employee misclassification; and

58.3 (ii) carry out the purposes of the partnership.

58.4 Subd. 7. **Public outreach.** (a) The commissioner of labor and industry shall maintain
58.5 on the department's website information about the Intergovernmental Misclassification
58.6 Enforcement and Education Partnership, including information about how to file a complaint
58.7 related to employee misclassification.

58.8 (b) Each partnership entity shall maintain on its website information about worker
58.9 classification laws, including requirements for employers and employees, consequences for
58.10 misclassifying workers, and contact information for other partnership entities.

58.11 Subd. 8. **No limitation of other duties.** This section does not limit the duties or
58.12 authorities of a partnership entity, or any other government entity, under state law.

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

58.14 Sec. 11. Minnesota Statutes 2022, section 270B.14, subdivision 17, is amended to read:

58.15 Subd. 17. **Disclosure to Department of Commerce.** (a) The commissioner may disclose
58.16 to the commissioner of commerce information required to administer the Uniform Disposition
58.17 of Unclaimed Property Act in sections 345.31 to 345.60, including the Social Security
58.18 numbers of the taxpayers whose refunds are on the report of abandoned property submitted
58.19 by the commissioner to the commissioner of commerce under section 345.41. Except for
58.20 data published under section 345.42, the information received that is private or nonpublic
58.21 data retains its classification, and can be used by the commissioner of commerce only for
58.22 the purpose of verifying that the persons claiming the refunds are the owners.

58.23 (b) The commissioner may disclose a return or return information to the commissioner
58.24 of commerce under section 45.0135 to the extent necessary to investigate employer
58.25 compliance with section 176.181.

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

58.27 Sec. 12. Minnesota Statutes 2022, section 270B.14, is amended by adding a subdivision
58.28 to read:

58.29 Subd. 23. **Disclosure to the attorney general.** The commissioner may disclose a return
58.30 or return information to the attorney general for the purpose of determining whether a
58.31 business is an employer and to the extent necessary to enforce section 177.45 or 181.1721.

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

59.2 Sec. 13. Minnesota Statutes 2022, section 326B.081, subdivision 3, is amended to read:

59.3 Subd. 3. **Applicable law.** "Applicable law" means the provisions of sections 181.165,
59.4 181.722, 181.723, 325E.66, 327.31 to 327.36, this chapter, and chapter 341, and all rules,
59.5 orders, stipulation agreements, settlements, compliance agreements, licenses, registrations,
59.6 certificates, and permits adopted, issued, or enforced by the department under sections
59.7 181.165, 181.722, 181.723, 325E.66, 327.31 to 327.36, this chapter, or chapter 341.

59.8 Sec. 14. Minnesota Statutes 2022, section 326B.081, subdivision 6, is amended to read:

59.9 Subd. 6. **Licensing order.** "Licensing order" means an order issued under section
59.10 326B.082, subdivision 12, ~~paragraph (a).~~

59.11 Sec. 15. Minnesota Statutes 2022, section 326B.081, subdivision 8, is amended to read:

59.12 Subd. 8. **Stop work order.** "Stop work order" means an order issued under section
59.13 326B.082, subdivision 10.

59.14 Sec. 16. Minnesota Statutes 2022, section 326B.082, subdivision 1, is amended to read:

59.15 Subdivision 1. **Remedies available.** The commissioner may enforce all applicable law
59.16 under this section. The commissioner may use any enforcement provision in this section,
59.17 including the assessment of monetary penalties, against a person required to have a license,
59.18 registration, certificate, or permit under the applicable law based on conduct that would
59.19 provide grounds for action against a licensee, registrant, certificate holder, or permit holder
59.20 under the applicable law. The use of an enforcement provision in this section shall not
59.21 preclude the use of any other enforcement provision in this section or otherwise provided
59.22 by law. The commissioner's investigation and enforcement authority under this section may
59.23 be used by the commissioner in addition to or as an alternative to any other investigation
59.24 and enforcement authority provided by law.

59.25 Sec. 17. Minnesota Statutes 2022, section 326B.082, subdivision 2, is amended to read:

59.26 Subd. 2. **Access to information and property; subpoenas.** (a) In order to carry out the
59.27 purposes of the applicable law, the commissioner may:

59.28 (1) administer oaths and affirmations, certify official acts, interview, question, take oral
59.29 or written statements, demand data and information, and take depositions;

60.1 (2) request, examine, take possession of, test, sample, measure, photograph, record, and
60.2 copy any documents, apparatus, devices, equipment, or materials;

60.3 (3) at a time and place indicated by the commissioner, request persons to appear before
60.4 the commissioner to give testimony, provide data and information, and produce documents,
60.5 apparatus, devices, equipment, or materials;

60.6 (4) issue subpoenas to compel persons to ~~appear before the commissioner to give~~
60.7 testimony, provide data and information, and to produce documents, apparatus, devices,
60.8 equipment, or materials; and

60.9 (5) with or without notice, enter without delay ~~upon~~ and access all areas of any property,
60.10 public or private, for the purpose of taking any action authorized under this subdivision or
60.11 the applicable law, including ~~obtaining~~ to request, examine, take possession of, test, sample,
60.12 measure, photograph, record, and copy any data, information, remedying documents,
60.13 apparatus, devices, equipment, or materials; to interview, question, or take oral or written
60.14 statements; to remedy violations; or ~~conducting~~ to conduct surveys, inspections, or
60.15 investigations.

60.16 (b) Persons requested by the commissioner to give testimony, provide data and
60.17 information, or produce documents, apparatus, devices, equipment, or materials shall respond
60.18 within the time and in the manner specified by the commissioner. If no time to respond is
60.19 specified in the request, then a response shall be submitted within 30 days of the
60.20 commissioner's service of the request.

60.21 (c) Upon the refusal or anticipated refusal of a property owner, lessee, property owner's
60.22 representative, or lessee's representative to permit the commissioner's entry ~~onto~~ and access
60.23 to all areas of any property as provided in paragraph (a), the commissioner may apply for
60.24 an administrative inspection order in the Ramsey County District Court or, at the
60.25 commissioner's discretion, in the district court in the county in which the property is located.
60.26 The commissioner may anticipate that a property owner or lessee will refuse entry and
60.27 access to all areas of a property if the property owner, lessee, property owner's representative,
60.28 or lessee's representative has refused to permit entry or access to all areas of a property on
60.29 a prior occasion or has informed the commissioner that entry or access to areas of a property
60.30 will be refused. Upon showing of administrative probable cause by the commissioner, the
60.31 district court shall issue an administrative inspection order that compels the property owner
60.32 or lessee to permit the commissioner to enter and be allowed access to all areas of the
60.33 property for the purposes specified in paragraph (a).

61.1 (d) Upon the application of the commissioner, a district court shall treat the failure of
61.2 any person to obey a subpoena lawfully issued by the commissioner under this subdivision
61.3 as a contempt of court.

61.4 Sec. 18. Minnesota Statutes 2022, section 326B.082, subdivision 4, is amended to read:

61.5 Subd. 4. **Fax or email transmission.** When this section or section 326B.083 permits a
61.6 request for reconsideration or request for hearing to be served by fax on the commissioner,
61.7 or when the commissioner instructs that a request for reconsideration or request for hearing
61.8 be served by email on the commissioner, the fax or email shall not exceed 15 printed pages
61.9 in length. The request shall be considered timely served if the fax or email is received by
61.10 the commissioner, at the fax number or email address identified by the commissioner in the
61.11 order or notice of violation, no later than 4:30 p.m. central time on the last day permitted
61.12 for faxing or emailing the request. Where the quality or authenticity of the faxed or emailed
61.13 request is at issue, the commissioner may require the original request to be filed. Where the
61.14 commissioner has not identified quality or authenticity of the faxed or emailed request as
61.15 an issue and the request has been faxed or emailed in accordance with this subdivision, the
61.16 person faxing or emailing the request does not need to file the original request with the
61.17 commissioner.

61.18 Sec. 19. Minnesota Statutes 2022, section 326B.082, subdivision 6, is amended to read:

61.19 Subd. 6. **Notices of violation.** (a) The commissioner may issue a notice of violation to
61.20 any person who the commissioner determines has committed a violation of the applicable
61.21 law. The notice of violation must state a summary of the facts that constitute the violation
61.22 and the applicable law violated. The notice of violation may require the person to correct
61.23 the violation. If correction is required, the notice of violation must state the deadline by
61.24 which the violation must be corrected.

61.25 (b) In addition to any person, a notice of violation may be issued to any individual
61.26 identified in section 181.723, subdivision 7, paragraph (d). A notice of violation is effective
61.27 against any successor person as defined in section 181.723, subdivision 7, paragraph (e).

61.28 ~~(b)~~ (c) The commissioner shall issue the notice of violation by:

61.29 (1) serving the notice of violation on the property owner or on the person who committed
61.30 the violation; or

61.31 (2) posting the notice of violation at the location where the violation occurred.

62.1 ~~(e)~~ (d) If the person to whom the commissioner has issued the notice of violation believes
62.2 the notice was issued in error, then the person may request reconsideration of the parts of
62.3 the notice that the person believes are in error. The request for reconsideration must be in
62.4 writing and must be served on, faxed, or emailed to the commissioner at the address, fax
62.5 number, or email address specified in the notice of violation by the tenth day after the
62.6 commissioner issued the notice of violation. The date on which a request for reconsideration
62.7 is served by mail shall be the postmark date on the envelope in which the request for
62.8 reconsideration is mailed. If the person does not serve, fax, or email a written request for
62.9 reconsideration or if the person's written request for reconsideration is not served on or
62.10 faxed to the commissioner by the tenth day after the commissioner issued the notice of
62.11 violation, the notice of violation shall become a final order of the commissioner and will
62.12 not be subject to review by any court or agency. The request for reconsideration must:

62.13 (1) specify which parts of the notice of violation the person believes are in error;

62.14 (2) explain why the person believes the parts are in error; and

62.15 (3) provide documentation to support the request for reconsideration.

62.16 The commissioner shall respond in writing to requests for reconsideration made under
62.17 this paragraph within 15 days after receiving the request. A request for reconsideration does
62.18 not stay a requirement to correct a violation as set forth in the notice of violation. After
62.19 reviewing the request for reconsideration, the commissioner may affirm, modify, or rescind
62.20 the notice of violation. The commissioner's response to a request for reconsideration is final
62.21 and shall not be reviewed by any court or agency.

62.22 Sec. 20. Minnesota Statutes 2022, section 326B.082, subdivision 7, is amended to read:

62.23 Subd. 7. **Administrative orders; correction; assessment of monetary penalties.** (a)
62.24 The commissioner may issue an administrative order to any person who the commissioner
62.25 determines has committed a violation of the applicable law. The commissioner shall issue
62.26 the administrative order by serving the administrative order on the person. The administrative
62.27 order may require the person to correct the violation, may require the person to cease and
62.28 desist from committing the violation, and may assess monetary damages and penalties. The
62.29 commissioner shall follow the procedures in section 326B.083 when issuing administrative
62.30 orders. Except as provided in paragraph (b), the commissioner may issue to each person a
62.31 monetary penalty of up to \$10,000 for each violation of applicable law committed by the
62.32 person. The commissioner may order that part or all of the monetary penalty will be forgiven
62.33 if the person to whom the order is issued demonstrates to the commissioner by the 31st day

63.1 after the order is issued that the person has corrected the violation or has developed a
63.2 correction plan acceptable to the commissioner.

63.3 (b) The commissioner may issue an administrative order for failure to correct a violation
63.4 by the deadline stated in a final notice of violation issued under subdivision 6 or a final
63.5 administrative order issued under paragraph (a). Each day after the deadline during which
63.6 the violation remains uncorrected is a separate violation for purposes of calculating the
63.7 maximum monetary penalty amount.

63.8 (c) Upon the application of the commissioner, a district court shall find the failure of
63.9 any person to correct a violation as required by a final notice of violation issued under
63.10 subdivision 6 or a final administrative order issued by the commissioner under this
63.11 subdivision as a contempt of court.

63.12 (d) In addition to any person, an administrative order may be issued to any individual
63.13 identified in section 181.723, subdivision 7, paragraph (d). An administrative order shall
63.14 be effective against any successor person as defined in section 181.723, subdivision 7,
63.15 paragraph (e).

63.16 Sec. 21. Minnesota Statutes 2022, section 326B.082, subdivision 10, is amended to read:

63.17 Subd. 10. **Stop work orders.** ~~(a) If the commissioner determines based on an inspection~~
63.18 ~~or investigation that a person has violated or is about to violate the applicable law,~~ The
63.19 commissioner may issue ~~to the person~~ a stop work order requiring ~~the person to cease and~~
63.20 ~~desist from committing the violation~~ cessation of all business operations of a person at one
63.21 or more of the person's workplaces and places of business or across all of the person's
63.22 workplaces and places of business. A stop work order may be issued to any person who the
63.23 commissioner has determined, based on an inspection or investigation, has violated the
63.24 applicable law, has engaged in any of the activities under subdivision 11, paragraph (b), or
63.25 section 326B.701, subdivision 5, or has failed to comply with a final notice, final
63.26 administrative order, or final licensing order issued by the commissioner under this section
63.27 or a final order to comply issued by the commissioner under section 177.27.

63.28 (b) The stop work order is effective upon its issuance under paragraph (e). The order
63.29 remains in effect until the commissioner issues an order lifting the stop work order upon
63.30 finding that the person has come into compliance with the applicable law, has come into
63.31 compliance with a final order or notice of violation issued by the commissioner, has ceased
63.32 and desisted from engaging in any of the activities under subdivision 11, paragraph (b), or
63.33 section 326B.701, subdivision 5, and has paid in any remedies, damages, penalties, and
63.34 other monetary sanctions, including wages owed to employees under paragraph (j), to the

64.1 satisfaction of the commissioner, or if the commissioner or appellate court modifies or
64.2 vacates the order.

64.3 (c) In addition to any person, a stop work order may be issued to any individual identified
64.4 in section 181.723, subdivision 7, paragraph (d). The stop work order is effective against
64.5 any successor person as defined in section 181.723, subdivision 7, paragraph (e).

64.6 ~~(b)~~ (d) If the commissioner determines that a condition exists on real property that
64.7 ~~violates the applicable law~~ is the basis for issuing a stop work order, the commissioner may
64.8 also issue a stop work order to the owner or lessee of the real property ~~to cease and desist~~
64.9 ~~from committing the violation and to correct the condition that is in violation.~~

64.10 ~~(e)~~ (e) The commissioner shall issue the stop work order by:

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

64.12 (2) posting the order at the location where the violation was committed ~~or is about to be~~
64.13 ~~committed~~ or at the location where the ~~violating~~ condition exists that is the basis for issuing
64.14 the stop work order; or

64.15 (3) serving the order on any owner or lessee of the real property where the ~~violating~~
64.16 ~~condition exists~~ violations or conditions exist.

64.17 ~~(d)~~ (f) A stop work order shall:

64.18 (1) describe the act, conduct, or practice committed ~~or about to be committed~~, or the
64.19 condition, and include a reference to the applicable law ~~that the act, conduct, practice, or~~
64.20 ~~condition violates or would violate~~, the final order or final notice of violation, the provisions
64.21 in subdivision 11, paragraph (b); the provisions in section 326B.701, subdivision 5; or
64.22 liability under section 181.165, as applicable; and

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

64.25 ~~(e)~~ (g) Within 30 days after the commissioner issues a stop work order, any person
64.26 aggrieved by the order may request an expedited hearing to review the commissioner's
64.27 action. The request for hearing must be made in writing and must be served on, emailed,
64.28 or faxed to the commissioner at the address, email address, or fax number specified in the
64.29 order. If the person does not request a hearing or if the person's written request for hearing
64.30 is not served on, emailed, or faxed to the commissioner on or before the 30th day after the
64.31 commissioner issued the stop work order, the order will become a final order of the
64.32 commissioner and will not be subject to review by any court or agency. The date on which
64.33 a request for hearing is served by mail is the postmark date on the envelope in which the

65.1 request for hearing is mailed. The hearing request must specifically state the reasons for
65.2 seeking review of the order. The person who requested the hearing and the commissioner
65.3 are the parties to the expedited hearing. The hearing shall be commenced within ten days
65.4 after the commissioner receives the request for hearing. The hearing shall be conducted
65.5 under Minnesota Rules, parts 1400.8510 to 1400.8612, as modified by this subdivision.
65.6 The administrative law judge shall issue a report containing findings of fact, conclusions
65.7 of law, and a recommended order within ten days after the completion of the hearing, the
65.8 receipt of late-filed exhibits, or the submission of written arguments, whichever is later.
65.9 Any party aggrieved by the administrative law judge's report shall have five days after the
65.10 date of the administrative law judge's report to submit written exceptions and argument to
65.11 the commissioner that the commissioner shall consider and enter in the record. Within 15
65.12 days after receiving the administrative law judge's report, the commissioner shall issue an
65.13 order vacating, modifying, or making permanent the stop work order. The commissioner
65.14 and the person requesting the hearing may by agreement lengthen any time periods described
65.15 in this paragraph. The Office of Administrative Hearings may, in consultation with the
65.16 agency, adopt rules specifically applicable to cases under this subdivision.

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

65.22 (i) The commissioner may assess a civil penalty of \$5,000 per day against a person for
65.23 each day the person conducts business operations that are in violation of a stop work order
65.24 issued under this section.

65.25 (j) Once a stop work order becomes final, any of the person's employees affected by a
65.26 stop work order issued pursuant to this subdivision shall be entitled to average daily earnings
65.27 from the person for up to the first ten days of work lost by the employee because of the
65.28 issuance of a stop work order. Lifting of a stop work order may be conditioned on payment
65.29 of wages to employees. The commissioner may issue an order to comply under section
65.30 177.27 to obtain payment from persons liable for the payment of wages owed to the
65.31 employees under this section.

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

66.1 (l) Notwithstanding section 13.39, the data in a stop work order issued under this
 66.2 subdivision are classified as public data after the commissioner has issued the order.

66.3 **EFFECTIVE DATE.** This section is effective August 1, 2024, for contracts entered
 66.4 into on or after that date and for all building and construction or improvement services
 66.5 provided or performed on or after January 1, 2025.

66.6 Sec. 22. Minnesota Statutes 2022, section 326B.082, subdivision 11, is amended to read:

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

66.13 (b) The commissioner may deny, suspend, limit, place conditions on, or revoke a person's
 66.14 permit, license, registration, or certificate, or censure the person holding or acting as
 66.15 qualifying person for the permit, license, registration, or certificate, if the commissioner
 66.16 finds that the person:

66.17 (1) committed one or more violations of the applicable law;

66.18 (2) committed one or more violations of chapter 176, 177, 181, 181A, 182, 268, 270C,
 66.19 or 363A;

66.20 ~~(2)~~ (3) submitted false or misleading information to ~~the~~ any state agency in connection
 66.21 with activities for which the permit, license, registration, or certificate was issued, or in
 66.22 connection with the application for the permit, license, registration, or certificate;

66.23 ~~(3)~~ (4) allowed the alteration or use of the person's own permit, license, registration, or
 66.24 certificate by another person;

66.25 ~~(4)~~ (5) within the previous five years, was convicted of a crime in connection with
 66.26 activities for which the permit, license, registration, or certificate was issued;

66.27 ~~(5)~~ (6) violated: (i) a final administrative order issued under subdivision 7, (ii) a final
 66.28 stop work order issued under subdivision 10, (iii) injunctive relief issued under subdivision
 66.29 9, or (iv) a consent order, order to comply, or other final order ~~of~~ issued by the commissioner
 66.30 or the commissioner of human rights, employment and economic development, or revenue;

66.31 ~~(6)~~ (7) delayed, obstructed, or otherwise failed to cooperate with a commissioner's
 66.32 investigation, including a request to give testimony, to provide data and information, to

67.1 produce documents, things, apparatus, devices, equipment, or materials, or to enter and
 67.2 access all areas of any property ~~under subdivision 2;~~

67.3 ~~(7)~~ (8) retaliated in any manner against any employee or person who makes a complaint,
 67.4 is questioned by, cooperates with, or provides information to the commissioner or an
 67.5 employee or agent authorized by the commissioner who seeks access to property or things
 67.6 under subdivision 2;

67.7 ~~(8)~~ (9) engaged in any fraudulent, deceptive, or dishonest act or practice; or

67.8 ~~(9)~~ (10) performed work in connection with the permit, license, registration, or certificate
 67.9 or conducted the person's affairs in a manner that demonstrates incompetence,
 67.10 untrustworthiness, or financial irresponsibility.

67.11 (c) In addition to any person, a licensing order may be issued to any individual identified
 67.12 in section 181.723, subdivision 7, paragraph (d). A licensing order is effective against any
 67.13 successor person as defined in section 181.723, subdivision 7, paragraph (e).

67.14 ~~(e)~~ (d) If the commissioner revokes or denies a person's permit, license, registration, or
 67.15 certificate under paragraph (b), the person is prohibited from reapplying for the same type
 67.16 of permit, license, registration, or certificate for at least two years after the effective date
 67.17 of the revocation or denial. The commissioner may, as a condition of reapplication, require
 67.18 the person to obtain a bond or comply with additional reasonable conditions the commissioner
 67.19 considers necessary to protect the public, including but not limited to demonstration of
 67.20 current and ongoing compliance with the laws the violation of which were the basis for
 67.21 revoking or denying the person's permit, license, registration, or certificate under paragraph
 67.22 (b) or that the person has ceased and desisted in engaging in activities under paragraph (b)
 67.23 that were the basis for revoking or denying the person's permit, license, registration, or
 67.24 certificate under paragraph (b).

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

67.30 Sec. 23. Minnesota Statutes 2022, section 326B.082, subdivision 13, is amended to read:

67.31 Subd. 13. **Summary suspension.** In any case where the commissioner has issued an
 67.32 order to revoke, suspend, or deny a license, registration, certificate, or permit under
 67.33 subdivisions 11, paragraph (b), and 12, the commissioner may summarily suspend the

68.1 person's permit, license, registration, or certificate before the order becomes final. The
68.2 commissioner shall issue a summary suspension order when the safety of life or property
68.3 is threatened or to prevent the commission of fraudulent, deceptive, untrustworthy, or
68.4 dishonest acts against the public, including but not limited to violations of section 181.723,
68.5 subdivision 7. The summary suspension shall not affect the deadline for submitting a request
68.6 for hearing under subdivision 12. If the commissioner summarily suspends a person's permit,
68.7 license, registration, or certificate, a timely request for hearing submitted under subdivision
68.8 12 shall also be considered a timely request for hearing on continuation of the summary
68.9 suspension. If the commissioner summarily suspends a person's permit, license, registration,
68.10 or certificate under this subdivision and the person submits a timely request for a hearing,
68.11 then a hearing on continuation of the summary suspension must be held within ten days
68.12 after the commissioner receives the request for hearing unless the parties agree to a later
68.13 date.

68.14 Sec. 24. Minnesota Statutes 2022, section 326B.082, is amended by adding a subdivision
68.15 to read:

68.16 Subd. 16a. **Additional penalties and damages.** Any person who delays, obstructs, or
68.17 otherwise fails to cooperate with the commissioner's investigation may be issued a penalty
68.18 of \$1,000. Each day of delay, obstruction, or failure to cooperate shall constitute a separate
68.19 violation.

68.20 Sec. 25. Minnesota Statutes 2022, section 326B.701, is amended to read:

68.21 **326B.701 CONSTRUCTION CONTRACTOR REGISTRATION.**

68.22 Subdivision 1. **Definitions.** The following definitions apply to this section:

68.23 (a) "Building construction or improvement services" means public or private sector
68.24 commercial or residential building construction or improvement services.

68.25 ~~(a)~~ (b) "Business entity" means a person other than an individual or a sole proprietor as
68.26 that term is defined in paragraph (h), except the term does not include an individual.

68.27 (c) "Commissioner" means the commissioner of labor and industry or a duly designated
68.28 representative of the commissioner who is either an employee of the Department of Labor
68.29 and Industry or person working under contract with the Department of Labor and Industry.

68.30 (d) "Day" means calendar day unless otherwise provided.

68.31 (e) "Department" means the Department of Labor and Industry.

69.1 ~~(b)~~ (f) "Document" or "documents" includes papers; books; records; memoranda; data;
 69.2 contracts; drawings; graphs; charts; photographs; digital, video, and audio recordings;
 69.3 records; accounts; files; statements; letters; emails; invoices; bills; notes; and calendars
 69.4 maintained in any form or manner.

69.5 (g) "Individual" means a human being.

69.6 (h) "Person" means any individual, sole proprietor, limited liability company, limited
 69.7 liability partnership, corporation, partnership, incorporated or unincorporated association,
 69.8 joint stock company, or any other legal or commercial entity.

69.9 Subd. 2. **Applicability; registration requirement.** ~~(a) Persons who perform public or~~
 69.10 ~~private sector commercial or residential building construction or improvement services as~~
 69.11 ~~described in subdivision 2 must register with the commissioner as provided in this section.~~
 69.12 ~~The purpose of registration is to assist the Department of Labor and Industry, the Department~~
 69.13 ~~of Employment and Economic Development, and the Department of Revenue to enforce~~
 69.14 ~~laws related to misclassification of employees.~~

69.15 ~~(b)~~ (a) Except as provided in paragraph ~~(e)~~ (b), any person who provides or performs
 69.16 building construction or improvement services in the state ~~on or after September 15, 2012,~~
 69.17 of Minnesota must register with the commissioner as provided in this section before providing
 69.18 or performing building construction or improvement services ~~for another person.~~ The
 69.19 requirements for registration under this section are not a substitute for, and do not relieve
 69.20 a person from complying with, any other law requiring that the person be licensed, registered,
 69.21 or certified.

69.22 ~~(e)~~ (b) The registration requirements in this section do not apply to:

69.23 (1) a person who, at the time the person is providing or performing the building
 69.24 construction or improvement services, holds a current license, certificate, or registration
 69.25 under chapter 299M or 326B;

69.26 ~~(2) a person who holds a current independent contractor exemption certificate issued~~
 69.27 ~~under this section that is in effect on September 15, 2012, except that the person must register~~
 69.28 ~~under this section no later than the date the exemption certificate expires, is revoked, or is~~
 69.29 ~~canceled;~~

69.30 ~~(3)~~ (2) a person who has given a bond to the state under section 326B.197 or 326B.46;

69.31 ~~(4)~~ (3) an employee of the person providing or performing the building construction or
 69.32 improvement services, ~~if the person was in compliance with laws related to employment of~~
 69.33 ~~the individual at the time the construction services were performed;~~

70.1 ~~(5)~~ (4) an architect or professional engineer engaging in professional practice as defined
 70.2 in section 326.02, subdivisions 2 and 3;

70.3 ~~(6)~~ (5) a school district or technical college governed under chapter 136F;

70.4 ~~(7)~~ (6) a person providing or performing building construction or improvement services
 70.5 on a volunteer basis, including but not limited to Habitat for Humanity and Builders Outreach
 70.6 Foundation, and their individual volunteers when engaged in activities on their behalf; or

70.7 ~~(8)~~ (7) a person exempt from licensing under section 326B.805, subdivision 6, clause
 70.8 ~~(5)~~ (4).

70.9 Subd. 3. **Registration application.** (a) Persons required to register under this section
 70.10 must submit electronically, in the manner prescribed by the commissioner, a complete
 70.11 application according to ~~paragraphs (b) to (d)~~ this subdivision.

70.12 (b) A complete application must include all of the following information and
 70.13 documentation about any individual who is registering as an individual or a sole proprietor,
 70.14 ~~or who owns 25 percent or more of a business entity being registered~~ the person who is
 70.15 applying for a registration:

70.16 (1) ~~the individual's full~~ person's legal name ~~and title at the applicant's business;~~

70.17 (2) the person's assumed names filed with the secretary of state, if applicable;

70.18 ~~(2)~~ (3) ~~the individual's business address and~~ person's telephone number;

70.19 ~~(3) the percentage of the applicant's business owned by the individual; and~~

70.20 ~~(4) the individual's Social Security number.~~

70.21 ~~(e) A complete application must also include the following information:~~

70.22 ~~(1) the applicant's legal name; assumed name filed with the secretary of state, if any;~~
 70.23 ~~designated business address; physical address; telephone number; and email address;~~

70.24 ~~(2) the applicant's Minnesota tax identification number, if one is required or has been~~
 70.25 ~~issued;~~

70.26 ~~(3) the applicant's federal employer identification number, if one is required or has been~~
 70.27 ~~issued;~~

70.28 ~~(4) evidence of the active status of the applicant's business filings with the secretary of~~
 70.29 ~~state, if one is required or has been issued;~~

70.30 ~~(5) whether the applicant has any employees at the time the application is filed;~~

71.1 ~~(6) the names of all other persons with an ownership interest in the business entity who~~
71.2 ~~are not identified in paragraph (b), and the percentage of the interest owned by each person,~~
71.3 ~~except that the names of shareholders with less than ten percent ownership in a publicly~~
71.4 ~~traded corporation need not be provided;~~

71.5 ~~(7) information documenting compliance with workers' compensation and unemployment~~
71.6 ~~insurance laws;~~

71.7 (4) the person's email address;

71.8 (5) the person's business address;

71.9 (6) the person's physical address, if different from the business address;

71.10 (7) the legal name, telephone number, and email address of the person's registered agent,
71.11 if applicable, and the registered agent's business address and physical address, if different
71.12 from the business address;

71.13 (8) the jurisdiction in which the person is organized, if that jurisdiction is not in
71.14 Minnesota, as applicable;

71.15 (9) the legal name of the person in the jurisdiction in which it is organized, if the legal
71.16 name is different than the legal name provided in clause (1), as applicable;

71.17 (10) all of the following identification numbers, if all of these identification numbers
71.18 have been issued to the person. A complete application must include at least one of the
71.19 following identification numbers:

71.20 (i) the person's Social Security number;

71.21 (ii) the person's Minnesota tax identification number; or

71.22 (iii) the person's federal employer identification number;

71.23 (11) evidence of the active status of the person's business filings with the secretary of
71.24 state, if applicable;

71.25 (12) whether the person has any employees at the time the application is filed, and if so,
71.26 how many employees the person employs;

71.27 (13) the legal names of all persons with an ownership interest in the business entity, if
71.28 applicable, and the percentage of the interest owned by each person, except that the names
71.29 of shareholders with less than ten percent ownership in a publicly traded corporation need
71.30 not be provided;

72.1 (14) information documenting the person's compliance with workers' compensation and
 72.2 unemployment insurance laws for the person's employees, if applicable;

72.3 (15) whether the person or any persons with an ownership interest in the business entity
 72.4 as disclosed under clause (13) have been issued a notice of violation, administrative order,
 72.5 licensing order, or order to comply by the Department of Labor and Industry in the last ten
 72.6 years;

72.7 ~~(8)~~ (16) a certification that the person individual signing the application has: reviewed
 72.8 it; determined asserts that the information and documentation provided is true and accurate;
 72.9 and determined that the person signing individual is authorized to sign and file the application
 72.10 as an agent or authorized representative of the applicant person. The name of the person
 72.11 individual signing, entered on an electronic application, shall constitute a valid signature
 72.12 of the agent or authorized representative on behalf of the applicant person; and

72.13 ~~(9)~~ (17) a signed authorization for the Department of Labor and Industry to verify the
 72.14 information and documentation provided on or with the application.

72.15 ~~(d)~~ (c) A registered person must notify the commissioner within 15 days after there is a
 72.16 change in any of the information on the application as approved. This notification must be
 72.17 provided electronically in the manner prescribed by the commissioner. However, if the
 72.18 business entity structure or legal form of the business entity has changed, the person must
 72.19 submit a new registration application and registration fee, if any, for the new business entity.

72.20 ~~(e) The registered~~ (d) A person must remain registered maintain a current and up-to-date
 72.21 registration while providing or performing building construction or improvement services
 72.22 for another person. The provisions of sections 326B.091, 326B.094, 326B.095, and 326B.097
 72.23 apply to this section. A person with an expired registration shall not provide construction
 72.24 services for another person if registration is required under this section. Registration
 72.25 application and expiration time frames are as follows:

72.26 ~~(1) all registrations issued on or before December 31, 2015, expire on December 31,~~
 72.27 ~~2015;~~

72.28 ~~(2)~~ (1) all registrations issued after December 31, 2015, expire on the following December
 72.29 31 of each odd-numbered year; and

72.30 ~~(3)~~ (2) a person may submit a registration or renewal application starting October 1 of
 72.31 the year the registration expires. If a renewal application is submitted later than December
 72.32 1 of the expiration year, the registration may expire before the department has issued or
 72.33 denied the registration renewal.

73.1 Subd. 4. **Website.** (a) The commissioner shall develop and maintain a website on which
 73.2 ~~applicants for registration~~ persons can submit a registration or renewal application. The
 73.3 website shall be designed to receive and process ~~registration~~ applications and promptly
 73.4 issue registration certificates electronically to successful applicants.

73.5 (b) The commissioner shall maintain ~~the certificates of registration on the department's~~
 73.6 ~~official public website, which shall include~~ the following information on the department's
 73.7 official public website:

73.8 (1) the registered person's legal ~~business~~ name, including any assumed name, ~~as filed~~
 73.9 with the secretary of state;

73.10 (2) the legal names of the persons with an ownership interest in the business entity;

73.11 ~~(2)~~ (3) the registered person's business address designated and physical address, if
 73.12 different from the business address, provided on the application; and

73.13 ~~(3)~~ (4) the effective date of the registration and the expiration date.

73.14 Subd. 5. **Prohibited activities related to registration.** (a) The prohibited activities in
 73.15 this subdivision are in addition to those prohibited in ~~sections 326B.081 to 326B.085~~ section
 73.16 326B.082, subdivision 11.

73.17 (b) A person who provides or performs building construction or improvement services
 73.18 ~~in the course of the person's trade, business, occupation, or profession~~ shall not:

73.19 (1) ~~contract with~~ provide or perform building construction or improvement services for
 73.20 ~~another person~~ without ~~first~~ being registered, if required by to be registered under this
 73.21 section;

73.22 (2) require an individual who is the person's employee to register; or

73.23 ~~(2) contract with or pay~~ (3) engage another person to provide or perform building
 73.24 construction or improvement services if the other person is required to be registered under
 73.25 this section and is not registered if required by subdivision 2. All payments to an unregistered
 73.26 person for construction services on a single project site shall be considered a single violation.

73.27 It is not a violation of this clause:

73.28 (i) for a person to ~~contract with or pay~~ have engaged an unregistered person if the
 73.29 unregistered person ~~was registered at the time the contract for construction services was~~
 73.30 ~~entered into~~ held a current registration on the date they began providing or performing the
 73.31 building construction or improvement services; or

74.1 (ii) for a homeowner or business to ~~contract with or pay~~ engage an unregistered person
74.2 if the homeowner or business is not in the trade, business, profession, or occupation of
74.3 performing building construction or improvement services; ~~or,~~

74.4 ~~(3) be penalized for violations of this subdivision that are committed by another person.~~
74.5 ~~This clause applies only to violations of this paragraph.~~

74.6 (c) Each day a person who is required to be registered provides or performs building
74.7 construction or improvement services while unregistered shall be considered a separate
74.8 violation.

74.9 Subd. 6. Investigation and enforcement; remedies; and penalties. ~~(a) Notwithstanding~~
74.10 ~~the maximum penalty amount in section 326B.082, subdivisions 7 and 12, the maximum~~
74.11 ~~penalty for failure to register is \$2,000, but the commissioner shall forgive the penalty if~~
74.12 ~~the person registers within 30 days of the date of the penalty order.~~

74.13 ~~(b) The penalty for contracting with or paying an unregistered person to perform~~
74.14 ~~construction services in violation of subdivision 5, paragraph (b), clause (2), shall be as~~
74.15 ~~provided in section 326B.082, subdivisions 7 and 12, but the commissioner shall forgive~~
74.16 ~~the penalty for the first violation.~~

74.17 The commissioner may investigate and enforce this section under the authority in chapters
74.18 177 and 326B.

74.19 Subd. 7. ~~Notice requirement.~~ ~~Notice of a penalty order for failure to register must~~
74.20 ~~include a statement that the penalty shall be forgiven if the person registers within 30 days~~
74.21 ~~of the date of the penalty order.~~

74.22 Subd. 8. **Data classified.** Data in applications and any required documentation submitted
74.23 to the commissioner under this section are private data on individuals or nonpublic data as
74.24 defined in section 13.02. ~~Data in registration certificates issued by the commissioner are~~
74.25 ~~public data; except that for the registration information published on the department's website~~
74.26 ~~may be accessed for registration verification purposes only.~~ Data that document a suspension,
74.27 revocation, or cancellation of a certificate registration are public data. ~~Upon request of~~
74.28 Notwithstanding its classification as private data on individuals or nonpublic data, data in
74.29 applications and any required documentation submitted to the commissioner under this
74.30 section may be used by the commissioner to investigate and take enforcement action related
74.31 to laws for which the commissioner has enforcement responsibility and the commissioner
74.32 may share data and documentation with the Department of Revenue, the Department of
74.33 Commerce, the Department of Human Rights, or the Department of Employment and
74.34 Economic Development. The commissioner may release to the ~~requesting department~~

75.1 departments data classified as private or nonpublic under this subdivision or investigative
75.2 data that are not public under section 13.39 that relate to the issuance or denial of applications
75.3 or revocations of certificates prohibited activities under this section and section 181.723.

75.4 **ARTICLE 10**

75.5 **MINORS APPEARING IN INTERNET CONTENT**

75.6 Section 1. Minnesota Statutes 2022, section 181A.03, is amended by adding a subdivision
75.7 to read:

75.8 Subd. 5a. **Online platform.** "Online platform" means any public-facing website, web
75.9 application, or digital application, including a mobile application. Online platform includes
75.10 a social network, advertising network, mobile operating system, search engine, email service,
75.11 monetization platform to sell digital services, streaming service, paid subscription, or Internet
75.12 access service.

75.13 Sec. 2. Minnesota Statutes 2022, section 181A.03, is amended by adding a subdivision to
75.14 read:

75.15 Subd. 7a. **Content creation.** "Content creation" means content shared on an online
75.16 platform in exchange for compensation.

75.17 Sec. 3. Minnesota Statutes 2022, section 181A.03, is amended by adding a subdivision to
75.18 read:

75.19 Subd. 7b. **Content creator.** "Content creator" means an individual or individuals 18
75.20 years of age or older, including family members, who create video content performed in
75.21 Minnesota in exchange for compensation, and includes any proprietorship, partnership,
75.22 company, or other corporate entity assuming the name or identity of a particular individual
75.23 or individuals, or family members, for the purposes of that content creator. Content creator
75.24 does not include a person under the age of 18 who produces their own video content.

75.25 Sec. 4. [181A.13] **COMPENSATION FOR INTERNET CONTENT CREATION.**

75.26 Subdivision 1. **Minors featured in content creation.** (a) Except as otherwise provided
75.27 in this section, a minor is considered engaged in the work of content creation when the
75.28 following criteria are met at any time during the previous 12-month period:

75.29 (1) at least 30 percent of the content creator's compensated video content produced within
75.30 a 30-day period included the likeness, name, or photograph of any minor. Content percentage
75.31 is measured by the percentage of time the likeness, name, or photograph of a minor or if

76.1 more than one minor regularly appears in the creator's content, any of the minors, visually
76.2 appears or is the subject of an oral narrative in a video segment as compared to the total
76.3 length of the segment; and

76.4 (2) the number of views received per video segment on any online platform met the
76.5 online platform's threshold for generating compensation or the content creator received
76.6 actual compensation for video content equal to or greater than \$0.01 per view.

76.7 (b) A minor under the age of 14 is prohibited from engaging in the work of content
76.8 creation as provided in paragraph (a). If a minor under the age of 14 is featured by a content
76.9 creator, the minor shall receive 100 percent of the proceeds of the creator's compensation
76.10 for the content they have appeared in, less any amount owed to another minor.

76.11 (c) A minor who is at least age 14 but under the age of 18 may produce, create, and
76.12 publish their own content and is entitled to all compensation for their own content creation.
76.13 A minor engaged in the work of content creation as the producer, creator, and publisher of
76.14 content must also follow the requirements in paragraph (b).

76.15 (d) A minor who appears incidentally in a video that depicts a public event that a
76.16 reasonable person would know to be broadcast, including a concert, competition, or sporting
76.17 event, and is published by a content creator is not considered a violation of this section.

76.18 Subd. 2. **Records required.** (a) All video content creators whose content features a
76.19 minor engaged in the work of content creation shall maintain the following records and
76.20 retain the records until the minor reaches the age of 21:

76.21 (1) the name and documentary proof of the age of the minor engaged in the work of
76.22 content creation;

76.23 (2) the amount of content creation that generated compensation as described in subdivision
76.24 1 during the reporting period;

76.25 (3) the total number of minutes of content creation for which the content creator received
76.26 compensation during the reporting period;

76.27 (4) the total number of minutes a minor was featured in content creation during the
76.28 reporting period;

76.29 (5) the total compensation generated from content creation featuring a minor during the
76.30 reporting period; and

76.31 (6) the amount deposited into the trust account for the benefit of the minor engaged in
76.32 the work of content creation as required by subdivision 3.

77.1 (b) The records required by this subdivision must be readily accessible to the minor for
77.2 review. The content creator shall provide notice to the minor of the existence of the records.

77.3 Subd. 3. **Trust required.** (a) A minor who is engaged in the work of content creation
77.4 consistent with this section must be compensated by the content creator. The content creator
77.5 must set aside gross earnings on the video content that includes the likeness, name, or
77.6 photograph of the minor in a trust account to be preserved for the benefit of the minor until
77.7 the minor reaches the age of majority, according to the following distribution:

77.8 (1) if only one minor meets the content threshold described in subdivision 1, the
77.9 percentage of total gross earnings on any video segment, including the likeness, name, or
77.10 photograph of the minor that is equal to or greater than half of the content percentage that
77.11 includes the minor as described in subdivision 1; or

77.12 (2) if more than one minor meets the content threshold described in subdivision 1 and
77.13 a video segment includes more than one of those minors, the percentage described in clause
77.14 (1) for all minors in any segment must be equally divided between the minors regardless
77.15 of differences in percentage of content provided by the individual minors.

77.16 (b) A trust account required under this section must, at a minimum, provide that:

77.17 (1) the money in the account is available only to the minor engaged in the work of content
77.18 creation;

77.19 (2) the account is held by a bank, corporate fiduciary, or trust company, as those terms
77.20 are defined in chapter 48A;

77.21 (3) the money in the account becomes available to the minor engaged in the work of
77.22 content creation upon the minor attaining the age of 18 years or upon a declaration that the
77.23 minor is emancipated; and

77.24 (4) that the account meets the requirements of chapter 527, the Uniform Transfers to
77.25 Minors Act.

77.26 (c) If a content creator knowingly or recklessly violates this section, a minor satisfying
77.27 the criteria described in subdivision 1 may commence a civil action to enforce the provisions
77.28 of this section regarding the trust account. In any action brought in accordance with this
77.29 section, the court may award the following damages:

77.30 (1) actual damages including any compensation owed under this section;

77.31 (2) punitive damages; and

77.32 (3) the costs of the action, including attorney fees and litigation costs.

78.1 (d) This section does not affect a right or remedy available under any other law of the
78.2 state.

78.3 (e) Nothing in this section shall be interpreted to have any effect on a party that is neither
78.4 the content creator nor the minor who engaged in the work of content creation.

78.5 Subd. 4. **Civil cause of action; violations.** (a) Along with the civil action provided in
78.6 subdivision 3, paragraph (c), the minor may commence a civil action against the content
78.7 creator for damages, injunctive relief, and any other relief the court finds just and equitable
78.8 to enforce this section.

78.9 (b) The attorney general may enforce subdivision 1, pursuant to section 8.31, and may
78.10 recover costs and fees.

78.11 Subd. 5. **Content removal.** Content containing the likeness of a child must be deleted
78.12 and removed from any online platform by the individual who posted the content, the account
78.13 owner, or another person who has control over the account when the request is made by a
78.14 minor age 13 or older whose likeness appears in the content, or by an adult who was under
78.15 the age of 18 when their likeness was used in the content.

78.16 **EFFECTIVE DATE.** This section is effective July 1, 2025.

116J.398 BROADBAND PREVAILING WAGE EXEMPTION.

Notwithstanding any other law to the contrary, section 116J.871 does not apply to a project receiving a grant under section 116J.395 for the construction, installation, remodeling, and repair of last-mile infrastructure, as defined under section 116J.394, paragraph (e).

179.81 DEFINITIONS.

Subdivision 1. **Scope.** For the purposes of sections 179.81 to 179.85, the terms defined in this section have the meanings given them.

Subd. 2. **Area labor-management committee or committee.** "Area labor-management committee" or "committee" means a committee formed by and composed of multiple employers and multiple labor organizations within a geographic area or statewide employment sector, for the purpose of improving labor-management relations and enhancing economic development within a given geographic jurisdiction or sector through labor-management cooperation.

Subd. 3. **Bureau.** "Bureau" means the Bureau of Mediation Services.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of the Bureau of Mediation Services.

179.82 GRANT PROGRAM CREATED; APPLICATIONS.

Subdivision 1. **Creation.** An area labor-management committee grant program is created within the bureau to be administered by the commissioner.

Subd. 2. **Rules.** Applications for area/statewide industry labor-management committee grants must be submitted to the bureau under rules adopted by the commissioner.

179.83 ACTION ON APPLICATION.

Subdivision 1. **Standard for approval.** Following an established calendar, the commissioner shall review the applications. Grants must be awarded on a competitive basis based on the appropriateness of the proposal, the attainability of the goals, the evidence of interest in the proposal among representatives of labor and management in the area within the committee's jurisdiction, and the thoroughness of the financial plan presented. Successful applicants shall be notified of the award no later than December 1 of each year.

179.84 GENERAL CONDITIONS AND TERMS OF GRANTS.

Subdivision 1. **Requirements.** For each grant awarded the commissioner shall:

(1) require an approved work plan that establishes measurable goals and objectives for the committee within the committee's area of responsibility and that prohibits the committee from becoming involved in contract disputes, labor negotiations, or grievance procedures; and

(2) annually review the operating performance of each area labor-management committee receiving state money under this program.

179.85 FUNDING LIMITATIONS.

A new or existing area labor-management committee may apply for a maximum grant of \$75,000 per year. A new or existing area labor-management committee may be awarded state grant money, and must provide money from other nonstate sources, in the following ratio of state and nonstate money: in the first year, 90 percent state and ten percent nonstate; in the second year, 80 percent state and 20 percent nonstate; in the third year and beyond, 50 percent state and 50 percent nonstate.

5520.0100 APPLICATION.

Parts 5520.0100 to 5520.0800 apply to the preparation, submission, and approval of applications for grants under the Minnesota Area Labor-Management Committee Grant Program.

5520.0110 POLICY.

Parts 5520.0100 to 5520.0800 shall be liberally construed to accomplish the provisions and purposes of the Minnesota Area Labor-Management Committee Grant Program.

5520.0120 DEFINITIONS.

Subpart 1. **Scope.** For the purpose of parts 5520.0100 to 5520.0800, the terms defined in this part have the meanings given them.

Subp. 2. **Application.** "Application" means a written request for grant funds completed on a form developed by and available from the bureau.

Subp. 3. **Bureau.** "Bureau" means the Minnesota Bureau of Mediation Services.

Subp. 4. **Commissioner.** "Commissioner" means the commissioner of the bureau or an authorized agent.

Subp. 5. **Area Labor-Management Committee or committee.** "Area Labor-Management Committee" or "committee" means an organization of representatives from multiple labor organizations and multiple employer enterprises within a geographic area or statewide employment sector which has as its principle purpose the strengthening of union-management relations within the area or sector.

Subp. 6. **Grant program.** "Grant program" means the Minnesota Area Labor-Management Committee Grant Program, as created in Minnesota Statutes, sections 179.81 to 179.85.

Subp. 7. **Office of Cooperative Labor-Management Programs.** "Office of Cooperative Labor-Management Programs" means the office within the bureau created to administer the grant program.

Subp. 8. [Repealed, 15 SR 2267]

5520.0200 GRANT APPLICATIONS.

Subpart 1. **Scope.** The procedures in this part will be used by the commissioner in receiving and considering grant program applications.

Subp. 2. **Notice and deadline.** On or before September 1 of each calendar year, the commissioner shall publish a notice of the availability of funds under the grant program in the State Register. An application for a grant must be submitted to the bureau by October 15 of the previous year.

Subp. 3. **Application form and purpose.** Each application must be on forms available from the bureau and must include a statement of purpose and a description of the Area Labor-Management Committee requesting grant funds. All current committee members and officers must be identified in the application and a brief description of the committee's existing or proposed operating procedures must be included. A copy of the committee bylaws, if adopted, must also accompany the application.

Subp. 4. **Statement of goals.** The application must include a descriptive statement of the labor-management climate and major issues or problems existing in the committee's area of jurisdiction, as well as the major purpose or goal of the committee in the context of the problems. The goal statement must describe specific changes or outcomes the committee seeks to accomplish through use of grant program funds. Quantifiable, specific goal and problem statements are encouraged. Applicants should avoid broad, generic, overly-generalized statements.

Subp. 5. **Methodology.** The application must include a description of the approach and methodology to be used by the committee in solving the problems and achieving the goals identified in subpart 4. The application must include an implementation plan setting forth specific and measurable goals and objectives to be accomplished during the grant period, the major action steps to be taken, a timetable indicating when those action steps will be taken, and when goals and objectives will be accomplished.

Subp. 6. **Financial plan.** The application must include a four-year financial plan detailing the revenues and expenditures anticipated over a four-year period, commencing with the year for which the grant is being requested. The plan must identify the total amount of state funding necessary to carry out the committee's goals and objectives and the money to be raised from other sources to meet the guidelines of the grant program. The plan must be accompanied by a proposed committee budget over the four-year period detailing how all money, including state grant money, is to be expended. Existing committees must also submit copies of actual financial statements for the four-year period preceding the proposed grant period.

5520.0250 GRANT RESTRICTIONS.

Subpart 1. **Labor negotiations, grievances, or disputes.** No committee funded, in whole or in part, through the grant program may engage in activities directly or indirectly related to labor negotiations, contract disputes, or grievance procedures. Violation of this subpart is grounds for termination of the grant.

Subp. 2. **Prior obligations.** No grant money may be used directly or indirectly to cover costs incurred before the effective date of the grant nor to cover costs that are not specifically related to the goals in the application. No finder's fee or other form of payment for successful application shall be permitted in conjunction with the grant program.

Subp. 3. [Repealed, 15 SR 2267]

Subp. 4. **Delegation or transfer.** A successful applicant may not, in whole or in part, delegate or transfer responsibility for the management of the grant or control and use of its funds to any other organization or entity.

5520.0300 GRANT PERIOD AND AMOUNT.

Subpart 1. **Grant period.** All grants are awarded for a 12-month period commencing January 1.

Subp. 2. **Amount.** The amount of each grant will be determined by the commissioner after considering the merits and reasonableness of each application, the total funds available in relationship to the total amounts requested, prior awards and experiences with individual applicants, the usual and customary costs of operating a committee, and the overall purposes and goals of the program.

Subp. 3. **Ratio of state and nonstate funds.** Regardless of the funds available, no grant will be awarded that would be inconsistent with the following ratio of state and nonstate revenues for the committee: (Year 1 is the first year state funds are received under this program, Year 2 is the second, etc.).

	Percent Nonstate Revenues	Percent State Revenues
Year 1	10	90
Year 2	20	80
Year 3 & Beyond	50	50

5520.0500 APPLICATION REVIEW PROCEDURES.

Subpart 1. **Competitive basis.** All timely and complete applications will be reviewed on a competitive basis. Grants will be awarded by the commissioner in amounts and to parties as deemed consistent with the overall purposes of the grant program. In evaluating applications and awarding grants, the factors described in this part will be considered.

Subp. 2. **Appropriateness.** The appropriateness of the proposal must be evaluated. Appropriateness includes:

- A. consistency of the proposal's purpose with the public policy objectives of the grant program;
- B. the extent and history of labor-management activity within the area to be served by the proposed grant;
- C. other past or present cooperative labor-management activities within the designated area;
- D. the need for public funding of the endeavor; and
- E. the reasonableness of proposed expenditures in relationship to benefits to be derived.

Subp. 3. **Attainability of goals.** The attainability of the goals in the proposal must be evaluated. Attainability includes:

- A. ability of the applicant to articulate quantifiable and meaningful goals and activities;
- B. evaluation of the applicant's ability and capacity to implement program activities necessary to achieve stated goals;
- C. prior success of the applicant in achieving previous program goals;
- D. other labor-management activities in the area; and
- E. the relationship of the proposed goals with the overall objectives of the grant program.

Subp. 4. **Support for the proposal.** Evidence of support for the proposal from multiple labor-management representatives within the area will be reviewed. The evidence may be submitted in the form of letters of endorsement, resolutions of support adopted by ad hoc groups, or other form that permits consultation and verification with individual representatives by the bureau. Established committees must attach a copy of the minutes of the meeting at which the proposal was approved and the minutes should reflect the names and organizations of all persons present for the meeting.

Subp. 5. **Financial plans.** The thoroughness of the four-year financial plan submitted as a part of the proposal, including an analysis of the overall reasonableness of revenue and expense projections; the detail and reasonableness of projected funding sources and amounts; and the detail and reasonableness of projected expenditures will be considered. Established committees must attach copies of actual financial operating statements that reflect annual revenue sources and amounts and expense categories and amounts for each year of the three-year period preceding the current year, as well as for the current year-to-date.

Subp. 6. **Work plans.** The thoroughness of detailed plans for achieving the major goals and objectives of the committee will be evaluated to determine the ability of the committee to identify key tasks and action steps necessary to the attainment of goals; the designation of appropriate time frames; relevance of work plans to objectives of the grant program; and the extent of planning undertaken by the applicant with regard to its goals.

Subp. 7. [Repealed, 15 SR 2267]

5520.0520 WORK PLAN.

Each grant application must include a work plan that describes the major work steps to be undertaken by the committee during the grant period in achieving its individual goals and objectives. Work plans should describe each area of substantial program activity contemplated by the committee, the key steps necessary to achieving each program activity, and a time frame for determining progress in each activity area. Grantees are responsible for compliance with their work plans and for advising the Office of Cooperative Labor-Management Programs of any significant alterations in the goals, objectives, or work plans of the committee. Written quarterly reports, describing the progress and problems in adhering to the work plan, must accompany financial reports in conformance to the provisions of part 5520.0560.

5520.0540 BUDGET ADJUSTMENTS.

Grant recipients must consult, in writing, with the Office of Cooperative Labor-Management Programs before making budget adjustments that:

- A. result in changes in the scope or objectives of the program in the approved application;
- B. result in more grant money available than is necessary to meet the needs of the program;
- C. result in a change in the percent of state funds available to the grantee that would be inconsistent with part 5520.0300, subpart 3, or Minnesota Statutes, section 179.85; or
- D. amount to ten percent or more of the total grant awarded.

5520.0560 QUARTERLY REPORTS.

Each grant recipient must file detailed financial and activity reports on a quarterly basis in accordance with the following schedule:

- A. Period covered: January 1 to March 31, date due: April 20;
- B. Period covered: April 1 to June 30, date due: July 20;
- C. Period covered: July 1 to September 30, date due: October 20; and
- D. Period covered: October 1 to December 31, date due: January 20.

5520.0600 ACCOUNTING SYSTEM.

Each grant recipient must establish and maintain a system of financial management of the grant that complies with accepted accounting practices. The system must provide accurate, current, and complete information on the financial status of each grant-supported activity and must include the generation of periodic reports indicating the allocation of funds by activity, the amount expended, and the amount obligated. Each dollar of Area Labor-Management Committee Grant Program money must be traceable through the accounting system.

All accounting documents must be supported by source documentation such as payroll records, invoices, and purchase vouchers. All employees paid in whole or in part from grant funds must prepare time sheets reflecting the number of hours worked on grant activities during the pay period and the payroll must be based on these time sheets. Any purchase of services agreement entered into by the committee must specify the amount and nature of services to be provided in a manner that facilitates determination of an hourly or per-unit rate for those services.

5520.0620 AUDITS.

Subpart 1. **Financial and compliance audits.** All grant recipients must arrange for and undergo a financial and compliance audit at least once every two years. The audits must be performed by qualified individuals who are independent of those persons who authorize, manage, and carry out the expenditure of funds to ensure unbiased opinions, conclusions, or judgments. Grant recipients are responsible for arranging and paying for these audits. The purpose of the audit is to report on whether:

- A. the financial operations have been conducted properly;
- B. financial and other reports submitted as a part of the program have been presented fairly and accurately;
- C. the grantee has complied with applicable laws, regulations, and policies;
- D. resources are used and managed in an economic and efficient manner; and
- E. program objectives and results are being effectively and economically achieved.

Normal accepted auditing methods and standards must be applied in the performance of this audit. Should an auditor become aware of irregularities in financial or programmatic performance, the auditor must promptly notify the commissioner of those irregularities and, if appropriate, higher grantee management officials than the level at which irregularities appear to lie.

Subp. 2. **Audit reports.** A written audit report shall be prepared and include:

- A. a statement of the standards used in the performance of the audit;
- B. financial statements and audit comments on the statements for the period;
- C. audit comments regarding compliance and internal control; and
- D. comments regarding the accuracy and completeness of financial and program reports filed by the grantee.

Three copies of the written audit report must be provided to the commissioner and a copy shall be made available to each member of the committee.

5520.0700 INITIAL PAYMENTS.

No grant payments will be issued until the grant application and required work plans have received final approval by the commissioner and a written grant contract has been executed and approved.

5520.0710 SUBSEQUENT PAYMENTS.

Subsequent grant payments will be made on a quarterly basis based on submission of a payment request form and other required reports. When computing requests for payment, the recipient should first apply any unused portions of a previous grant payment toward the next month's anticipated expenditures.

5520.0800 TERMINATION OF GRANTS.

Subpart 1. **General.** Grants shall be suspended, terminated, or withdrawn, in whole or in part, by the commissioner if funds provided are used in a manner inconsistent with the policies of parts 5520.0100 to 5520.0800, or if it appears that funds are being used in a manner inconsistent with the stated goals and purpose of the grant application or approved amendments. Grants shall also be suspended, terminated, or withdrawn if it appears that the applicant is unable or unwilling to fulfill responsibilities set forth in the application.

Subp. 2. **Notice.** In the event the commissioner believes that there is reason to suspend, terminate, or withdraw a grant, the commissioner shall provide written notice to the grant recipient stating the nature of the contemplated action, the anticipated effective date, and

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the reasons for the action. The grant recipient may submit a written response to the notice within five working days of receipt of the notice from the commissioner. After investigating the situation, including any information provided by the committee in response to the commissioner's notice, the commissioner shall determine final action with regard to suspension, termination, or withdrawal of the grant. The commissioner shall provide written notice of the final determination to all interested parties.