

SENATE
STATE OF MINNESOTA
EIGHTY-SEVENTH LEGISLATURE **S.F. No. 887**

(SENATE AUTHORS: MICHEL)

DATE	D-PG	OFFICIAL STATUS
03/17/2011	545	Introduction and first reading Referred to Jobs and Economic Growth
03/24/2011	642a	Comm report: To pass as amended and re-refer to Finance
03/25/2011	753a	Comm report: To pass as amended
	754	Second reading
03/28/2011	772	Special Order
	775	Third reading Passed
04/07/2011	1226	Returned from House with amendment
	1227	Senate not concur, conference committee of 5 requested
04/14/2011	1366	Senate conferees Michel; Lillie; Daley; Miller; Pederson
04/18/2011	1371	House conferees Gunther; Hoppe; Kieffer; McFarlane; Sanders
05/17/2011	2119c	Conference committee report, delete everything
	2173	Motion to reject CC report, did not prevail Senate adopted CC report and repassed bill
	2174	Third reading
05/18/2011	2730	House adopted SCC report and repassed bill Presentment date 05/21/11
	3583	Governor's action Veto Chapter 39 05/24/11
	3600	Veto message laid on table See SF2 (First Special Session)

A bill for an act

relating to economic development; modifying certain economic development, fees, and licensing provisions; modifying certain occupational continuing education requirements; clarifying and modifying regulation of medical gas system and manufactured home provisions; requiring reports; appropriating money for jobs, economic development, and housing purposes; amending Minnesota Statutes 2010, sections 115C.08, subdivision 4; 116J.035, by adding a subdivision; 116J.551, subdivision 1; 181.723, subdivision 5; 182.6553, subdivision 6; 268.18, subdivisions 2, 2b; 268.199; 268A.15, subdivision 4; 298.17; 326B.04, subdivision 2; 326B.091; 326B.098; 326B.13, subdivision 8; 326B.148, subdivision 1; 326B.42, subdivisions 8, 9, 10, by adding subdivisions; 326B.435, subdivision 2; 326B.438; 326B.46, subdivisions 1, 1a, 1b, 2, 3; 326B.47, subdivisions 1, 3; 326B.49, subdivision 1; 326B.56, subdivision 1; 326B.58; 326B.82, subdivisions 2, 3, 7, 9; 326B.821, subdivisions 1, 5, 5a, 6, 7, 8, 9, 10, 11, 12, 15, 16, 18, 19, 20, 22, 23; 326B.865; 326B.89, subdivisions 6, 8; 327.32, subdivisions 1a, 1b, 1e, 1f, 7; 327.33, subdivision 2; 327C.095, subdivision 12; 341.321; Laws 2009, chapter 78, article 1, section 18; proposing coding for new law in Minnesota Statutes, chapters 116J; 326B; repealing Minnesota Statutes 2010, sections 326B.82, subdivisions 4, 6; 326B.821, subdivision 3.

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

ARTICLE 1

JOBS, ECONOMIC DEVELOPMENT, AND HOUSING APPROPRIATIONS

Section 1. JOBS, ECONOMIC DEVELOPMENT, AND HOUSING APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2012</u>	<u>2013</u>	<u>Total</u>
<u>General</u>	\$ 78,059,000	\$ 76,016,000	\$ 154,075,000
<u>Workforce Development</u>	15,815,000	15,787,000	31,602,000
<u>Remediation</u>	700,000	700,000	1,400,000

2.1	<u>Workers' Compensation</u>	<u>22,574,000</u>	<u>22,574,000</u>	<u>45,148,000</u>
2.2	<u>Total</u>	<u>\$ 117,148,000</u>	<u>\$ 115,077,000</u>	<u>232,225,000</u>

2.3 **Sec. 2. JOBS, ECONOMIC DEVELOPMENT, AND HOUSING.**

2.4 The sums shown in the columns marked "Appropriations" are appropriated to the
 2.5 agencies and for the purposes specified in this article. The appropriations are from the
 2.6 general fund, or another named fund, and are available for the fiscal years indicated
 2.7 for each purpose. The figures "2012" and "2013" used in this article mean that the
 2.8 appropriations listed under them are available for the fiscal year ending June 30, 2012, or
 2.9 June 30, 2013, respectively. "The first year" is fiscal year 2012. "The second year" is fiscal
 2.10 year 2013. "The biennium" is fiscal years 2012 and 2013.

2.11		<u>APPROPRIATIONS</u>	
2.12		<u>Available for the Year</u>	
2.13		<u>Ending June 30</u>	
2.14		<u>2012</u>	<u>2013</u>

2.15 **Sec. 3. DEPARTMENT OF EMPLOYMENT**
 2.16 **AND ECONOMIC DEVELOPMENT**

2.17	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 50,921,000</u>	<u>\$ 48,743,000</u>
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2.18	<u>Appropriations by Fund</u>		
2.19		<u>2012</u>	<u>2013</u>
2.20	<u>General</u>	<u>35,280,000</u>	<u>33,130,000</u>
2.21	<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
2.22	<u>Workforce</u>		
2.23	<u>Development</u>	<u>14,941,000</u>	<u>14,913,000</u>

2.24 The amounts that may be spent for each
 2.25 purpose are specified in the following
 2.26 subdivisions.

2.27	<u>Subd. 2. Business and Community</u>		
2.28	<u>Development</u>	<u>5,857,000</u>	<u>5,829,000</u>

2.29	<u>Appropriations by Fund</u>		
2.30	<u>General</u>	<u>4,841,000</u>	<u>4,841,000</u>
2.31	<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
2.32	<u>Workforce</u>		
2.33	<u>Development</u>	<u>316,000</u>	<u>288,000</u>

2.34 (a) \$700,000 the first year and \$700,000 the
 2.35 second year are from the remediation fund for
 2.36 contaminated site cleanup and development

3.1 grants under Minnesota Statutes, section
3.2 116J.554. This appropriation is available
3.3 until expended.

3.4 (b) \$470,000 the first year and \$470,000 the
3.5 second year are from the general fund for
3.6 contaminated site cleanup and development
3.7 grants under Minnesota Statutes, section
3.8 116J.554. The base funding for this program
3.9 is \$325,000 each year beginning in fiscal
3.10 year 2014 and thereafter.

3.11 (c) \$150,000 the first year is from the general
3.12 fund for a grant to WomenVenture for
3.13 women's business development programs
3.14 and for programs that encourage and assist
3.15 women to enter nontraditional careers in the
3.16 trades; manual and technical occupations;
3.17 science, technology, engineering, and
3.18 mathematics-related occupations; and green
3.19 jobs. This appropriation may be matched
3.20 dollar for dollar with any resources available
3.21 from the federal government for these
3.22 purposes with priority given to initiatives
3.23 that have a goal of increasing by at least ten
3.24 percent the number of women in occupations
3.25 where women currently comprise less than
3.26 25 percent of the workforce. This is a
3.27 onetime appropriation.

3.28 (d) \$79,000 the first year is from the general
3.29 fund and \$42,000 the first year is from the
3.30 workforce development fund for a grant to
3.31 the Metropolitan Economic Development
3.32 Association for continuing minority business
3.33 development programs in the metropolitan
3.34 area. This appropriation must be used for the
3.35 sole purpose of providing free or reduced

4.1 fee business consulting services to minority
4.2 entrepreneurs and contractors. This is a
4.3 onetime appropriation.

4.4 (e)(1) \$425,000 the first year is a onetime
4.5 appropriation from the general fund for a
4.6 grant to BioBusiness Alliance of Minnesota
4.7 for bioscience business development
4.8 programs to promote and position the state
4.9 as a global leader in bioscience business
4.10 activities. These funds may be used to create,
4.11 recruit, retain, and expand biobusiness
4.12 activity in Minnesota; implement the
4.13 destination 2025 statewide plan; update
4.14 a statewide assessment of the bioscience
4.15 industry and the competitive position of
4.16 Minnesota-based bioscience businesses
4.17 relative to other states and other nations;
4.18 and develop and implement business and
4.19 scenario-planning models to create, recruit,
4.20 retain, and expand biobusiness activity in
4.21 Minnesota.

4.22 (2) The BioBusiness Alliance must report
4.23 each year by February 15 to the committees
4.24 of the house of representatives and the senate
4.25 having jurisdiction over bioscience industry
4.26 activity in Minnesota on the use of funds;
4.27 the number of bioscience businesses and
4.28 jobs created, recruited, retained, or expanded
4.29 in the state since the last reporting period;
4.30 the competitive position of the biobusiness
4.31 industry; and utilization rates and results of
4.32 the business and scenario-planning models
4.33 and outcomes resulting from utilization of
4.34 the business and scenario-planning models.

5.1 (f) \$37,000 the first year is from the general
5.2 fund for a grant to the Minnesota Inventors
5.3 Congress, of which at least \$3,700 must be
5.4 used for youth inventors. This is a onetime
5.5 appropriation.

5.6 (g)(1) \$85,000 the first year is from the
5.7 workforce development fund for a grant
5.8 under Minnesota Statutes, section 116J.421,
5.9 to the Rural Policy and Development
5.10 Center at St. Peter, Minnesota. The grant
5.11 shall be used for research and policy
5.12 analysis on emerging economic and social
5.13 issues in rural Minnesota, to serve as a
5.14 policy resource center for rural Minnesota
5.15 communities, to encourage collaboration
5.16 across higher education institutions, to
5.17 provide interdisciplinary team approaches
5.18 to research and problem-solving in rural
5.19 communities, and to administer overall
5.20 operations of the center. This is a onetime
5.21 appropriation.

5.22 (2) The grant shall be provided upon the
5.23 condition that each state-appropriated
5.24 dollar be matched with a nonstate dollar.
5.25 Acceptable matching funds are nonstate
5.26 contributions that the center has received and
5.27 have not been used to match previous state
5.28 grants. Any funds not spent the first year are
5.29 available the second year.

5.30 (h) \$189,000 the first year is for entrepreneur
5.31 and small business development direct
5.32 professional business assistance in Blue
5.33 Earth, Brown, Faribault, Le Sueur, Martin,
5.34 Nicollet, Sibley, Watonwan, and Waseca
5.35 Counties. These services must include, but

6.1 are not limited to, preventure assistance for
6.2 individuals considering starting a business.
6.3 Funds must be awarded to an organization or
6.4 organizations that can demonstrate leverage
6.5 of at least an equal amount of federal funds.
6.6 Any balance in the first year does not cancel
6.7 but is available in the second year. The grant
6.8 recipient must report to the commissioner by
6.9 February 1 of each year that the organization
6.10 receives a grant with the number of customers
6.11 served; the amount of direct consulting hours
6.12 delivered; the number of new businesses
6.13 started; the amount of capital accessed for
6.14 business start-up or expansion; and the
6.15 number of jobs created and retained in each
6.16 county. The commissioner must report to
6.17 the house of representatives and senate
6.18 committees with jurisdiction over economic
6.19 development finance on the effectiveness
6.20 of these programs for assisting in the
6.21 development of entrepreneurs and small
6.22 businesses. This is a onetime appropriation.
6.23 (i) \$691,000 the second year is from the
6.24 general fund and \$288,000 the second year
6.25 is from the workforce development fund for
6.26 the business development competitive grant
6.27 pilot program.
6.28 (1) The commissioner shall develop and
6.29 implement a competitive grant program for
6.30 business development assistance and services
6.31 including, but not limited to: minority
6.32 business development, women's business
6.33 development, rural business development,
6.34 bioscience business development, and
6.35 services to inventors. Of this amount, up
6.36 to five percent is for administration and

7.1 monitoring of the business development
 7.2 competitive grant program.
 7.3 (2) The commissioner must report to the
 7.4 legislative committees having jurisdiction
 7.5 over economic development issues by
 7.6 January 10 each year on the following:
 7.7 methodologies and processes for soliciting
 7.8 and evaluating grant proposals; criteria and
 7.9 methodology for selecting grant recipients;
 7.10 methods and procedures for monitoring the
 7.11 use of grant awards including expenditures
 7.12 for administrative expenses by grant
 7.13 recipients; and methods for measuring
 7.14 outcomes and accomplishments of grant
 7.15 recipients including but not limited to the
 7.16 total number of new jobs created by each
 7.17 grant recipient, average wage of new jobs
 7.18 created, amount of private funds leveraged,
 7.19 number of new businesses created and the
 7.20 number of new jobs per business, return
 7.21 on investment to the state, and ongoing
 7.22 solicitation and feedback from interested
 7.23 parties regarding ongoing improvement
 7.24 and enhancement to the competitive grant
 7.25 program. The commissioner must also report
 7.26 on department expenditures related to the
 7.27 administration and monitoring of grants
 7.28 under this subdivision.

7.29	Subd. 3. Workforce Development	<u>44,206,000</u>	<u>42,056,000</u>
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7.30	<u>Appropriations by Fund</u>		
7.31	<u>General</u>	<u>29,581,000</u>	<u>27,431,000</u>
7.32	<u>Workforce</u>		
7.33	<u>Development</u>	<u>14,625,000</u>	<u>14,625,000</u>

7.34 (a) \$3,872,000 each year is from the general
 7.35 fund for the Minnesota job skills partnership
 7.36 program under Minnesota Statutes, sections

8.1 116L.01 to 116L.17. If the appropriation for
8.2 either year is insufficient, the appropriation
8.3 for the other year is available. This
8.4 appropriation is available until spent.

8.5 (b) \$10,800,000 the first year and \$8,800,000
8.6 the second year are from the general fund for
8.7 the state's vocational rehabilitation program
8.8 under Minnesota Statutes, chapter 268A.

8.9 (c) \$5,928,000 the first year and \$5,778,000
8.10 the second year are from the general fund for
8.11 the state services for the blind activities.

8.12 (d) \$2,150,000 each year is from the general
8.13 fund for grants to centers for independent
8.14 living under Minnesota Statutes, section
8.15 268A.11.

8.16 (e) \$315,000 the first year is from the
8.17 general fund and \$89,000 the first year is
8.18 from the workforce development fund for
8.19 a grant under Minnesota Statutes, section
8.20 116J.8747, to Twin Cities RISE! to provide
8.21 training to hard-to-train individuals. Funds
8.22 unexpended in the first year are available
8.23 for expenditure in the second year. This is a
8.24 onetime appropriation.

8.25 (f) \$100,000 the first year is from the general
8.26 fund and \$42,000 the first year is from the
8.27 workforce development fund for a grant
8.28 to Northern Connections in Perham to
8.29 implement and operate a workforce program
8.30 that provides one-stop supportive services
8.31 to individuals as they transition into the
8.32 workforce. This is a onetime appropriation.

8.33 (g) \$4,722,000 each year is from the general
8.34 fund and \$6,761,000 each year is from the
8.35 workforce development fund for extended

9.1 employment services for persons with severe
9.2 disabilities or related conditions under
9.3 Minnesota Statutes, section 268A.15. Of
9.4 the general fund appropriation, \$125,000
9.5 each year is to supplement funds paid for
9.6 wage incentives for the community support
9.7 fund established in Minnesota Rules, part
9.8 3300.2045.

9.9 (h) \$1,479,000 each year is from the general
9.10 fund for grants to programs that provide
9.11 employment support services to persons with
9.12 mental illness under Minnesota Statutes,
9.13 sections 268A.13 and 268A.14. Grants
9.14 may be used for special projects for young
9.15 people with mental illness transitioning from
9.16 school to work and people with serious
9.17 mental illness receiving services through
9.18 a mental health court or civil commitment
9.19 court. Special projects must demonstrate
9.20 interagency collaboration.

9.21 (i) \$135,000 the first year is from the general
9.22 fund and \$149,000 the first year is from the
9.23 workforce development fund for a grant
9.24 under Minnesota Statutes, section 268A.03,
9.25 to Rise, Inc. for the Minnesota Employment
9.26 Center for People Who are Deaf or Hard
9.27 of Hearing. Money not expended the first
9.28 year is available the second year. This is a
9.29 onetime appropriation.

9.30 (j) \$80,000 the first year is from the general
9.31 fund and \$170,000 the first year is from the
9.32 workforce development fund for a grant to
9.33 Lifetrack Resources for its immigrant and
9.34 refugee collaborative program, including
9.35 those related to job-seeking skills and

10.1 workplace orientation, intensive job
10.2 development, functional work English, and
10.3 on-site job coaching. This appropriation may
10.4 also be used in Rochester. This is a onetime
10.5 appropriation.

10.6 (k) \$1,169,000 the first year is from the
10.7 workforce development fund for the
10.8 Opportunities Industrialization Center
10.9 programs. The OIC state council must
10.10 not be colocated with the Department of
10.11 Employment and Economic Development.
10.12 Of this amount, \$3,000 may be used for
10.13 relocation expenses. This is a onetime
10.14 appropriation.

10.15 (l) \$630,000 the second year is from the
10.16 general fund and \$1,619,000 the second year
10.17 is from the workforce development fund for
10.18 the adult workforce development competitive
10.19 grant pilot program.

10.20 (1) The commissioner in consultation with
10.21 the Governor's Workforce Development
10.22 Council shall develop and implement
10.23 a competitive grant program for adult
10.24 workforce development activities including,
10.25 but not limited to: job training, job search,
10.26 job placement, preemployment and job
10.27 readiness skills, employment-related
10.28 self-advocacy skills, employment services
10.29 targeted to people who are deaf or hard of
10.30 hearing, and transition to work from public
10.31 assistance. Of this amount, up to five percent
10.32 is for administration and monitoring of the
10.33 adult workforce development competitive
10.34 grant pilot program.

11.1 (2) The commissioner must report to the
11.2 legislative committees having jurisdiction
11.3 over economic development issues by
11.4 January 10 each year on the following:
11.5 methodologies and processes for soliciting
11.6 and evaluating grant proposals; criteria and
11.7 methodology for selecting grant recipients;
11.8 methods and procedures for monitoring the
11.9 use of grant awards including expenditures
11.10 for administrative expenses by grant
11.11 recipients; and methods for measuring
11.12 outcomes and accomplishments of grant
11.13 recipients including but not limited to the
11.14 total number of job placements by each grant
11.15 recipient, average wage of jobs in which
11.16 clients served by grant recipients are placed,
11.17 specific job skills developed and measures
11.18 of improved employability or employment
11.19 opportunities by the clients of the grant
11.20 recipients, amount of private funds leveraged,
11.21 return on investment to the state, and ongoing
11.22 solicitation and feedback from interested
11.23 parties regarding ongoing improvement
11.24 and enhancement to the competitive grant
11.25 program. The commissioner must also report
11.26 on department expenditures related to the
11.27 administration and monitoring of grants
11.28 under this subdivision.

11.29 (m) \$2,975,000 the first year is a
11.30 onetime appropriation from the workforce
11.31 development fund for the Minnesota youth
11.32 program under Minnesota Statutes, sections
11.33 116L.56 and 116L.561.

11.34 (n) \$765,000 the first year is a onetime
11.35 appropriation from the workforce
11.36 development fund for grants for the

- 12.1 Minneapolis summer youth employment
12.2 program. The commissioner shall establish
12.3 criteria for awarding the grant.
- 12.4 (o) \$255,000 the first year is from the
12.5 workforce development fund for a grant to
12.6 the Minneapolis learn-to-earn summer youth
12.7 employment program. This is a onetime
12.8 appropriation.
- 12.9 (p) \$637,000 the first year is a onetime
12.10 appropriation from the workforce
12.11 development fund for a grant to the
12.12 Minnesota Alliance of Boys and Girls
12.13 Clubs to administer a statewide project
12.14 of youth jobs skills development. This
12.15 project, which may have career guidance
12.16 components, including health and life skills,
12.17 is to encourage, train, and assist youth in
12.18 job-seeking skills, workplace orientation,
12.19 and job-site knowledge through coaching.
12.20 This grant requires a 25 percent match from
12.21 nonstate resources.
- 12.22 (q) \$474,000 the first year is a onetime
12.23 appropriation from the workforce
12.24 development fund for grants to fund summer
12.25 youth employment in St. Paul. The
12.26 commissioner shall establish criteria for
12.27 awarding the grant.
- 12.28 (r) \$850,000 the first year is a onetime
12.29 appropriation from the workforce
12.30 development fund for the youthbuild
12.31 program under Minnesota Statutes, sections
12.32 116L.361 to 116L.366.
- 12.33 (s) \$289,000 the first year is a onetime
12.34 appropriation from the workforce
12.35 development fund for grants to provide

13.1 interpreters for a regional transition program
13.2 that specializes in providing culturally
13.3 appropriate transition services leading to
13.4 employment for deaf, hard-of-hearing, and
13.5 deafblind students.

13.6 (t) \$6,245,000 the second year is from the
13.7 workforce development fund for the youth
13.8 workforce development competitive grant
13.9 pilot program.

13.10 (1) The commissioner in consultation with
13.11 the Governor's Workforce Development
13.12 Council shall develop and implement a
13.13 competitive grant program to provide
13.14 workforce development activities and
13.15 training to youth in Minnesota. Of
13.16 this amount, up to five percent is for
13.17 administration and monitoring of the youth
13.18 workforce development competitive grant
13.19 pilot program.

13.20 (2) The commissioner must report to the
13.21 legislative committees having jurisdiction
13.22 over economic development issues by
13.23 January 10 each year on the following:
13.24 methodologies and processes for soliciting
13.25 and evaluating grant proposals; criteria and
13.26 methodology for selecting grant recipients;
13.27 methods and procedures for monitoring the
13.28 use of grant awards including expenditures
13.29 for administrative expenses by grant
13.30 recipients; and methods for measuring
13.31 outcomes and accomplishments of grant
13.32 recipients including but not limited to the
13.33 total number of youth served by each grant
13.34 recipient, number of job placements, job
13.35 search, training or placement services,

14.1 education or other employment-related
 14.2 services, employment-related self-advocacy
 14.3 skills, preemployment skill development,
 14.4 average wage of jobs, amount of private
 14.5 funds leveraged, return on investment
 14.6 to the state, and ongoing solicitation
 14.7 and feedback from interested parties
 14.8 regarding ongoing improvement and
 14.9 enhancement to the competitive grant
 14.10 program. The commissioner must also report
 14.11 on department expenditures related to the
 14.12 administration and monitoring of grants
 14.13 under this subdivision.

14.14 (3) In awarding grants under this subdivision,
 14.15 consideration must be given to programs that
 14.16 target deaf, hard of hearing, and deaf/blind
 14.17 students.

14.18	<u>Subd. 4. State-Funded Administration</u>	<u>858,000</u>	<u>858,000</u>
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14.19 Sec. 4. **HOUSING FINANCE AGENCY**

14.20	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 37,897,000</u>	<u>\$ 37,897,000</u>
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14.21 The amounts that may be spent for each
 14.22 purpose are specified in the following
 14.23 subdivisions.

14.24 This appropriation is for transfer to the
 14.25 housing development fund for the programs
 14.26 specified. Except as otherwise indicated, this
 14.27 transfer is part of the agency's permanent
 14.28 budget base.

14.29	<u>Subd. 2. Challenge Program</u>	<u>6,955,000</u>	<u>6,955,000</u>
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14.30 For the economic development and housing
 14.31 challenge program under Minnesota
 14.32 Statutes, section 462A.33. Of this amount,
 14.33 \$1,208,000 each year shall be made available
 14.34 during the first eight months of the fiscal

15.1	<u>year exclusively for housing projects for</u>		
15.2	<u>American Indians. Any funds not committed</u>		
15.3	<u>to housing projects for American Indians in</u>		
15.4	<u>the first eight months of the fiscal year shall</u>		
15.5	<u>be available for any eligible activity under</u>		
15.6	<u>Minnesota Statutes, section 462A.33.</u>		
15.7	<u>Subd. 3. Housing Trust Fund</u>	<u>9,555,000</u>	<u>9,555,000</u>
15.8	<u>For deposit in the housing trust fund account,</u>		
15.9	<u>for the purposes provided under Minnesota</u>		
15.10	<u>Statutes, section 462A.201.</u>		
15.11	<u>Subd. 4. Rental Assistance for Mentally Ill</u>	<u>2,638,000</u>	<u>2,638,000</u>
15.12	<u>For the rental housing assistance program for</u>		
15.13	<u>persons with a mental illness or families with</u>		
15.14	<u>an adult member with a mental illness under</u>		
15.15	<u>Minnesota Statutes, section 462A.2097.</u>		
15.16	<u>Subd. 5. Family Homeless Prevention</u>	<u>7,465,000</u>	<u>7,465,000</u>
15.17	<u>For the family homeless prevention and</u>		
15.18	<u>assistance programs under Minnesota</u>		
15.19	<u>Statutes, section 462A.204.</u>		
15.20	<u>Subd. 6. Home Ownership Assistance Fund</u>	<u>797,000</u>	<u>797,000</u>
15.21	<u>For the home ownership assistance program</u>		
15.22	<u>under Minnesota Statutes, section 462A.21,</u>		
15.23	<u>subdivision 8.</u>		
15.24	<u>Subd. 7. Affordable Rental Investment Fund</u>	<u>7,313,000</u>	<u>7,313,000</u>
15.25	<u>(a) For the affordable rental investment fund</u>		
15.26	<u>program under Minnesota Statutes, section</u>		
15.27	<u>462A.21, subdivision 8b. The appropriation</u>		
15.28	<u>is to finance the acquisition, rehabilitation,</u>		
15.29	<u>and debt restructuring of federally assisted</u>		
15.30	<u>rental property and for making equity</u>		
15.31	<u>take-out loans under Minnesota Statutes,</u>		
15.32	<u>section 462A.05, subdivision 39.</u>		

16.1 (b) The owner of federally assisted rental
16.2 property must agree to participate in
16.3 the applicable federally assisted housing
16.4 program and to extend any existing
16.5 low-income affordability restrictions on the
16.6 housing for the maximum term permitted.
16.7 The owner must also enter into an agreement
16.8 that gives local units of government,
16.9 housing and redevelopment authorities,
16.10 and nonprofit housing organizations the
16.11 right of first refusal if the rental property
16.12 is offered for sale. Priority must be given
16.13 among comparable federally assisted rental
16.14 properties to properties with the longest
16.15 remaining term under an agreement for
16.16 federal assistance. Priority must also be
16.17 given among comparable rental housing
16.18 developments to developments that are or
16.19 will be owned by local government units, a
16.20 housing and redevelopment authority, or a
16.21 nonprofit housing organization.
16.22 (c) The appropriation also may be used to
16.23 finance the acquisition, rehabilitation, and
16.24 debt restructuring of existing supportive
16.25 housing properties. For purposes of this
16.26 subdivision, "supportive housing" means
16.27 affordable rental housing with links to
16.28 services necessary for individuals, youth, and
16.29 families with children to maintain housing
16.30 stability.
16.31 **Subd. 8. Housing Rehabilitation**
16.32 For the housing rehabilitation program
16.33 under Minnesota Statutes, section 462A.05,
16.34 subdivision 14, for rental housing
16.35 developments.

2,449,000

2,449,000

17.1 Subd. 9. Homeownership Education,
 17.2 Counseling, and Training 600,000 600,000

17.3 For the homeownership education,
 17.4 counseling, and training program under
 17.5 Minnesota Statutes, section 462A.209.
 17.6 Notwithstanding Minnesota Statutes, section
 17.7 462A.209, subdivision 7, paragraph (b),
 17.8 more than one-half of the funds awarded
 17.9 for foreclosure prevention and assistance
 17.10 activities may be used for mortgage or
 17.11 financial counseling services.

17.12 Subd. 10. Capacity-Building Grants 125,000 125,000

17.13 For nonprofit capacity-building grants
 17.14 under Minnesota Statutes, section 462A.21,
 17.15 subdivision 3b.

17.16 Sec. 5. DEPARTMENT OF LABOR AND
 17.17 INDUSTRY

17.18 Subdivision 1. Total Appropriation \$ 22,545,000 \$ 22,545,000

	<u>Appropriations by Fund</u>	
	<u>2012</u>	<u>2013</u>
17.21 <u>General</u>	<u>800,000</u>	<u>800,000</u>
17.22 <u>Workers'</u>		
17.23 <u>Compensation</u>	<u>20,871,000</u>	<u>20,871,000</u>
17.24 <u>Workforce</u>		
17.25 <u>Development</u>	<u>874,000</u>	<u>874,000</u>

17.26 The amounts that may be spent for each
 17.27 purpose are specified in the following
 17.28 subdivisions.

17.29 Subd. 2. Workers' Compensation 14,832,000 14,832,000

17.30 This appropriation is from the workers'
 17.31 compensation fund.

17.32 \$200,000 each year is for grants to the
 17.33 Vinland Center for rehabilitation services.

17.34 Grants shall be distributed as the department

18.1	<u>refers injured workers to the Vinland Center</u>		
18.2	<u>for rehabilitation services.</u>		
18.3	<u>Subd. 3. Labor Standards and Apprenticeship</u>	<u>1,674,000</u>	<u>1,674,000</u>
18.4	<u>Appropriations by Fund</u>		
18.5	<u>General</u>	<u>800,000</u>	<u>800,000</u>
18.6	<u>Workforce</u>		
18.7	<u>Development</u>	<u>874,000</u>	<u>874,000</u>
18.8	<u>(a) \$800,000 each year is from the</u>		
18.9	<u>general fund for the labor standards and</u>		
18.10	<u>apprenticeship program.</u>		
18.11	<u>(b) \$747,000 each year is appropriated from</u>		
18.12	<u>the workforce development fund for the</u>		
18.13	<u>apprenticeship program under Minnesota</u>		
18.14	<u>Statutes, chapter 178, and includes \$85,000</u>		
18.15	<u>for labor education and advancement</u>		
18.16	<u>program grants and to expand and promote</u>		
18.17	<u>registered apprenticeship training in</u>		
18.18	<u>nonconstruction trade programs.</u>		
18.19	<u>(c) \$127,000 each year is appropriated</u>		
18.20	<u>from the workforce development fund for</u>		
18.21	<u>prevailing wage enforcement.</u>		
18.22	<u>Subd. 4. General Support</u>	<u>6,039,000</u>	<u>6,039,000</u>
18.23	<u>This appropriation is from the workers'</u>		
18.24	<u>compensation fund.</u>		
18.25	<u>Sec. 6. BUREAU OF MEDIATION</u>		
18.26	<u>SERVICES</u>		
18.27	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 1,525,000</u>	<u>\$ 1,525,000</u>
18.28	<u>The amounts that may be spent for each</u>		
18.29	<u>purpose are specified in the following</u>		
18.30	<u>subdivisions.</u>		
18.31	<u>Subd. 2. Mediation Services</u>	<u>1,471,000</u>	<u>1,471,000</u>
18.32	<u>Subd. 3. Labor Management Cooperation</u>		
18.33	<u>Grants</u>	<u>54,000</u>	<u>54,000</u>

20.1 (1) to administer the petroleum tank release cleanup program established in this
20.2 chapter;

20.3 (2) for agency administrative costs under sections 116.46 to 116.50, sections
20.4 115C.03 to 115C.06, and costs of corrective action taken by the agency under section
20.5 115C.03, including investigations;

20.6 (3) for costs of recovering expenses of corrective actions under section 115C.04;

20.7 (4) for training, certification, and rulemaking under sections 116.46 to 116.50;

20.8 (5) for agency administrative costs of enforcing rules governing the construction,
20.9 installation, operation, and closure of aboveground and underground petroleum storage
20.10 tanks;

20.11 (6) for reimbursement of the environmental response, compensation, and compliance
20.12 account under subdivision 5 and section 115B.26, subdivision 4;

20.13 (7) for administrative and staff costs as set by the board to administer the petroleum
20.14 tank release program established in this chapter;

20.15 (8) for corrective action performance audits under section 115C.093;

20.16 (9) for contamination cleanup grants, as provided in paragraph (c);

20.17 (10) to assess and remove abandoned underground storage tanks under section
20.18 115C.094 and, if a release is discovered, to pay for the specific consultant and contractor
20.19 services costs necessary to complete the tank removal project, including, but not limited
20.20 to, excavation soil sampling, groundwater sampling, soil disposal, and completion of
20.21 an excavation report; and

20.22 (11) for property acquisition by the agency when the agency has determined that
20.23 purchasing a property where a release has occurred is the most appropriate corrective
20.24 action. The acquisition of all properties is subject to approval by the board.

20.25 (b) Except as provided in paragraph (c), money in the fund is appropriated to the
20.26 board to make reimbursements or payments under this section.

20.27 (c) In fiscal years 2010 and 2011, \$3,700,000 is annually appropriated from the
20.28 fund to the commissioner of employment and economic development for contamination
20.29 cleanup grants under section 116J.554. Beginning in fiscal year 2012 and each year
20.30 thereafter, \$6,200,000 is annually appropriated from the fund to the commissioner of
20.31 employment and economic development for contamination cleanup grants under section
20.32 116J.554. Of this amount, the commissioner may spend up to \$225,000 annually for
20.33 administration of the contamination cleanup grant program and up to \$800,000 annually
20.34 for the purposes of section 116J.554 without regard to the requirements of clauses (1) and
20.35 (2) of this paragraph. The appropriation does not cancel and is available until expended.
20.36 The appropriation shall not be withdrawn from the fund nor the fund balance reduced until

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21.1 the funds are requested by the commissioner of employment and economic development.
21.2 The commissioner shall schedule requests for withdrawals from the fund to minimize the
21.3 necessity to impose the fee authorized by subdivision 2. Unless otherwise provided, the
21.4 appropriation in this paragraph may be used for:

21.5 (1) project costs at a qualifying site if a portion of the cleanup costs are attributable
21.6 to petroleum contamination or new and used tar and tar-like substances, including but not
21.7 limited to bitumen and asphalt, but excluding bituminous or asphalt pavement, that consist
21.8 primarily of hydrocarbons and are found in natural deposits in the earth or are distillates,
21.9 fractions, or residues from the processing of petroleum crude or petroleum products as
21.10 defined in section 296A.01; and

21.11 (2) the costs of performing contamination investigation if there is a reasonable basis
21.12 to suspect the contamination is attributable to petroleum or new and used tar and tar-like
21.13 substances, including but not limited to bitumen and asphalt, but excluding bituminous or
21.14 asphalt pavement, that consist primarily of hydrocarbons and are found in natural deposits
21.15 in the earth or are distillates, fractions, or residues from the processing of petroleum crude
21.16 or petroleum products as defined in section 296A.01.

21.17 Sec. 2. Minnesota Statutes 2010, section 116J.035, is amended by adding a subdivision
21.18 to read:

21.19 Subd. 7. **Monitoring pass-through grant recipients.** The commissioner shall
21.20 monitor the activities and outcomes of programs and services funded by legislative
21.21 appropriations and administered by the department on a pass-through basis. Unless
21.22 amounts are otherwise appropriated for administrative costs, the commissioner may
21.23 retain up to five percent of the amount appropriated to the department for grants to
21.24 pass-through entities. Amounts retained are deposited to a special revenue account and
21.25 are appropriated to the commissioner for costs incurred in administering and monitoring
21.26 the pass-through grants.

21.27 Sec. 3. Minnesota Statutes 2010, section 116J.551, subdivision 1, is amended to read:

21.28 Subdivision 1. **Grant account.** A contaminated site cleanup and development grant
21.29 account is created in the special revenue fund, general fund, petroleum tank fund, and
21.30 remediation fund. Money in ~~the~~ any account may be used, as appropriated by law, to make
21.31 grants as provided in section 116J.554 and to pay for the commissioner's costs in reviewing
21.32 applications and making grants. Notwithstanding section 16A.28, money appropriated to
21.33 the ~~account~~ accounts for this program from any source is available until spent.

21.34 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2010.

22.1 Sec. 4. [116J.881] SMALL BUSINESS LOAN GUARANTEE PROGRAM.

22.2 Subdivision 1. Definitions. (a) For purposes of this section, the following terms
22.3 have the meanings given.

22.4 (b) "Borrower" means a small business receiving an eligible loan under this section.

22.5 (c) "Commissioner" means the commissioner of employment and economic
22.6 development.

22.7 (d) "Eligible loan" means a loan to a small business to be used for business
22.8 purposes exclusively in Minnesota, including: construction; remodeling or renovation;
22.9 leasehold improvements; the purchase of land and buildings; business acquisitions,
22.10 including employee stock ownership plan financing; machinery or equipment purchases,
22.11 maintenance, or repair; expenses related to moving into or within Minnesota; and working
22.12 capital when the working capital is secured by fixed assets.

22.13 (e) "Loan guarantee" means a guarantee of 70 percent of the loan amount provided
22.14 by a QED lender. The guaranteed portion of the loan must not exceed \$1,500,000.

22.15 (f) "Loan guarantee trust fund" means a dedicated fund established under this
22.16 section for the purpose of compensation for defaulted loan guarantees and for program
22.17 administration.

22.18 (g) "Loan purchaser" means an institutional investor that purchases, holds, and
22.19 services small business loans on a nonrecourse basis from QED lenders participating in
22.20 the small business loan guarantee program.

22.21 (h) "Qualified economic development lender" or "QED lender" means a public entity
22.22 or a private nonprofit economic development organization whose headquarters is located
22.23 in Minnesota with not less than three years of active lending experience that provides
22.24 financing to small businesses in partnership with banks and other commercial lenders, and
22.25 that originates subordinated loans to small businesses for sale to the secondary market.

22.26 (i) "Secondary market" means the market in which loans are sold to investors, either
22.27 directly or through an intermediary.

22.28 (j) "Small business" means a business employing no more than 500 persons in
22.29 Minnesota.

22.30 (k) "Subordinated loan" means a loan secured by a lien that is lower in priority than
22.31 one or more specified other liens.

22.32 Subd. 2. Loan guarantee program. A small business loan guarantee program to
22.33 support the origination and sale of eligible subordinated loans to the secondary market by
22.34 providing a credit enhancement in the form of a partial guarantee of small business loans
22.35 that are made to Minnesota businesses by a QED lender is created in the Department of
22.36 Employment and Economic Development. A loan guarantee shall be provided for eligible

23.1 loans under this section only when a bank or other commercial lender provides at least 50
23.2 percent of the total amount loaned to the small business. The loan guarantee shall apply
23.3 only to the portion of the loan that was made by the QED lender.

23.4 Subd. 3. **Required provisions.** Loan guarantees under this section for loans to be
23.5 sold on the secondary market by QED lenders shall provide that:

23.6 (1) principal and interest payments made by the borrower under the terms of the loan
23.7 are applied by the loan purchaser to reduce the guaranteed and nonguaranteed portion of
23.8 the loan on a proportionate basis. The nonguaranteed portion shall not receive preferential
23.9 treatment over the guaranteed portion;

23.10 (2) the loan purchaser shall not accelerate repayment of the loan or exercise other
23.11 remedies if the borrower defaults, unless:

23.12 (i) the borrower fails to make a required payment of principal or interest;

23.13 (ii) the commissioner consents in writing; or

23.14 (iii) the loan guarantee agreement provides for accelerated repayment or other
23.15 remedies.

23.16 In the event of a default, the loan purchaser may not make a demand for payment
23.17 pursuant to the guarantee unless the commissioner agrees in writing that the default has
23.18 materially affected the rights or security of the parties, and finds that the loan purchaser is
23.19 entitled to receive payment pursuant to the loan guarantee;

23.20 (3) there is a written commitment from one or more secondary market investors to
23.21 purchase the loan, subject to the provision of a state loan guarantee;

23.22 (4) the QED lender has timely prepared and delivered to the commissioner, annually
23.23 by the date specified in the loan guarantee, an audited or reviewed financial statement
23.24 for the loan, prepared by a certified public accountant according to generally accepted
23.25 accounting principles, and documentation that the borrower used the loan proceeds solely
23.26 for purposes of its Minnesota operations;

23.27 (5) the commissioner has access to the original loan documents prior to approval of
23.28 the state credit enhancement to facilitate the sale of the loan to the secondary market;

23.29 (6) the QED lender maintains adequate records and documents concerning the
23.30 original loan so that the commissioner may determine the borrower's financial condition
23.31 and compliance with program requirements; and

23.32 (7) orderly liquidation of collateral securing the original loan is provided for in
23.33 the event of default, with an option on the part of the commissioner to acquire the loan
23.34 purchaser's interest in the assets pursuant to the loan guarantee.

23.35 Subd. 4. **Loan guarantee trust fund established.** A loan guarantee trust fund
23.36 account in the special revenue fund is created in the state treasury to pay for defaulted

24.1 loan guarantees. The commissioner shall administer this fund and provide annual reports
24.2 concerning the performance of the fund to the chairs of the standing committees of the
24.3 house of representatives and senate having jurisdiction over economic development issues.

24.4 Subd. 5. **Limitation.** At no time shall total outstanding loan guarantees for loans
24.5 sold to the secondary market exceed five times the amount on deposit in the loan guarantee
24.6 trust fund.

24.7 Subd. 6. **Guarantee fee.** Participating QED lenders shall pay a fee to the fund of
24.8 0.25 percent of the principal amount of each guaranteed loan upon approval of each loan
24.9 guarantee. The guarantee fee, along with any interest earnings from the trust fund, shall
24.10 be used only for the administration of the small business loan guarantee program and
24.11 as additional loan loss reserves.

24.12 Subd. 7. **Loan guarantee application.** The commissioner shall prepare a form for
24.13 QED lenders to use in applying for loan guarantees under this section. The form shall
24.14 include the following information:

24.15 (1) the name and contact information for the QED lender, including the name and
24.16 title of a contact person;

24.17 (2) the names of the financial institutions, including the names and titles of contact
24.18 persons, that are participating in the total financing being provided to the small business
24.19 borrower, along with the dollar amount of the loan provided by the financial institution;

24.20 (3) the percentage and dollar amount of the subordinated debt loan provided to the
24.21 Minnesota small business by the QED lender; and

24.22 (4) the loan guarantee amount that is requested from the program.

24.23 Subd. 8. **Notice and application process.** Subject to the availability of funds under
24.24 subdivision 4, the commissioner shall publish a notice regarding the opportunity for QED
24.25 lenders to originate loans for which the loan guarantee may be secured as the loans are
24.26 prepared for sale to the secondary market. The commissioner shall decide whether to
24.27 provide a loan guarantee for each loan based on:

24.28 (1) the completeness of the loan guarantee application;

24.29 (2) the availability of funds in the loan guarantee trust fund; and

24.30 (3) execution of agreements that satisfy requirements established in subdivision 3.

24.31 Sec. 5. Minnesota Statutes 2010, section 268.18, subdivision 2, is amended to read:

24.32 Subd. 2. **Overpayment because of fraud.** (a) Any applicant who receives
24.33 unemployment benefits by knowingly misrepresenting, misstating, or failing to disclose
24.34 any material fact, or who makes a false statement or representation without a good faith
24.35 belief as to the correctness of the statement or representation, has committed fraud. After

25.1 the discovery of facts indicating fraud, the commissioner must make a determination
25.2 that the applicant obtained unemployment benefits by fraud and that the applicant must
25.3 promptly repay the unemployment benefits to the trust fund. In addition, the commissioner
25.4 must assess a penalty equal to 40 percent of the amount fraudulently obtained. This
25.5 penalty is in addition to penalties under section 268.182.

25.6 (b) Unless the applicant files an appeal within 20 calendar days after the sending
25.7 of the determination of overpayment by fraud to the applicant by mail or electronic
25.8 transmission, the determination is final. Proceedings on the appeal are conducted in
25.9 accordance with section 268.105.

25.10 (c) If the applicant fails to repay the unemployment benefits, penalty, and interest
25.11 assessed, the total due may be collected by the methods allowed under state and federal
25.12 law. A determination of overpayment by fraud must state the methods of collection the
25.13 commissioner may use to recover the overpayment. Money received in repayment of
25.14 fraudulently obtained unemployment benefits, penalties, and interest is first applied to the
25.15 unemployment benefits overpaid, then to the penalty amount due, then to any interest due.
25.16 ~~62.5 percent of the~~ Payments made toward the penalty are credited to the contingent
25.17 ~~account and 37.5 percent credited to the administration account.~~

25.18 (d) If an applicant has been overpaid unemployment benefits under the law of
25.19 another state because of fraud and that state certifies that the applicant is liable to repay
25.20 the unemployment benefits and requests the commissioner to recover the overpayment,
25.21 the commissioner may offset from future unemployment benefits otherwise payable the
25.22 amount of overpayment.

25.23 (e) Unemployment benefits paid for weeks more than four years before the date of a
25.24 determination of overpayment by fraud issued under this subdivision are not considered
25.25 overpaid unemployment benefits.

25.26 Sec. 6. Minnesota Statutes 2010, section 268.18, subdivision 2b, is amended to read:

25.27 Subd. 2b. **Interest.** (a) On any unemployment benefits fraudulently obtained, and
25.28 any penalty amounts assessed under subdivision 2, the commissioner must assess interest
25.29 at the rate of 1-1/2 percent per month on any amount that remains unpaid beginning
25.30 30 calendar days after the date of the determination of overpayment by fraud. A
25.31 determination of overpayment by fraud must state that interest will be assessed.

25.32 (b) If the determination did not state that interest will be assessed, interest is assessed
25.33 beginning 30 calendar days after notification, by mail or electronic transmission, to the
25.34 applicant that interest is now assessed.

26.1 (c) Interest payments under this section are credited to the ~~administration~~ contingent
26.2 account.

26.3 Sec. 7. Minnesota Statutes 2010, section 268.199, is amended to read:

26.4 **268.199 CONTINGENT ACCOUNT.**

26.5 (a) There is created in the state treasury a special account, to be known as the
26.6 contingent account, ~~that does not lapse nor revert to any other fund or account.~~ This
26.7 account consists of all money collected under this chapter that is required to be placed
26.8 in this account and any interest earned on the account. ~~All money in this account is~~
26.9 ~~appropriated and available for administration of the Minnesota unemployment insurance~~
26.10 ~~program unless otherwise appropriated by session law.~~

26.11 (b) All money in this account must be deposited, administered, and disbursed in the
26.12 same manner and under the same conditions and requirements as is provided by law for
26.13 the other special accounts in the state treasury.

26.14 (c) Beginning in fiscal year 2012 and each fiscal year thereafter, all money in the
26.15 account shall be transferred to the general fund before the closing of the fiscal year.

26.16 Sec. 8. Minnesota Statutes 2010, section 268A.15, subdivision 4, is amended to read:

26.17 Subd. 4. **Evaluation.** The commissioner of employment and economic development
26.18 shall evaluate the extended employment program to determine whether the purpose of
26.19 extended employment as defined in subdivision 2 is being achieved. The evaluation
26.20 must include information for the preceding funding year derived from the independent
26.21 compliance audits of extended employment service providers submitted to the department
26.22 on or before October 31 of each year. The evaluation must include an assessment
26.23 of whether workers in the extended employment program are satisfied with their
26.24 employment. A written report of this evaluation must be prepared at least every two years
26.25 and made available to the public.

26.26 Sec. 9. Minnesota Statutes 2010, section 298.17, is amended to read:

26.27 **298.17 OCCUPATION TAXES TO BE APPORTIONED.**

26.28 All occupation taxes paid by persons, copartnerships, companies, joint stock
26.29 companies, corporations, and associations, however or for whatever purpose organized,
26.30 engaged in the business of mining or producing iron ore or other ores, when collected
26.31 shall be apportioned and distributed in accordance with the Constitution of the state of
26.32 Minnesota, article X, section 3, in the manner following: 90 percent shall be deposited
26.33 in the state treasury and credited to the general fund of which four-ninths shall be used

27.1 for the support of elementary and secondary schools; and ten percent of the proceeds of
27.2 the tax imposed by this section shall be deposited in the state treasury and credited to the
27.3 general fund for the general support of the university. Of the moneys apportioned to the
27.4 general fund by this section there is annually appropriated and credited to the Iron Range
27.5 Resources and Rehabilitation Board account in the special revenue fund an amount equal
27.6 to that which would have been generated by a ~~1.5~~ .75 cent tax imposed by section 298.24
27.7 on each taxable ton produced in the preceding calendar year, to be expended for the
27.8 purposes of section 298.22. The money appropriated pursuant to this section shall be used
27.9 (1) to provide environmental development grants to local governments located within any
27.10 county in region 3 as defined in governor's executive order number 60, issued on June
27.11 12, 1970, which does not contain a municipality qualifying pursuant to section 273.134,
27.12 paragraph (b), or (2) to provide economic development loans or grants to businesses
27.13 located within any such county, provided that the county board or an advisory group
27.14 appointed by the county board to provide recommendations on economic development
27.15 shall make recommendations to the Iron Range Resources and Rehabilitation Board
27.16 regarding the loans. Payment to the Iron Range Resources and Rehabilitation Board
27.17 account shall be made by May 15 annually.

27.18 Of the money allocated to Koochiching County, one-third must be paid to the
27.19 Koochiching County Economic Development Commission.

27.20 Sec. 10. Minnesota Statutes 2010, section 341.321, is amended to read:

27.21 **341.321 FEE SCHEDULE.**

27.22 (a) The fee schedule for professional licenses issued by the commission is as follows:

- 27.23 (1) referees, ~~\$25~~ \$45 for each initial license and each renewal;
27.24 (2) promoters, \$400 for each initial license and each renewal;
27.25 (3) judges and knockdown judges, ~~\$25~~ \$45 for each initial license and each renewal;
27.26 (4) trainers, ~~\$25~~ \$45 for each initial license and each renewal;
27.27 (5) ring announcers, ~~\$25~~ \$45 for each initial license and each renewal;
27.28 (6) seconds, ~~\$25~~ \$45 for each initial license and each renewal;
27.29 (7) timekeepers, ~~\$25~~ \$45 for each initial license and each renewal;
27.30 (8) combatants, ~~\$25~~ \$45 for each initial license and each renewal;
27.31 (9) managers, ~~\$25~~ \$45 for each initial license and each renewal; and
27.32 (10) ringside physicians, ~~\$25~~ \$45 for each initial license and each renewal.

27.33 In addition to the license fee and the late filing penalty fee in section 341.32, subdivision
27.34 2, if applicable, an individual who applies for a ~~combatant~~ professional license on the

28.1 same day the combative sporting event is held shall pay a late fee of \$100 plus the original
28.2 license fee of \$45 at the time the application is submitted.

28.3 (b) The fee schedule for amateur licenses issued by the commission is as follows:

28.4 (1) referees, ~~\$10~~ \$45 for each initial license and each renewal;

28.5 (2) promoters, ~~\$100~~ \$400 for each initial license and each renewal;

28.6 (3) judges and knockdown judges, ~~\$10~~ \$45 for each initial license and each renewal;

28.7 (4) trainers, ~~\$10~~ \$45 for each initial license and each renewal;

28.8 (5) ring announcers, ~~\$10~~ \$45 for each initial license and each renewal;

28.9 (6) seconds, ~~\$10~~ \$45 for each initial license and each renewal;

28.10 (7) timekeepers, ~~\$10~~ \$45 for each initial license and each renewal;

28.11 (8) combatant, ~~\$10~~ \$25 for each initial license and each renewal;

28.12 (9) managers, ~~\$10~~ \$45 for each initial license and each renewal; and

28.13 (10) ringside physicians, ~~\$10~~ \$45 for each initial license and each renewal.

28.14 (c) The commission shall establish a contest fee for each combative sport contest.

28.15 The professional combative sport contest fee is \$1,500 per event or not more than four
28.16 percent of the gross ticket sales, whichever is greater, as determined by the commission

28.17 when the combative sport contest is scheduled, except that the amateur combative sport
28.18 contest fee shall be ~~\$150~~ \$500 or not more than four percent of the gross ticket sales,

28.19 whichever is greater. The commission shall consider the size and type of venue when

28.20 establishing a contest fee. The commission may establish the maximum number of

28.21 complimentary tickets allowed for each event by rule. ~~An~~ A professional or amateur

28.22 combative sport contest fee is nonrefundable.

28.23 (d) All fees and penalties collected by the commission must be deposited in the

28.24 commission account in the special revenue fund.

28.25 Sec. 11. Laws 2009, chapter 78, article 1, section 18, is amended to read:

28.26 Sec. 18. **COMBATIVE SPORTS**

28.27 **COMMISSION** \$ **80,000** \$ **80,000**

28.28 This is a onetime appropriation. ~~The~~

28.29 ~~Combative Sports Commission expires on~~

28.30 ~~July 1, 2011, unless the commissioner of~~

28.31 ~~finance determines that the commission's~~

28.32 ~~projected expenditures for the fiscal biennium~~

28.33 ~~ending June 30, 2013, will not exceed the~~

28.34 ~~commission's projected revenues for the~~

28.35 ~~fiscal biennium ending June 30, 2013, from~~

29.1 ~~fees and penalties authorized in Minnesota~~

29.2 ~~Statutes 2008, chapter 341.~~

29.3 **ARTICLE 3**

29.4 **LABOR AND INDUSTRY**

29.5 Section 1. Minnesota Statutes 2010, section 181.723, subdivision 5, is amended to read:

29.6 Subd. 5. **Application.** To obtain an independent contractor exemption certificate,
29.7 the individual must submit, in the manner prescribed by the commissioner, a complete
29.8 application and the certificate fee required under subdivision 14.

29.9 (a) A complete application must include all of the following information:

29.10 (1) the individual's full name;

29.11 (2) the individual's residence address and telephone number;

29.12 (3) the individual's business name, address, and telephone number;

29.13 (4) the services for which the individual is seeking an independent contractor
29.14 exemption certificate;

29.15 (5) the individual's Social Security number;

29.16 (6) the individual's or the individual's business federal employer identification
29.17 number, if a number has been issued to the individual or the individual's business;

29.18 (7) any information or documentation that the commissioner requires by rule that
29.19 will assist the department in determining whether to grant or deny the individual's
29.20 application; and

29.21 (8) the individual's sworn statement that the individual meets all of the following
29.22 conditions:

29.23 (i) maintains a separate business with the individual's own office, equipment,
29.24 materials, and other facilities;

29.25 (ii) holds or has applied for a federal employer identification number or has filed
29.26 business or self-employment income tax returns with the federal Internal Revenue Service
29.27 if the person has performed services in the previous year for which the individual is
29.28 seeking the independent contractor exemption certificate;

29.29 (iii) operates under contracts to perform specific services for specific amounts of
29.30 money and under which the individual controls the means of performing the services;

29.31 (iv) incurs the main expenses related to the service that the individual performs
29.32 under contract;

29.33 (v) is responsible for the satisfactory completion of services that the individual
29.34 contracts to perform and is liable for a failure to complete the service;

30.1 (vi) receives compensation for service performed under a contract on a commission
30.2 or per-job or competitive bid basis and not on any other basis;
30.3 (vii) may realize a profit or suffer a loss under contracts to perform service;
30.4 (viii) has continuing or recurring business liabilities or obligations; and
30.5 (ix) the success or failure of the individual's business depends on the relationship of
30.6 business receipts to expenditures.

30.7 (b) Individuals who are applying for or renewing a residential building contractor or
30.8 residential remodeler license under sections 326B.197, 326B.802, 326B.805, 326B.81,
30.9 326B.815, 326B.821 to 326B.86, 326B.87 to 326B.885, and 327B.041, and any rules
30.10 promulgated pursuant thereto, may simultaneously apply for or renew an independent
30.11 contractor exemption certificate. The commissioner shall create an application form
30.12 that allows for the simultaneous application for both a residential building contractor
30.13 or residential remodeler license and an independent contractor exemption certificate.
30.14 If individuals simultaneously apply for or renew a residential building contractor or
30.15 residential remodeler license and an independent contractor exemption certificate using
30.16 the form created by the commissioner, individuals shall only be required to provide, in
30.17 addition to the information required by section 326B.83 and rules promulgated pursuant
30.18 thereto, the sworn statement required by paragraph (a), clause (8), and any additional
30.19 information required by this subdivision that is not also required by section 326B.83
30.20 and any rules promulgated thereto. ~~When individuals submit a simultaneous application~~
30.21 ~~on the form created by the commissioner for both a residential building contractor or~~
30.22 ~~residential remodeler license and an independent contractor exemption certificate, the~~
30.23 ~~application fee shall be \$150.~~ An independent contractor exemption certificate that is in
30.24 effect before March 1, 2009, shall remain in effect until March 1, 2013, unless revoked by
30.25 the commissioner or canceled by the individual.

30.26 (c) Within 30 days of receiving a complete application and the certificate fee, the
30.27 commissioner must either grant or deny the application. The commissioner may deny
30.28 an application for an independent contractor exemption certificate if the individual has
30.29 not submitted a complete application and certificate fee or if the individual does not
30.30 meet all of the conditions for holding the independent contractor exemption certificate.
30.31 The commissioner may revoke an independent contractor exemption certificate if the
30.32 commissioner determines that the individual no longer meets all of the conditions for
30.33 holding the independent contractor exemption certificate, commits any of the actions
30.34 set out in subdivision 7, or fails to cooperate with a department investigation into the
30.35 continued validity of the individual's certificate. Once issued, an independent contractor
30.36 exemption certificate remains in effect for four years unless:

31.1 (1) revoked by the commissioner; or

31.2 (2) canceled by the individual.

31.3 (d) If the department denies an individual's original or renewal application for
31.4 an independent contractor exemption certificate or revokes an independent contractor
31.5 exemption certificate, the commissioner shall issue to the individual an order denying or
31.6 revoking the certificate. The commissioner may issue an administrative penalty order to
31.7 an individual or person who commits any of the actions set out in subdivision 7. The
31.8 commissioner may file and enforce the unpaid portion of a penalty as a judgment in
31.9 district court without further notice or additional proceedings.

31.10 (e) An individual or person to whom the commissioner issues an order under
31.11 paragraph (d) shall have 30 days after service of the order to request a hearing. The
31.12 request for hearing must be in writing and must be served on or faxed to the commissioner
31.13 at the address or facsimile number specified in the order by the 30th day after service of
31.14 the order. If the individual does not request a hearing or if the individual's request for a
31.15 hearing is not served on or faxed to the commissioner by the 30th day after service of the
31.16 order, the order shall become a final order of the commissioner and will not be subject to
31.17 review by any court or agency. The date on which a request for hearing is served by mail
31.18 shall be the postmark date on the envelope in which the request for hearing is mailed. If
31.19 the individual serves or faxes a timely request for hearing, the hearing shall be a contested
31.20 case hearing and shall be held in accordance with chapter 14.

31.21 Sec. 2. Minnesota Statutes 2010, section 182.6553, subdivision 6, is amended to read:

31.22 Subd. 6. **Enforcement.** This section shall be enforced by the commissioner under
31.23 ~~section~~ sections 182.66 and 182.661. A violation of this section is subject to the penalties
31.24 provided under section 182.666.

31.25 Sec. 3. Minnesota Statutes 2010, section 326B.04, subdivision 2, is amended to read:

31.26 Subd. 2. **Deposits.** Unless otherwise specifically designated by law: (1) all money
31.27 collected under sections 144.122, paragraph (f); 181.723; 326B.092 to 326B.096;
31.28 326B.101 to 326B.194; 326B.197; 326B.32 to 326B.399; 326B.43 to 326B.49; 326B.52
31.29 to 326B.59; 326B.802 to 326B.885; 326B.90 to 326B.998; 327.31 to 327.36; and
31.30 327B.01 to 327B.12, except penalties, is credited to the construction code fund; (2) all
31.31 fees collected under ~~section 45.23~~ sections 326B.098 to 326B.099 in connection with
31.32 continuing education for residential contractors, residential remodelers, and residential
31.33 roofers any license, registration, or certificate issued pursuant to this chapter are credited
31.34 to the construction code fund; and (3) all penalties assessed under the sections set forth

32.1 in clauses (1) and (2) and all penalties assessed under sections 144.99 to 144.993 in
32.2 connection with any violation of sections 326B.43 to 326B.49 or 326B.52 to 326B.59 or
32.3 the rules adopted under those sections are credited to the assigned risk safety account
32.4 established by section 79.253.

32.5 Sec. 4. Minnesota Statutes 2010, section 326B.091, is amended to read:

32.6 **326B.091 DEFINITIONS.**

32.7 Subdivision 1. **Applicability.** For purposes of sections 326B.091 to ~~326B.098~~
32.8 326B.099, the terms defined in this section have the meanings given them.

32.9 Subd. 2. **Applicant.** "Applicant" means a person who has submitted to the
32.10 department an application for ~~a~~ an initial or renewal license.

32.11 Subd. 3. **License.** "License" means any registration, certification, or other form
32.12 of approval authorized by this chapter 326B and chapter 327B to be issued by the
32.13 commissioner or department as a condition of doing business or conducting a trade,
32.14 profession, or occupation in Minnesota. License includes specifically but not exclusively
32.15 an authorization issued by the commissioner or department: to perform electrical work,
32.16 plumbing or water conditioning work, high pressure piping work, or residential building
32.17 work of a residential contractor, residential remodeler, or residential roofer; to install
32.18 manufactured housing; to serve as a building official; or to operate a boiler or boat.

32.19 Subd. 4. **Licensee.** "Licensee" means the person named on the license as the person
32.20 authorized to do business or conduct the trade, profession, or occupation in Minnesota.

32.21 Subd. 5. **Notification date.** "Notification date" means the date of the written
32.22 notification from the department to an applicant that the applicant is qualified to take the
32.23 examination required for licensure.

32.24 Subd. 5b. **Qualifying individual.** "Qualifying individual" means the individual
32.25 responsible for obtaining continuing education on behalf of a residential building
32.26 contractor, residential remodeler, or residential roofer licensed pursuant to sections
32.27 326B.801 to 326B.885.

32.28 Subd. 6. **Renewal deadline.** "Renewal deadline," when used with respect to a
32.29 license, means 30 days before the date that the license expires.

32.30 Sec. 5. Minnesota Statutes 2010, section 326B.098, is amended to read:

32.31 **326B.098 CONTINUING EDUCATION.**

32.32 Subdivision 1. **Applicability Department seminars.** This section applies to
32.33 seminars offered by the department for the purpose of ~~allowing~~ enabling licensees to meet
32.34 continuing education requirements for license renewal.

33.1 Subd. 2. **Rescheduling.** An individual who is registered with the department to
33.2 attend a seminar may reschedule one time only, to attend the same seminar on a date
33.3 within one year after the date of the seminar the individual was registered to attend.

33.4 Subd. 3. **Fees nonrefundable.** All seminar fees paid to the department are
33.5 nonrefundable except for any overpayment of fees or if the department cancels the seminar.

33.6 Sec. 6. **[326B.0981] CONTINUING EDUCATION; NONDEPARTMENT**
33.7 **SEMINARS.**

33.8 This section applies to seminars that are offered by an entity other than the
33.9 department for the purpose of enabling licensees to meet continuing education
33.10 requirements for license renewal.

33.11 Sec. 7. Minnesota Statutes 2010, section 326B.13, subdivision 8, is amended to read:

33.12 Subd. 8. **Effective date of rules.** A rule to adopt or amend the State Building Code
33.13 is effective 180 days after ~~the filing of the rule with the secretary of state under section~~
33.14 ~~14.16 or 14.26~~ publication of the rule's notice of adoption in the State Register. The rule
33.15 may provide for a later effective date. The rule may provide for an earlier effective date
33.16 if the commissioner or board proposing the rule finds that an earlier effective date is
33.17 necessary to protect public health and safety after considering, among other things, the
33.18 need for time for training of individuals to comply with and enforce the rule.

33.19 Sec. 8. Minnesota Statutes 2010, section 326B.148, subdivision 1, is amended to read:

33.20 Subdivision 1. **Computation.** To defray the costs of administering sections
33.21 326B.101 to 326B.194, a surcharge is imposed on all permits issued by municipalities in
33.22 connection with the construction of or addition or alteration to buildings and equipment or
33.23 appurtenances after June 30, 1971. The commissioner may use any surplus in surcharge
33.24 receipts to award grants for code research and development and education.

33.25 If the fee for the permit issued is fixed in amount the surcharge is equivalent to
33.26 one-half mill (.0005) of the fee or 50 cents, except that effective July 1, 2010, until June
33.27 30, ~~2011~~ 2013, the permit surcharge is equivalent to one-half mill (.0005) of the fee or \$5,
33.28 whichever amount is greater. For all other permits, the surcharge is as follows:

33.29 (1) if the valuation of the structure, addition, or alteration is \$1,000,000 or less, the
33.30 surcharge is equivalent to one-half mill (.0005) of the valuation of the structure, addition,
33.31 or alteration;

33.32 (2) if the valuation is greater than \$1,000,000, the surcharge is \$500 plus two-fifths
33.33 mill (.0004) of the value between \$1,000,000 and \$2,000,000;

34.1 (3) if the valuation is greater than \$2,000,000, the surcharge is \$900 plus three-tenths
34.2 mill (.0003) of the value between \$2,000,000 and \$3,000,000;

34.3 (4) if the valuation is greater than \$3,000,000, the surcharge is \$1,200 plus one-fifth
34.4 mill (.0002) of the value between \$3,000,000 and \$4,000,000;

34.5 (5) if the valuation is greater than \$4,000,000, the surcharge is \$1,400 plus one-tenth
34.6 mill (.0001) of the value between \$4,000,000 and \$5,000,000; and

34.7 (6) if the valuation exceeds \$5,000,000, the surcharge is \$1,500 plus one-twentieth
34.8 mill (.00005) of the value that exceeds \$5,000,000.

34.9 Sec. 9. Minnesota Statutes 2010, section 326B.42, is amended by adding a subdivision
34.10 to read:

34.11 Subd. 1b. **Backflow prevention rebuilder.** A "backflow prevention rebuilder" is an
34.12 individual who is qualified by training prescribed by the Plumbing Board and possesses
34.13 a master or journeyman plumber's license to engage in the testing, maintenance, and
34.14 rebuilding of reduced pressure zone type backflow prevention assemblies as regulated by
34.15 the plumbing code.

34.16 Sec. 10. Minnesota Statutes 2010, section 326B.42, is amended by adding a
34.17 subdivision to read:

34.18 Subd. 1c. **Backflow prevention tester.** A "backflow prevention tester" is an
34.19 individual who is qualified by training prescribed by the Plumbing Board to engage in
34.20 the testing of reduced pressure zone type backflow prevention assemblies as regulated by
34.21 the plumbing code.

34.22 Sec. 11. Minnesota Statutes 2010, section 326B.42, subdivision 8, is amended to read:

34.23 **Subd. 8. Plumbing contractor.** "Plumbing contractor" means a licensed contractor
34.24 whose responsible ~~licensed plumber individual~~ is a licensed master plumber.

34.25 Sec. 12. Minnesota Statutes 2010, section 326B.42, subdivision 9, is amended to read:

34.26 **Subd. 9. Responsible ~~licensed plumber individual.~~** A contractor's "responsible
34.27 ~~licensed plumber individual"~~ means the licensed master plumber or licensed restricted
34.28 master plumber designated in writing by the contractor in the contractor's license
34.29 application, or in another manner acceptable to the commissioner, as the individual
34.30 responsible for the contractor's compliance with sections 326B.41 to 326B.49, all rules
34.31 adopted under these sections and sections 326B.50 to 326B.59, and all orders issued
34.32 under section 326B.082.

35.1 Sec. 13. Minnesota Statutes 2010, section 326B.42, subdivision 10, is amended to read:

35.2 Subd. 10. **Restricted plumbing contractor.** "Restricted plumbing contractor"
35.3 means a licensed contractor whose responsible ~~licensed plumber~~ individual is a licensed
35.4 restricted master plumber.

35.5 Sec. 14. Minnesota Statutes 2010, section 326B.435, subdivision 2, is amended to read:

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

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

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

35.12 (3) adopt the plumbing code that must be followed in this state and any plumbing
35.13 code amendments thereto. The plumbing code shall include the minimum standards
35.14 described in sections 326B.43, subdivision 1, and 326B.52, subdivision 1. The board
35.15 shall adopt the plumbing code and any amendments thereto pursuant to chapter 14 and
35.16 as provided in subdivision 6, paragraphs (b), (c), and (d);

35.17 (4) review requests for final interpretations and issue final interpretations as provided
35.18 in section 326B.127, subdivision 5;

35.19 (5) adopt rules that regulate the licensure, certification, or registration of plumbing
35.20 contractors, journeymen, unlicensed individuals, master plumbers, restricted master
35.21 plumbers, restricted journeymen, restricted plumbing contractors, backflow prevention
35.22 rebuilders and testers, water conditioning contractors, and water conditioning installers,
35.23 and other persons engaged in the design, installation, and alteration of plumbing systems
35.24 or engaged in or working at the business of water conditioning installation or service, or
35.25 engaged in or working at the business of medical gas system installation, maintenance, or
35.26 repair, except for those individuals licensed under section 326.02, subdivisions 2 and 3.
35.27 The board shall adopt these rules pursuant to chapter 14 and as provided in subdivision
35.28 6, paragraphs (e) and (f);

35.29 (6) adopt rules that regulate continuing education for individuals licensed as master
35.30 plumbers, journeyman plumbers, restricted master plumbers, restricted journeyman
35.31 plumbers, water conditioning contractors, and water conditioning installers, and for
35.32 individuals certified under sections 326B.437 and 326B.438. The board shall adopt these
35.33 rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs (e) and (f);

35.34 (7) refer complaints or other communications to the commissioner, whether oral or
35.35 written, as provided in subdivision 8, that allege or imply a violation of a statute, rule, or

36.1 order that the commissioner has the authority to enforce pertaining to code compliance,
36.2 licensure, or an offering to perform or performance of unlicensed plumbing services;

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

36.5 (9) approve license reciprocity agreements;

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

36.8 (11) recommend the fees for licenses, registrations, and certifications.

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

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

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

36.20 Sec. 15. **[326B.437] REDUCED PRESSURE BACKFLOW PREVENTION**
36.21 **REBUILDERS AND TESTERS.**

36.22 (a) No person shall perform or offer to perform the installation, maintenance, repair,
36.23 replacement, or rebuilding of reduced pressure zone backflow prevention assemblies
36.24 unless the person obtains a plumbing contractor's license. An individual shall not engage
36.25 in the testing, maintenance, repair, or rebuilding of reduced pressure zone backflow
36.26 prevention assemblies, as regulated by the Plumbing Code, unless the individual is
36.27 certified by the commissioner as a backflow prevention rebuilder.

36.28 (b) An individual shall not engage in testing of a reduced pressure zone backflow
36.29 prevention assembly, as regulated by the Plumbing Code, unless the individual possesses a
36.30 backflow prevention rebuilder certificate or is certified by the commissioner as a backflow
36.31 prevention tester.

36.32 (c) Certificates are issued for an initial period of two years and must be renewed
36.33 every two years thereafter for as long as the certificate holder installs, maintains, repairs,
36.34 rebuilds, or tests reduced pressure zone backflow prevention assemblies. For purposes

37.1 of calculating fees under section 326B.092, an initial or renewed backflow prevention
37.2 rebuilder or tester certificate shall be considered an entry level license.

37.3 (d) The Plumbing Board shall adopt expedited rules under section 14.389 that are
37.4 related to the certification of backflow prevention rebuilders and backflow prevention
37.5 testers. Section 326B.13, subdivision 8, does not apply to these rules. Notwithstanding the
37.6 18-month limitation under section 14.125, this authority expires on December 31, 2014.

37.7 (e) The department shall recognize certification programs that are a minimum of 16
37.8 contact hours and include the passage of an examination. The examination must consist of
37.9 a practical and a written component. This paragraph expires when the Plumbing Board
37.10 adopts rules under paragraph (d).

37.11 Sec. 16. Minnesota Statutes 2010, section 326B.438, is amended to read:

37.12 **326B.438 MEDICAL GAS SYSTEMS.**

37.13 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in
37.14 this subdivision have the meanings given them.

37.15 (b) "Medical gas" means medical gas as defined under the National Fire Protection
37.16 Association NFPA 99C Standard on Gas and Vacuum Systems.

37.17 (c) "Medical gas system" means a level 1, 2, or 3 piped medical gas and vacuum
37.18 system as defined under the National Fire Protection Association NFPA 99C Standard on
37.19 Gas and Vacuum Systems.

37.20 Subd. 2. **License and certification required.** ~~A No person shall perform or offer~~
37.21 ~~to perform the installation, maintenance, or repair of medical gas systems unless the~~
37.22 ~~person obtains a contractor license. An individual shall not engage in the installation,~~
37.23 ~~maintenance, or repair of a medical gas system unless the person individual possesses~~
37.24 ~~a current Minnesota master or journeyman plumber's license and is certified by the~~
37.25 ~~commissioner under rules adopted by the Minnesota Plumbing Board. The certification~~
37.26 ~~must be renewed annually biennially for as long as the certificate holder engages in the~~
37.27 ~~installation, maintenance, or repair of medical gas and vacuum systems. If a medical gas~~
37.28 ~~and vacuum system certificate is not renewed within 12 months after its expiration the~~
37.29 ~~medical gas and vacuum certificate is permanently forfeited.~~

37.30 Subd. 3. **Exemptions.** ~~(a) A person~~ An individual who on August 1, 2010, ~~holds~~
37.31 ~~possesses a valid certificate authorized by meeting the requirements of the American~~
37.32 ~~Society of Sanitary Engineering (ASSE) Standard 6010 and is a qualified brazer in~~
37.33 ~~accordance with standards recommended by the provisions required in the National~~
37.34 ~~Fire Protection Association under NFPA (NFPA) 99C is exempt from the licensing~~
37.35 ~~requirements of subdivision 2 and may install, maintain, and repair a medical gas system.~~

38.1 This exemption applies only if the ~~person~~ individual maintains a valid certification
38.2 ~~authorized by the ASSE~~ in accordance with ASSE Standard 6010 and the brazer
38.3 qualifications in NFPA 99C, and is certified by the commissioner under rules adopted by
38.4 the Minnesota Plumbing Board.

38.5 ~~(b) A person who on August 1, 2010, possesses a current Minnesota master or~~
38.6 ~~journeyman plumber's license and a valid certificate authorized by the ASSE in accordance~~
38.7 ~~with standards recommended by the National Fire Protection Association under NFPA~~
38.8 ~~99C is exempt from the requirements of subdivision 2 and may install, maintain, and repair~~
38.9 ~~a medical gas system. This exemption applies only if a person maintains a valid Minnesota~~
38.10 ~~master or journeyman plumber's license and valid certification authorized by the ASSE.~~

38.11 Subd. 4. **Fees.** ~~The fee for a medical gas certificate~~ For the purpose of calculating
38.12 fees under section 326B.092, an initial or renewed medical gas certificate issued by the
38.13 commissioner according to subdivision 2 is \$30 per year shall be considered a journeyman
38.14 level license.

38.15 **EFFECTIVE DATE.** The requirement under subdivision 2 and subdivision 3 that a
38.16 master journeyman plumber or exempt individual must be certified by the commissioner
38.17 and the fee in subdivision 4 are not effective until 180 days after the Minnesota Plumbing
38.18 Board adopts rules.

38.19 Sec. 17. Minnesota Statutes 2010, section 326B.46, subdivision 1, is amended to read:

38.20 Subdivision 1. **License required.** (a) No individual shall engage in or work at
38.21 the business of a master plumber, restricted master plumber, journeyman plumber, and
38.22 restricted journeyman plumber unless licensed to do so by the commissioner. A license
38.23 is not required for individuals performing building sewer or water service installation
38.24 who have completed pipe laying training as prescribed by the commissioner. A master
38.25 plumber may also work as a journeyman plumber, a restricted journeyman plumber,
38.26 and a restricted master plumber. A journeyman plumber may also work as a restricted
38.27 journeyman plumber. Anyone not so licensed may do plumbing work which complies with
38.28 the provisions of the minimum standards prescribed by the Plumbing Board on premises
38.29 or that part of premises owned and actually occupied by the worker as a residence, unless
38.30 otherwise forbidden to do so by a local ordinance.

38.31 (b) No person shall engage in the business of planning, superintending, or installing
38.32 plumbing or shall install plumbing in connection with the dealing in and selling of
38.33 plumbing material and supplies unless at all times a licensed master plumber, or in cities
38.34 and towns with a population of fewer than 5,000 according to the last federal census, a

39.1 restricted master plumber, who shall be responsible for proper installation, is in charge of
39.2 the plumbing work of the person.

39.3 (c) Except as provided in subdivision ~~2~~ 1a, no person shall perform or offer to
39.4 perform plumbing work with or without compensation unless the person obtains a
39.5 contractor's license. A contractor's license does not of itself qualify its holder to perform
39.6 the plumbing work authorized by holding a master, journeyman, restricted master, or
39.7 restricted journeyman license.

39.8 Sec. 18. Minnesota Statutes 2010, section 326B.46, subdivision 1a, is amended to read:

39.9 Subd. 1a. **Exemptions from licensing.** (a) An individual without a contractor
39.10 license may do plumbing work on the individual's residence in accordance with
39.11 subdivision 1, paragraph (a).

39.12 (b) An individual who is an employee working on the maintenance and repair of
39.13 plumbing equipment, apparatus, or facilities owned or leased by the individual's employer
39.14 and which is within the limits of property owned or leased, and operated or maintained by
39.15 the individual's employer, shall not be required to maintain a contractor license as long
39.16 as the employer has on file with the commissioner a current certificate of responsible
39.17 ~~person. The certificate must be signed by the responsible~~ individual. The responsible
39.18 individual must be a master plumber or, in an area of the state that is not a city or town
39.19 with a population of more than 5,000 according to the last federal census, a restricted
39.20 master plumber. ~~The certificate must be signed by the responsible individual and must~~
39.21 state that the person signing the certificate is responsible for ensuring that the maintenance
39.22 and repair work performed by the employer's employees ~~comply~~ complies with sections
39.23 326B.41 to 326B.49, all rules adopted under those sections and sections 326B.50 to
39.24 326B.59, and all orders issued under section 326B.082. The employer must pay a filing
39.25 fee to file a certificate of responsible ~~person~~ individual with the commissioner. The
39.26 certificate shall expire two years from the date of filing. In order to maintain a current
39.27 certificate of responsible ~~person~~ individual, the employer must resubmit a certificate of
39.28 responsible ~~person~~ individual, with a filing fee, no later than two years from the date of the
39.29 previous submittal. The filing of the certificate of responsible ~~person~~ individual does not
39.30 exempt any employee of the employer from the requirements of this chapter regarding
39.31 individual licensing as a plumber or registration as a plumber's apprentice.

39.32 (c) If a contractor employs a licensed plumber, the licensed plumber does not need a
39.33 separate contractor license to perform plumbing work on behalf of the employer within
39.34 the scope of the licensed plumber's license.

40.1 (d) A person may perform and offer to perform building sewer or water service
40.2 installation without a contractor's license if the person is in compliance with the bond and
40.3 insurance requirements of subdivision 2.

40.4 Sec. 19. Minnesota Statutes 2010, section 326B.46, subdivision 1b, is amended to read:

40.5 Subd. 1b. **Employment of master plumber or restricted master plumber.** (a)
40.6 Each contractor must designate a responsible licensed plumber, who shall be responsible
40.7 for the performance of all plumbing work in accordance with sections 326B.41 to
40.8 326B.49, all rules adopted under these sections and sections 326B.50 to 326B.59, and all
40.9 orders issued under section 326B.082. A plumbing contractor's responsible ~~licensed~~
40.10 ~~plumber individual~~ must be a master plumber. A restricted plumbing contractor's
40.11 responsible ~~licensed plumber individual~~ must be a master plumber or a restricted master
40.12 plumber. A plumbing contractor license authorizes the contractor to offer to perform
40.13 and, through licensed and registered individuals, to perform plumbing work in all areas
40.14 of the state. A restricted plumbing contractor license authorizes the contractor to offer
40.15 to perform and, through licensed and registered individuals, to perform plumbing work
40.16 in all areas of the state except in cities and towns with a population of more than 5,000
40.17 according to the last federal census.

40.18 (b) If the contractor is an individual or sole proprietorship, the responsible licensed
40.19 ~~plumber individual~~ must be the individual, proprietor, or managing employee. If the
40.20 contractor is a partnership, the responsible licensed ~~plumber individual~~ must be a general
40.21 partner or managing employee. If the contractor is a limited liability company, the
40.22 responsible licensed ~~plumber individual~~ must be a chief manager or managing employee.
40.23 If the contractor is a corporation, the responsible licensed ~~plumber individual~~ must be
40.24 an officer or managing employee. If the responsible licensed ~~plumber individual~~ is a
40.25 managing employee, the responsible licensed ~~plumber individual~~ must be actively engaged
40.26 in performing plumbing work on behalf of the contractor, and cannot be employed in any
40.27 capacity as a plumber for any other contractor. An individual may be the responsible
40.28 licensed ~~plumber individual~~ for only one contractor.

40.29 (c) All applications and renewals for contractor licenses shall include a verified
40.30 statement that the applicant or licensee has complied with this subdivision.

40.31 Sec. 20. Minnesota Statutes 2010, section 326B.46, subdivision 2, is amended to read:

40.32 Subd. 2. **Bond; insurance.** ~~As a condition of licensing, each contractor~~ (a) The
40.33 bond and insurance requirements of paragraphs (b) and (c) apply to each person who
40.34 performs or offers to perform plumbing work within the state, including any person who

41.1 offers to perform or performs sewer or water service installation without a contractor's
41.2 license. If the person performs or offers to perform any plumbing work other than sewer
41.3 or water service installation, then the person must meet the requirements of paragraphs
41.4 (b) and (c) as a condition of holding a contractor's license.

41.5 (b) Each person who performs or offers to perform plumbing work within the state
41.6 shall give and maintain bond to the state in the amount of at least \$25,000 for (1) all
41.7 plumbing work entered into within the state or (2) all plumbing work and subsurface
41.8 sewage treatment work entered into within the state. If the bond is for both plumbing work
41.9 and subsurface sewage treatment work, the bond must comply with the requirements of
41.10 this section and section 115.56, subdivision 2, paragraph (e). The bond shall be for the
41.11 benefit of persons injured or suffering financial loss by reason of failure to comply with the
41.12 requirements of the State Plumbing Code and, if the bond is for both plumbing work and
41.13 subsurface sewage treatment work, financial loss by reason of failure to comply with the
41.14 requirements of sections 115.55 and 115.56. The bond shall be filed with the commissioner
41.15 and shall be written by a corporate surety licensed to do business in the state.

41.16 ~~In addition, as a condition of licensing, each contractor~~ (c) Each person who
41.17 performs or offers to perform plumbing work within the state shall have and maintain in
41.18 effect public liability insurance, including products liability insurance with limits of at
41.19 least \$50,000 per person and \$100,000 per occurrence and property damage insurance
41.20 with limits of at least \$10,000. The insurance shall be written by an insurer licensed to
41.21 do business in the state of Minnesota ~~and~~. ~~Each licensed master plumber~~ person who
41.22 performs or offers to perform plumbing work within the state shall maintain on file
41.23 with the commissioner a certificate evidencing the insurance. In the event of a policy
41.24 cancellation, the insurer shall send written notice to the commissioner at the same time
41.25 that a cancellation request is received from or a notice is sent to the insured.

41.26 Sec. 21. Minnesota Statutes 2010, section 326B.46, subdivision 3, is amended to read:

41.27 Subd. 3. **Bond and insurance exemption.** ~~If a master plumber or restricted master~~
41.28 ~~plumber~~ person who is in compliance with the bond and insurance requirements of
41.29 subdivision 2, employs a licensed plumber, ~~the~~ or an individual who has completed pipe
41.30 laying training as prescribed by the commissioner, that employee ~~plumber~~
41.31 shall not be required to meet the bond and insurance requirements of subdivision 2. An individual who
41.32 is an employee working on the maintenance and repair of plumbing equipment, apparatus,
41.33 or facilities owned or leased by the individual's employer and which is within the limits of
41.34 property owned or leased, and operated or maintained by the individual's employer, shall
41.35 not be required to meet the bond and insurance requirements of subdivision 2.

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42.1 Sec. 22. Minnesota Statutes 2010, section 326B.47, subdivision 1, is amended to read:

42.2 Subdivision 1. **Registration; supervision; records.** (a) All unlicensed individuals,
42.3 other than plumber's apprentices and individuals who have completed pipe laying training
42.4 as prescribed by the commissioner, must be registered under subdivision 3.

42.5 (b) A plumber's apprentice or registered unlicensed individual is authorized to
42.6 assist in the installation of plumbing only while under the direct supervision of a master,
42.7 restricted master, journeyman, or restricted journeyman plumber. The master, restricted
42.8 master, journeyman, or restricted journeyman plumber is responsible for ensuring that all
42.9 plumbing work performed by the plumber's apprentice or registered unlicensed individual
42.10 complies with the plumbing code. The supervising master, restricted master, journeyman,
42.11 or restricted journeyman must be licensed and must be employed by the same employer
42.12 as the plumber's apprentice or registered unlicensed individual. Licensed individuals
42.13 shall not permit plumber's apprentices or registered unlicensed individuals to perform
42.14 plumbing work except under the direct supervision of an individual actually licensed to
42.15 perform such work. Plumber's apprentices and registered unlicensed individuals shall not
42.16 supervise the performance of plumbing work or make assignments of plumbing work
42.17 to unlicensed individuals.

42.18 (c) Contractors employing plumber's apprentices or registered unlicensed individuals
42.19 to perform plumbing work shall maintain records establishing compliance with this
42.20 subdivision that shall identify all plumber's apprentices and registered unlicensed
42.21 individuals performing plumbing work, and shall permit the department to examine and
42.22 copy all such records.

42.23 Sec. 23. Minnesota Statutes 2010, section 326B.47, subdivision 3, is amended to read:

42.24 Subd. 3. **Registration, rules, applications, renewals, and fees.** An unlicensed
42.25 individual may register by completing and submitting to the commissioner an application
42.26 form provided by the commissioner, with all fees required by section 326B.092. A
42.27 completed application form must state the date the individual began training, the
42.28 individual's age, schooling, previous experience, and employer, and other information
42.29 required by the commissioner. The Plumbing Board may prescribe rules, not inconsistent
42.30 with this section, for the registration of unlicensed individuals. Applications for initial
42.31 registration may be submitted at any time. Registration must be renewed annually and
42.32 shall be for the period from July 1 of each year to June 30 of the following year.

42.33 Sec. 24. Minnesota Statutes 2010, section 326B.49, subdivision 1, is amended to read:

43.1 Subdivision 1. **Application, examination, and license fees.** (a) Applications for
43.2 master and journeyman plumber's licenses shall be made to the commissioner, with
43.3 all fees required by section 326B.092. Unless the applicant is entitled to a renewal,
43.4 the applicant shall be licensed by the commissioner only after passing a satisfactory
43.5 examination developed and administered by the commissioner, based upon rules adopted
43.6 by the Plumbing Board, showing fitness.

43.7 (b) All initial journeyman plumber's licenses shall be effective for more than one
43.8 calendar year and shall expire on December 31 of the year after the year in which the
43.9 application is made. All master plumber's licenses shall expire on December 31 of each
43.10 even-numbered year after issuance or renewal. The commissioner shall in a manner
43.11 determined by the commissioner, without the need for any rulemaking under chapter 14,
43.12 phase in the renewal of master and journeyman plumber's licenses from one year to two
43.13 years. By June 30, 2011, all renewed master and journeyman plumber's licenses shall be
43.14 two-year licenses.

43.15 (c) Applications for contractor licenses shall be made to the commissioner, with all
43.16 fees required by section 326B.092. All contractor licenses shall expire on December 31 of
43.17 each odd-numbered year after issuance or renewal.

43.18 (d) For purposes of calculating license fees and renewal license fees required under
43.19 section 326B.092:

43.20 (1) the following licenses shall be considered business licenses: plumbing contractor
43.21 and restricted plumbing contractor;

43.22 (2) the following licenses shall be considered master licenses: master plumber and
43.23 restricted master plumber;

43.24 (3) the following licenses shall be considered journeyman licenses: journeyman
43.25 plumber and restricted journeyman plumber; and

43.26 (4) the registration of a plumber's apprentice under section 326B.47, subdivision 3,
43.27 shall be considered an entry level license.

43.28 (e) For each filing of a certificate of responsible ~~person~~ individual by an employer,
43.29 the fee is \$100.

43.30 (f) The commissioner shall charge each person giving bond under section 326B.46,
43.31 subdivision 2, paragraph (b), a biennial bond filing fee of \$100, unless the person is a
43.32 licensed contractor.

43.33 Sec. 25. Minnesota Statutes 2010, section 326B.56, subdivision 1, is amended to read:

43.34 Subdivision 1. **Bonds.** (a) As a condition of licensing, each water conditioning
43.35 contractor shall give and maintain a bond to the state as described in paragraph (b).

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44.1 No applicant for a water conditioning contractor ~~or installer~~ license who maintains the
44.2 bond under paragraph (b) shall be otherwise required to meet the bond requirements of
44.3 any political subdivision.

44.4 (b) Each bond given to the state under this subdivision shall be in the total sum of
44.5 \$3,000 conditioned upon the faithful and lawful performance of all water conditioning
44.6 installation or servicing done within the state. The bond shall be for the benefit of
44.7 persons suffering injuries or damages due to the work. The bond shall be filed with the
44.8 commissioner and shall be written by a corporate surety licensed to do business in this
44.9 state. The bond must remain in effect at all times while the application is pending and
44.10 while the license is in effect.

44.11 Sec. 26. Minnesota Statutes 2010, section 326B.58, is amended to read:

44.12 **326B.58 FEES; RENEWAL.**

44.13 (a) Each initial water conditioning master and water conditioning journeyman
44.14 license shall be effective for more than one calendar year and shall expire on December 31
44.15 of the year after the year in which the application is made.

44.16 (b) The commissioner shall in a manner determined by the commissioner, without
44.17 the need for any rulemaking under chapter 14, phase in the renewal of water conditioning
44.18 master and journeyman licenses from one year to two years. By June 30, 2011, all
44.19 renewed water conditioning contractor ~~and installer~~ licenses shall be two-year licenses.
44.20 The Plumbing Board may by rule prescribe for the expiration and renewal of licenses.

44.21 (c) All water conditioning contractor licenses shall expire on December 31 of the
44.22 year after issuance or renewal.

44.23 (d) For purposes of calculating license fees and renewal fees required under section
44.24 326B.092:

44.25 (1) a water conditioning journeyman license shall be considered a journeyman
44.26 license;

44.27 (2) a water conditioning master license shall be considered a master license; and

44.28 (3) a water conditioning contractor license shall be considered a business license.

44.29 Sec. 27. Minnesota Statutes 2010, section 326B.82, subdivision 2, is amended to read:

44.30 Subd. 2. **Appropriate and related knowledge.** "Appropriate and related
44.31 knowledge" means facts, information, or principles that are clearly relevant to the licensee
44.32 ~~in performing~~ licensee's responsibilities under a license issued by the commissioner.

44.33 These facts, information, or principles must convey substantive and procedural knowledge

45.1 as it relates to postlicensing issues and must be relevant to the technical aspects of a
45.2 ~~particular area of continuing education~~ regulated industry.

45.3 Sec. 28. Minnesota Statutes 2010, section 326B.82, subdivision 3, is amended to read:

45.4 Subd. 3. **Classroom hour.** "Classroom hour" means ~~a 50-minute hour~~ 50 minutes of
45.5 educational content.

45.6 Sec. 29. Minnesota Statutes 2010, section 326B.82, subdivision 7, is amended to read:

45.7 Subd. 7. **Medical hardship.** "Medical hardship" ~~includes~~ means a documented
45.8 physical disability or medical condition.

45.9 Sec. 30. Minnesota Statutes 2010, section 326B.82, subdivision 9, is amended to read:

45.10 Subd. 9. **Regulated industries industry.** "Regulated ~~industries~~ industry" means
45.11 ~~residential contracting, residential remodeling, or residential roofing. Each of these is a~~
45.12 ~~regulated industry~~ any business, trade, profession, or occupation that requires a license
45.13 issued under this chapter or chapter 327B as a condition of doing business in Minnesota.

45.14 Sec. 31. Minnesota Statutes 2010, section 326B.821, subdivision 1, is amended to read:

45.15 Subdivision 1. **Purpose.** The purpose of this section is to establish standards
45.16 for residential building contractor continuing education. ~~The standards must include~~
45.17 ~~requirements for continuing education in the implementation of energy codes or energy~~
45.18 ~~conservation measures applicable to residential buildings.~~

45.19 Sec. 32. Minnesota Statutes 2010, section 326B.821, subdivision 5, is amended to read:

45.20 Subd. 5. **Content.** (a) Continuing education consists of approved courses that
45.21 impart appropriate and related knowledge in the ~~residential construction industry~~ regulated
45.22 industries pursuant to ~~sections 326B.802 to 326B.885~~ this chapter and other ~~relevant~~
45.23 applicable federal and state laws, rules, and regulations. Courses may include relevant
45.24 materials that are included in licensing exams subject to the limitations imposed in
45.25 subdivision 11. The burden of demonstrating that courses impart appropriate and related
45.26 knowledge is upon the person seeking approval or credit.

45.27 (b) Except as required for Internet continuing education, course examinations will
45.28 not be required for continuing education courses ~~unless they are required by the sponsor.~~

45.29 (c) ~~Textbooks are not required to be used for continuing education courses.~~ If
45.30 textbooks are not used as part of the course, the sponsor must provide students with a
45.31 syllabus containing, ~~at a minimum,~~ the course title, the times and dates of the course

46.1 offering, the name, address, ~~and~~ telephone number of the course sponsor ~~and~~, the name
46.2 and affiliation of the instructor, and a detailed outline of the subject materials to be
46.3 covered. Any written or printed material given to students must be of readable quality and
46.4 contain accurate and current information.

46.5 (d) Upon completion of an approved course, licensees shall earn one hour of
46.6 continuing education credit for each classroom hour approved by the commissioner. ~~One~~
46.7 ~~credit hour of continuing education is equivalent to 50 minutes of educational content.~~
46.8 Each continuing education course must be attended in its entirety in order to receive credit
46.9 for the number of approved hours. Courses may be approved for full or partial credit,
46.10 and for more than one regulated industry.

46.11 (e) Continuing education credit in an approved course shall be awarded to presenting
46.12 instructors on the basis of one credit for each hour ~~of preparation for the duration~~ of the
46.13 initial presentation. Continuing education ~~credit may not be earned if the licensee has~~
46.14 ~~previously obtained credit for the same course as a licensee or as an instructor within the~~
46.15 ~~three years immediately prior~~ credits for completion of an approved course may only be
46.16 used once for renewal of a specific license.

46.17 (f) Courses will be approved using the following guidelines:

46.18 (1) course content must demonstrate significant intellectual or practical content and
46.19 deal with matters directly related to the practice ~~of residential construction in the regulated~~
46.20 industry, workforce safety, or the business of running a ~~residential construction~~
46.21 in the regulated industry. Courses may also address the professional responsibility or
46.22 ethical obligations of ~~residential contractors to homeowners and suppliers~~ a licensee
46.23 related to work in the regulated industry;

46.24 (2) the following courses may be ~~automatically~~ approved if they are specifically
46.25 designed for the ~~residential construction~~ regulated industry and are in compliance with
46.26 paragraph ~~(f)~~ (g):

46.27 (i) courses approved by the Minnesota Board of Continuing Legal Education; or

46.28 (ii) courses approved by the International Code Council, National Association of
46.29 Home Building, or other nationally recognized professional organization of the ~~residential~~
46.30 ~~construction~~ regulated industry; and

46.31 (3) courses must be presented and attended in a suitable classroom or construction
46.32 setting, except for Internet education courses which must meet the requirements of
46.33 subdivision 5a. Courses presented via video recording, simultaneous broadcast, or
46.34 teleconference may be approved provided the sponsor is available at all times during the
46.35 presentation, except for Internet education courses which must meet the requirements
46.36 of subdivision 5a.

- 47.1 ~~(f)~~ (g) The following courses will not be approved for credit:
- 47.2 (1) courses designed solely to prepare students for a license examination;
- 47.3 (2) courses in mechanical office skills, including typing, speed reading, or other
- 47.4 machines or equipment. Computer courses are allowed, if appropriate and related to the
- 47.5 ~~residential construction~~ regulated industry;
- 47.6 (3) courses in sales promotion, including meetings held in conjunction with the
- 47.7 general business of the licensee;
- 47.8 (4) courses in motivation, salesmanship, psychology, or personal time management;
- 47.9 (5) courses that are primarily intended to impart knowledge of specific products of
- 47.10 specific companies, if the use of the product or products relates to the sales promotion
- 47.11 or marketing of one or more of the products discussed; or
- 47.12 (6) courses where any of the educational content of the course is the State Building
- 47.13 Code that include code provisions that have not been adopted into the State Building
- 47.14 Code unless the course materials clarify ~~whether or not~~ that the code provisions have
- 47.15 been officially adopted into a future version of the State Building Code and the effective
- 47.16 date of enforcement, ~~if applicable~~.
- 47.17 (h) Nothing in this subdivision shall limit an authority expressly granted to the Board
- 47.18 of Electricity, Board of High Pressure Piping Systems, or Plumbing Board.

47.19 Sec. 33. Minnesota Statutes 2010, section 326B.821, subdivision 5a, is amended to

47.20 read:

47.21 Subd. 5a. **Internet continuing education.** (a) The design and delivery of an Internet

47.22 continuing education course must be approved by the International Distance Education

47.23 Certification Center (IDECC) before the course is submitted for the commissioner's

47.24 approval. The IDECC approval must accompany the course submitted.

47.25 (b) An Internet continuing education course must:

47.26 (1) specify the minimum computer system requirements;

47.27 (2) provide encryption that ensures that all personal information, including the

47.28 student's name, address, and credit card number, cannot be read as it passes across the

47.29 Internet;

47.30 (3) include technology to guarantee seat time;

47.31 (4) include a high level of interactivity;

47.32 (5) include graphics that reinforce the content;

47.33 (6) include the ability for the student to contact an instructor or course sponsor

47.34 within a reasonable amount of time;

48.1 (7) include the ability for the student to get technical support within a reasonable
48.2 amount of time;

48.3 (8) include a statement that the student's information will not be sold or distributed
48.4 to any third party without prior written consent of the student. Taking the course does not
48.5 constitute consent;

48.6 (9) be available 24 hours a day, seven days a week, excluding minimal downtime
48.7 for updating and administration, except that this provision does not apply to live courses
48.8 taught by an actual instructor and delivered over the Internet;

48.9 (10) provide viewing access to the online course at all times to the commissioner,
48.10 excluding minimal downtime for updating and administration;

48.11 (11) include a process to authenticate the student's identity;

48.12 (12) inform the student and the commissioner how long after its purchase a course
48.13 will be accessible;

48.14 (13) inform the student that license education credit will not be awarded for taking
48.15 the course after it loses its status as an approved course;

48.16 (14) provide clear instructions on how to navigate through the course;

48.17 (15) provide automatic bookmarking at any point in the course;

48.18 (16) provide questions after each unit or chapter that must be answered before the
48.19 student can proceed to the next unit or chapter;

48.20 (17) include a reinforcement response when a quiz question is answered correctly;

48.21 (18) include a response when a quiz question is answered incorrectly;

48.22 (19) include a final examination in which the student must correctly answer 70
48.23 percent of the questions;

48.24 (20) allow the student to go back and review any unit at any time, except during the
48.25 final examination;

48.26 (21) provide a course evaluation at the end of the course. At a minimum, the
48.27 evaluation must ask the student to report any difficulties caused by the online education
48.28 delivery method;

48.29 (22) provide a completion certificate when the course and exam have been completed
48.30 and the provider has verified the completion. Electronic certificates are sufficient and shall
48.31 include the name of the provider, date and location of the course, educational program
48.32 identification that was provided by the department, hours of instruction or continuing
48.33 education hours, and licensee's or attendee's name and license, certification, or registration
48.34 number or the last four digits of the licensee's or attendee's Social Security number; and

48.35 (23) allow the commissioner the ability to electronically review the class to
48.36 determine if credit can be approved.

49.1 (c) The final examination must be either an encrypted online examination or a
49.2 paper examination that is monitored by a proctor who certifies that the student took the
49.3 examination.

49.4 Sec. 34. Minnesota Statutes 2010, section 326B.821, subdivision 6, is amended to read:

49.5 Subd. 6. **Course approval.** (a) Courses must be approved by the commissioner
49.6 in advance and will be approved on the basis of the applicant's compliance with the
49.7 provisions of this section relating to continuing education in the regulated industries. The
49.8 commissioner shall make the final determination as to the approval and assignment of
49.9 credit hours for courses. Courses must be at least one hour in length.

49.10 Licensees requesting credit for continuing education courses that have not been
49.11 previously approved by the commissioner shall, on a form prescribed by the commissioner,
49.12 submit an application for approval of continuing education credit accompanied by a
49.13 nonrefundable fee of \$20 for each course to be reviewed. To be approved, courses must be
49.14 in compliance with the provisions of this section governing the types of courses that will
49.15 and will not be approved.

49.16 Approval will not be granted for time spent on meals or other unrelated activities.
49.17 Breaks may not be accumulated in order to dismiss the class early. Classes shall not be
49.18 offered by a provider to any one student for longer than eight hours in one day, excluding
49.19 meal breaks.

49.20 (b) Application for course approval must be submitted on a form approved by the
49.21 commissioner at least 30 days before the course offering.

49.22 (c) Approval must be granted for a subsequent offering of identical continuing
49.23 education courses without requiring a new application if a notice of the subsequent
49.24 offering is filed with the commissioner at least 30 days in advance of the date the course is
49.25 to be held. The commissioner shall deny future offerings of courses if they are found not
49.26 to be in compliance with the laws relating to course approval.

49.27 Sec. 35. Minnesota Statutes 2010, section 326B.821, subdivision 7, is amended to read:

49.28 Subd. 7. **Courses open to all.** All course offerings must be open to any interested
49.29 individuals. Access may be restricted by the sponsor based on class size only. Courses
49.30 ~~must~~ shall not be approved if attendance is restricted to any particular group of people,
49.31 except for company-sponsored courses allowed by applicable law.

49.32 Sec. 36. Minnesota Statutes 2010, section 326B.821, subdivision 8, is amended to read:

50.1 Subd. 8. **Course sponsor.** (a) Each course of study shall have at least one sponsor,
50.2 approved by the commissioner, who is responsible for supervising the program and
50.3 ensuring compliance with all relevant law. Sponsors may engage an additional approved
50.4 sponsor in order to assist the sponsor or to act as a substitute for the sponsor ~~in the event~~
50.5 ~~of an emergency or illness.~~

50.6 (b) Sponsors must submit an application and sworn statement stating they agree to
50.7 abide by the requirements of this section and any other applicable statute or rule pertaining
50.8 to ~~residential construction~~ continuing education in the regulated industry.

50.9 (c) A sponsor may also be an instructor.

50.10 (d) Failure to comply with ~~requirements~~ paragraph (b) may result in loss of sponsor
50.11 approval for up to two years in accordance with section 326B.082.

50.12 Sec. 37. Minnesota Statutes 2010, section 326B.821, subdivision 9, is amended to read:

50.13 Subd. 9. **Responsibilities.** A sponsor is responsible for:

50.14 (1) ensuring compliance with all laws and rules relating to continuing educational
50.15 offerings governed by the commissioner;

50.16 (2) ensuring that students are provided with current and accurate information relating
50.17 to the laws and rules governing ~~their licensed activity~~ the regulated industry;

50.18 (3) supervising and evaluating courses and instructors. Supervision includes
50.19 ensuring that all areas of the curriculum are addressed without redundancy and that
50.20 continuity is present throughout the entire course;

50.21 (4) ensuring that instructors are qualified to teach the course offering;

50.22 (5) furnishing the commissioner, upon request, with copies of course ~~and instructor~~
50.23 ~~evaluations and~~ evaluations must be completed by students at the time the course is
50.24 offered;

50.25 (6) furnishing the commissioner, upon request, with copies of the qualifications of
50.26 ~~instructors. Evaluations must be completed by students at the time the course is offered~~
50.27 ~~and by sponsors within five days after the course offering;~~

50.28 ~~(6)~~ (7) investigating complaints related to course offerings or instructors. A copy
50.29 of the written complaint must be sent to the commissioner within ten days of receipt of
50.30 the complaint and a copy of the complaint resolution must be sent not more than ten
50.31 days after resolution is reached;

50.32 ~~(7)~~ (8) maintaining accurate records relating to course offerings, instructors, tests
50.33 taken by students if required, and student attendance for a period of three years from the
50.34 date on which the course was completed. These records must be made available to the
50.35 commissioner upon request. In the event the sponsor ceases operations before termination

51.1 of the sponsor application, the sponsor must provide to the commissioner digital copies of
51.2 all course and attendance records of courses held for the previous three years;

51.3 ~~(8)~~ (9) attending workshops or instructional programs as reasonably required by
51.4 the commissioner;

51.5 ~~(9)~~ (10) providing course completion certificates within ten days of, but not before,
51.6 completion of the entire course. A sponsor may require payment of the course tuition as a
51.7 condition of receiving the course completion certificate. Course completion certificates
51.8 must be completed in their entirety. ~~Course completion certificates must and shall~~ contain
51.9 the following:

51.10 (i) the statement: "If you have any comments about this course offering, please mail
51.11 them to the Minnesota Department of Labor and Industry.";

51.12 (ii) the current address of the department ~~must be included.~~ ~~A sponsor may require~~
51.13 ~~payment of the course tuition as a condition for receiving the course completion certificate,~~
51.14 name of the provider, date and location of the course, educational program identification
51.15 provided by the department, and hours of instruction or continuing education hours; and

51.16 (iii) the licensee's or attendee's name and license, certificate, or registration number
51.17 or the last four digits of the licensee's or attendee's Social Security number; and

51.18 ~~(10)~~ (11) notifying the commissioner in writing within ten days of any change in the
51.19 information in an application for approval on file with the commissioner.

51.20 Sec. 38. Minnesota Statutes 2010, section 326B.821, subdivision 10, is amended to
51.21 read:

51.22 Subd. 10. **Instructors.** (a) Each continuing education course shall have an instructor
51.23 who is qualified by education, training, or experience to ensure competent instruction.
51.24 Failure to have only qualified instructors teach at an approved course offering will result in
51.25 loss of course approval. Sponsors are responsible to ensure that an instructor is qualified
51.26 to teach the course offering.

51.27 (b) Qualified continuing education instructors must have one of the following
51.28 qualifications:

51.29 (1) four years' practical experience in the subject area being taught;

51.30 (2) a college or graduate degree in the subject area being taught;

51.31 (3) direct experience in the development of laws, rules, or regulations related to the
51.32 ~~residential construction~~ regulated industry; or

51.33 (4) demonstrated expertise in the subject area being taught. Instructors providing
51.34 instruction related to electricity, plumbing, or high pressure piping systems must comply

52.1 with all applicable continuing education rules adopted by the Board of Electricity, the
52.2 Plumbing Board, or the Board of High Pressure Piping Systems.

52.3 (c) ~~Approved~~ Qualified continuing education instructors are responsible for:

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

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

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

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

52.8 (5) providing assistance to students and responding to questions relating to course
52.9 materials; and

52.10 (6) attending the workshops or instructional programs that are required by the
52.11 commissioner.

52.12 Sec. 39. Minnesota Statutes 2010, section 326B.821, subdivision 11, is amended to
52.13 read:

52.14 Subd. 11. **Prohibited practices for sponsors and instructors.** (a) In connection
52.15 with an approved continuing education course, sponsors and instructors shall not:

52.16 (1) recommend ~~or~~ promote, or disparage the specific services, products, processes,
52.17 procedures, or practices of a particular business person in the regulated industry;

52.18 (2) encourage or recruit ~~individuals~~ students to engage the services of, or become
52.19 associated with, a particular business;

52.20 (3) use materials for the sole purpose of promoting a particular business;

52.21 (4) require students to participate in other programs or services offered by an
52.22 instructor or sponsor;

52.23 (5) attempt, either directly or indirectly, to discover questions or answers on an
52.24 examination for a license;

52.25 (6) disseminate to any other person specific questions, problems, or information
52.26 known or believed to be included in licensing examinations;

52.27 (7) misrepresent any information submitted to the commissioner;

52.28 (8) fail to reasonably cover, or ensure coverage of, all points, issues, and concepts
52.29 contained in the course outline approved by the commissioner during the approved
52.30 instruction; or

52.31 (9) issue inaccurate course completion certificates.

52.32 (b) Sponsors shall notify the commissioner within ten days of a felony or gross
52.33 misdemeanor conviction or of disciplinary action taken against an occupational or
52.34 professional license held by the sponsor or an instructor teaching an approved course. The

53.1 ~~notification~~ conviction or disciplinary action shall be grounds for the commissioner to
53.2 withdraw the approval of the sponsor and to disallow the use of the sponsor or instructor.

53.3 Sec. 40. Minnesota Statutes 2010, section 326B.821, subdivision 12, is amended to
53.4 read:

53.5 Subd. 12. **Fees** Course tuition. ~~Fees~~ Tuition for an approved course of study
53.6 and related materials must be clearly identified to students. In the event that a course is
53.7 canceled for any reason, all ~~fees~~ tuition must be returned within 15 days from the date of
53.8 cancellation. In the event that a course is postponed for any reason, students shall be given
53.9 the choice of attending the course at a later date or having their ~~fees~~ tuition refunded in
53.10 full within 15 days from the date of postponement. If a student is unable to attend a course
53.11 or cancels the registration in a course, sponsor policies regarding refunds shall govern.

53.12 Sec. 41. Minnesota Statutes 2010, section 326B.821, subdivision 15, is amended to
53.13 read:

53.14 Subd. 15. **Advertising courses.** (a) Paragraphs (b) to (g) govern the advertising
53.15 of continuing education courses.

53.16 (b) Advertising must be truthful and not deceptive or misleading. Courses may
53.17 not be advertised as approved for continuing education credit unless approval has been
53.18 granted in writing by the commissioner.

53.19 (c) Once a course is approved, all advertisement, pamphlet, circular, or other similar
53.20 materials pertaining to an approved course circulated or distributed in this state, must
53.21 prominently display the following statement:

53.22 "This course has been approved by the Minnesota Department of Labor and Industry
53.23 for (approved number of hours) hours for ~~residential contractor~~ (regulated
53.24 industry) continuing education."

53.25 (d) Advertising of approved courses must be clearly distinguishable from the
53.26 advertisement of other nonapproved courses and services.

53.27 (e) Continuing education courses may not be advertised before approval unless the
53.28 course is described in any advertising as "approval pending." The sponsor must verbally
53.29 notify ~~licensees~~ students before commencement of the course if the course has been
53.30 denied credit, has not been approved for credit, or has only been approved for partial
53.31 credit by the commissioner.

53.32 (f) The number of hours for which a course has been approved must be prominently
53.33 displayed on an advertisement for the course. If the course offering is longer than the

54.1 number of hours of credit to be given, it must be clear that credit is not earned for the
54.2 entire course.

54.3 (g) The course approval number must not be included in any advertisement.

54.4 Sec. 42. Minnesota Statutes 2010, section 326B.821, subdivision 16, is amended to
54.5 read:

54.6 Subd. 16. **Notice to students.** At the beginning of each approved offering, the
54.7 following notice must be handed out in printed form or must be read to students:

54.8 "This educational offering is recognized by the Minnesota Department of Labor and
54.9 Industry as satisfying (insert number of hours approved) hours of credit toward
54.10 ~~residential contractor~~ (insert regulated industry) continuing education requirements."

54.11 Sec. 43. Minnesota Statutes 2010, section 326B.821, subdivision 18, is amended to
54.12 read:

54.13 Subd. 18. **Falsification of reports or certificates.** A licensee, its ~~qualified person~~
54.14 qualifying individual, or an applicant found to have falsified an education report or
54.15 certificate to the commissioner shall be considered to have violated the laws relating to
54.16 the regulated industry for which the person has a license and shall be subject to ~~ceensure,~~
54.17 ~~limitation, condition, suspension, or revocation of the license or denial of the application~~
54.18 ~~for licensure~~ the enforcement provisions of section 326B.082.

54.19 The commissioner reserves the right to audit a licensee's continuing education
54.20 records.

54.21 Sec. 44. Minnesota Statutes 2010, section 326B.821, subdivision 19, is amended to
54.22 read:

54.23 Subd. 19. **Waivers and extensions.** ~~If a licensee provides documentation to the~~
54.24 ~~commissioner that the licensee or its qualifying person is unable, and will continue to be~~
54.25 ~~unable, to attend actual classroom course work because of a physical disability, medical~~
54.26 ~~condition, or similar reason, attendance at continuing education courses shall be waived~~
54.27 ~~for a period not to exceed one year. The commissioner shall require that the licensee or~~
54.28 ~~its qualifying person satisfactorily complete a self-study program to include reading a~~
54.29 ~~sufficient number of textbooks, or listening to a sufficient number of tapes, related to the~~
54.30 ~~residential building contractor industry, as would be necessary for the licensee to satisfy~~
54.31 ~~continuing educational credit hour needs. The commissioner shall award the licensee~~
54.32 ~~credit hours for a self-study program by determining how many credit hours would~~
54.33 ~~be granted to a classroom course involving the same material and giving the licensee~~

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55.1 ~~the same number of credit hours under this section. The licensee may apply each year~~
55.2 ~~for a new waiver upon the same terms and conditions as were necessary to secure the~~
55.3 ~~original waiver, and must demonstrate that in subsequent years, the licensee was unable to~~
55.4 ~~complete actual classroom course work. The commissioner may request documentation~~
55.5 ~~of the condition upon which the request for waiver is based as is necessary to satisfy~~
55.6 ~~the commissioner of the existence of the condition and that the condition does preclude~~
55.7 ~~attendance at continuing education courses.~~

55.8 Upon written proof demonstrating a medical hardship, the commissioner shall
55.9 extend, for up to 90 days, the time period during which the continuing education must be
55.10 successfully completed. ~~Loss of income from either attendance at courses or cancellation~~
55.11 ~~of a license is not a bona fide financial hardship.~~ Requests for extensions must be
55.12 submitted to the commissioner in writing no later than 60 days before the education is
55.13 due and must include an explanation with verification of the hardship, plus verification of
55.14 enrollment at an approved course of study on or before the extension period expires.

55.15 Sec. 45. Minnesota Statutes 2010, section 326B.821, subdivision 20, is amended to
55.16 read:

55.17 Subd. 20. **Reporting requirements.** ~~Required~~ Continuing education credits must
55.18 be reported by the sponsor in a manner prescribed by the commissioner. Licensees are
55.19 responsible for maintaining copies of course completion certificates.

55.20 Sec. 46. Minnesota Statutes 2010, section 326B.821, subdivision 22, is amended to
55.21 read:

55.22 Subd. 22. **Continuing education approval.** Continuing education courses must be
55.23 approved in advance by the commissioner of labor and industry. ~~"Sponsor" means any~~
55.24 ~~person or entity offering approved education.~~

55.25 Sec. 47. Minnesota Statutes 2010, section 326B.821, subdivision 23, is amended to
55.26 read:

55.27 Subd. 23. **Continuing education fees.** The following fees shall be paid to the
55.28 commissioner:

55.29 (1) initial course approval, \$20 for each hour or fraction of one hour of continuing
55.30 education course approval sought. Initial course approval expires on the last day of the
55.31 ~~24th~~ 36th month after the course is approved;

55.32 ~~(2) renewal of course approval, \$20 per course. Renewal of course approval expires~~
55.33 ~~on the last day of the 24th month after the course is renewed;~~

56.1 ~~(3)~~ (2) initial sponsor approval, \$100. Initial sponsor approval expires on the last
56.2 day of the 24th month after the sponsor is approved; and

56.3 ~~(4)~~ (3) renewal of sponsor approval, ~~\$20~~ \$100. Renewal of sponsor approval expires
56.4 on the last day of the 24th month after the sponsor is renewed.

56.5 Sec. 48. Minnesota Statutes 2010, section 326B.865, is amended to read:

56.6 **326B.865 SIGN CONTRACTOR; BOND.**

56.7 (a) A sign contractor may post a compliance bond with the commissioner,
56.8 conditioned that the sign contractor shall faithfully perform duties and comply with laws,
56.9 ordinances, rules, and contracts entered into for the installation of signs. The bond must
56.10 be renewed biennially and maintained for so long as determined by the commissioner.
56.11 The aggregate liability of the surety on the bond to any and all persons, regardless of the
56.12 number of claims made against the bond, may not exceed the annual amount of the bond.
56.13 The bond may be canceled as to future liability by the surety upon 30 days' written notice
56.14 mailed to the commissioner by United States mail.

56.15 (b) The amount of the bond shall be \$8,000. The bond may be drawn upon only by a
56.16 local unit of government that requires sign contractors to post a compliance bond. The
56.17 bond is in lieu of any compliance bond required by a local unit of government.

56.18 (c) For purposes of this section, "sign" means a device, structure, fixture, or
56.19 placard using graphics, symbols, or written copy that is erected on the premises of an
56.20 establishment including the name of the establishment or identifying the merchandise,
56.21 services, activities, or entertainment available on the premises.

56.22 (d) Each person giving bond under this section shall pay a biennial bond filing fee of
56.23 \$100 to the commissioner of labor and industry.

56.24 **EFFECTIVE DATE.** This section is effective January 1, 2012.

56.25 Sec. 49. Minnesota Statutes 2010, section 326B.89, subdivision 6, is amended to read:

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

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

56.32 (2) that the owner or the lessee has obtained a final judgment in a court of competent
56.33 jurisdiction against a licensee licensed under section 326B.83;

57.1 (3) that the final judgment was obtained against the licensee on the grounds
57.2 of fraudulent, deceptive, or dishonest practices, conversion of funds, or failure of
57.3 performance that arose directly out of a contract directly between the licensee and the
57.4 homeowner or lessee that was entered into prior to the cause of action and that occurred
57.5 when the licensee was licensed and performing any of the special skills enumerated under
57.6 section 326B.802, subdivision 15;

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

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

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

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

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

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

57.22 The verified application must include documents evidencing the amount of the
57.23 owner's or the lessee's actual and direct out-of-pocket loss. The owner's and the lessee's
57.24 actual and direct out-of-pocket loss shall not include any attorney fees, litigation costs
57.25 or fees, interest on the loss, and interest on the final judgment obtained as a result of the
57.26 loss or any costs not directly related to the value difference between what was contracted
57.27 for and what was provided. Any amount paid in satisfaction of the final judgment shall
57.28 be applied to the owner's or lessee's actual and direct out-of-pocket loss. An owner or
57.29 lessee may serve a verified application regardless of whether the final judgment has been
57.30 discharged by a bankruptcy court. A judgment issued by a court is final if all proceedings
57.31 on the judgment have either been pursued and concluded or been forgone, including all
57.32 reviews and appeals. For purposes of this section, owners who are joint tenants or tenants
57.33 in common are deemed to be a single owner. For purposes of this section, owners and
57.34 lessees eligible for payment of compensation from the fund shall not include government
57.35 agencies, political subdivisions, financial institutions, and any other entity that purchases,
57.36 guarantees, or insures a loan secured by real estate.

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58.1 Sec. 50. Minnesota Statutes 2010, section 326B.89, subdivision 8, is amended to read:

58.2 Subd. 8. **Administrative hearing.** If an owner or a lessee timely serves a request
58.3 for hearing under subdivision 7, the commissioner shall request that an administrative law
58.4 judge be assigned and that a hearing be conducted under the contested case provisions of
58.5 chapter 14 within 45 days after the commissioner received the request for hearing, unless
58.6 the parties agree to a later date. The commissioner must notify the owner or lessee of the
58.7 time and place of the hearing at least 15 days before the hearing. Upon petition of the
58.8 commissioner, the administrative law judge shall continue the hearing up to 60 days and
58.9 upon a showing of good cause may continue the hearing for such additional period as the
58.10 administrative law judge deems appropriate.

58.11 At the hearing the owner or the lessee shall have the burden of proving by substantial
58.12 evidence under subdivision 6, clauses (1) to (8). Whenever an applicant's judgment
58.13 is by default, stipulation, or consent, or whenever the action against the licensee was
58.14 defended by a trustee in bankruptcy, the applicant shall have the burden of proving the
58.15 cause of action for fraudulent, deceptive, or dishonest practices, conversion of funds, or
58.16 failure of performance. Otherwise, the judgment shall create a rebuttable presumption
58.17 of the fraudulent, deceptive, or dishonest practices, conversion of funds, or failure of
58.18 performance. This presumption affects the burden of producing evidence.

58.19 The administrative law judge shall issue findings of fact, conclusions of law, and
58.20 order. If the administrative law judge finds that compensation should be paid to the owner
58.21 or the lessee, the administrative law judge shall order the commissioner to make payment
58.22 from the fund of the amount it finds to be payable pursuant to the provisions of and in
58.23 accordance with the limitations contained in this section. The order of the administrative
58.24 law judge shall constitute the final decision of the agency in the contested case. The
58.25 commissioner or the owner or lessee may seek judicial review of the administrative law
58.26 judge's findings of fact, conclusions of law, and order ~~shall be~~ in accordance with sections
58.27 14.63 to 14.69.

58.28 Sec. 51. Minnesota Statutes 2010, section 327.32, subdivision 1a, is amended to read:

58.29 Subd. 1a. **Requirement; used manufactured homes.** No person shall sell or
58.30 offer for sale in this state any used manufactured home manufactured after June 14,
58.31 1976, or install for occupancy any used manufactured home manufactured after June
58.32 14, 1976, unless the used manufactured home complies with the Notice of Compliance
58.33 Form as provided in this subdivision. If manufactured after June 14, 1976, the home
58.34 must bear a label as required by the secretary. The Notice of Compliance Form shall be
58.35 signed by the seller and purchaser indicating which party is responsible for either making

59.1 or paying for any necessary corrections prior to the sale and transferring ownership of
59.2 the manufactured home.

59.3 The Notice of Compliance Form shall be substantially in the following form:

59.4 "Notice of Compliance Form as required in Minnesota Statutes,
59.5 section 327.32, subdivision 1

59.6 This notice must be completed and signed by the purchaser(s) and the seller(s) of the
59.7 used manufactured home described in the purchase agreement and on the bottom of this
59.8 notice before the parties transfer ownership of a used manufactured home constructed
59.9 after June 14, 1976.

59.10 Electric ranges and clothes dryers must have required four-conductor cords and plugs. For
59.11 the purpose of complying with the requirements of section 327B.06, a licensed retailer or
59.12 limited retailer shall retain at least one copy of the form required under this subdivision.

59.13 Complies Correction required
59.14 Initialed by Responsible Party: Buyer Seller

59.15 Solid fuel-burning fireplaces or stoves must be listed for use in manufactured homes, Code
59.16 of Federal Regulations, title 24, section 3280.709 (g), and installed correctly in accordance
59.17 with their listing or standards (i.e., chimney, doors, hearth, combustion, or intake, etc.,
59.18 Code of Federal Regulations, title 24, section 3280.709 (g)).

59.19 Complies Correction required
59.20 Initialed by Responsible Party: Buyer Seller

59.21 Gas water heaters and furnaces must be listed for manufactured home use, Code of Federal
59.22 Regulations, title 24, section 3280.709 (a) and (d)(1) and (2), and installed correctly, in
59.23 accordance with their listing or standards.

59.24 Complies Correction required
59.25 Initialed by Responsible Party: Buyer Seller

59.26 Smoke alarms are required to be installed and operational in accordance with Code of
59.27 Federal Regulations, title 24, section 3280.208.

59.28 Complies Correction required
59.29 Initialed by Responsible Party: Buyer Seller

59.30 Carbon monoxide alarms or CO detectors that are approved and operational are required
59.31 to be installed within ten feet of each room lawfully used for sleeping purposes.

59.32 Complies Correction required
59.33 Initialed by Responsible Party: Buyer Seller

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60.1 Egress windows are required in every bedroom with at least one operable window with
60.2 a net clear opening of 20 inches wide and 24 inches high, five square feet in area, with
60.3 the bottom of windows opening no more than 36 inches above the floor. Locks, latches,
60.4 operating handles, tabs, or other operational devices shall not be located more than 54
60.5 inches above the finished floor.

60.6 Complies Correction required
60.7 Initialed by Responsible Party: Buyer Seller

60.8 The furnace compartment of the home is required to have interior finish with a flame
60.9 spread rating not exceeding 25 feet, as specified in the 1976 United States Department of
60.10 Housing and Urban Development Code governing manufactured housing construction.

60.11 Complies Correction required
60.12 Initialed by Responsible Party: Buyer Seller

60.13 The water heater enclosure in this home is required to have interior finish with a flame
60.14 spread rating not exceeding 25 feet, as specified in the 1976 United States Department of
60.15 Housing and Urban Development Code governing manufactured housing construction.

60.16 Complies Correction required
60.17 Initialed by Responsible Party: Buyer Seller

60.18 The home complies with the snowload and heat zone requirements for the state of
60.19 Minnesota as indicated by the data plate.

60.20 Complies Correction required
60.21 Initialed by Responsible Party: Buyer Seller

60.22 The parties to this agreement have initialed all required sections and agree by their
60.23 signature to complete any necessary corrections prior to the sale or transfer of ownership
60.24 of the home described below as listed in the purchase agreement. The state of Minnesota
60.25 or a local building official has the authority to inspect the home in the manner described in
60.26 Minnesota Statutes, section 327.33, prior to or after the sale to ensure compliance was
60.27 properly executed as provided under the Manufactured Home Building Code.

60.28 Signature of Purchaser(s) of Home
60.29date..... date.....

60.30

60.31 Print name as appears on purchase Print name as appears on purchase
60.32 agreement agreement

60.33 Signature of Seller(s) of Home
60.34date..... date.....

60.35

60.36 Print name and license number, if applicable Print name and license number, if applicable

- 61.1 (Street address of home at time of sale)
- 61.2
- 61.3 (City/State/Zip).....
- 61.4 Name of manufacturer of home.....
- 61.5 Model and year.....
- 61.6 Serial number....."

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

61.8 Sec. 52. Minnesota Statutes 2010, section 327.32, subdivision 1b, is amended to read:

61.9 Subd. 1b. **Alternative design plan.** An alternative frost-free design slab for a new
61.10 or used manufactured home that is submitted to the local building official, third-party
61.11 inspector, or the department, stamped by a licensed professional engineer or architect, ~~and~~
61.12 ~~is as being~~ in compliance with either the federal installation standards in effect at the date
61.13 of manufacture, the manufacturer's installation manual, or the Minnesota State Building
61.14 Code, when applicable, shall be issued a permit ~~by the department~~ within ten days of
61.15 being received by the approving authority.

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

61.17 Sec. 53. Minnesota Statutes 2010, section 327.32, subdivision 1e, is amended to read:

61.18 Subd. 1e. **Reinstallation requirements for ~~single-section~~ used manufactured**
61.19 **homes.** (a) All ~~single-section~~ used manufactured homes reinstalled less than 24 months
61.20 from the date of installation by the first purchaser must be reinstalled in compliance with
61.21 subdivision 1c. All ~~single-section~~ used manufactured homes reinstalled more than 24
61.22 months from the date of installation by the first purchaser may be reinstalled without
61.23 a frost-protected foundation if the home is reinstalled in compliance with Minnesota
61.24 Rules, chapter 1350, for above frost-line installations and the notice requirement of
61.25 subdivision 1f is complied with by the seller and the purchaser of the ~~single-section~~ used
61.26 manufactured home.

61.27 (b) The installer shall affix an installation seal issued by the department to the
61.28 outside of the home as required by the Minnesota State Building Code. The certificate
61.29 of installation issued by the installer of record shall clearly state that the home has been
61.30 reinstalled with an above frost-line foundation. Fees for inspection of a reinstallation and
61.31 for issuance of reinstallation seals shall follow the requirements of sections 326B.802
61.32 to 326B.885. Fees for review of plans, specifications, and on-site inspections shall be
61.33 those as specified in section 326B.153, subdivision 1, paragraph (c). Whenever an
61.34 installation certificate for an above frost-line installation is issued to a ~~single-section~~ used

62.1 manufactured home being listed for sale, the purchase agreement must disclose that the
62.2 home is installed on a nonfrost-protected foundation and recommend that the purchaser
62.3 have the home inspected to determine the effects of frost on the home.

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

62.5 Sec. 54. Minnesota Statutes 2010, section 327.32, subdivision 1f, is amended to read:

62.6 Subd. 1f. **Notice requirement.** The seller of the ~~single-section~~ used manufactured
62.7 home being reinstalled under subdivision 1e shall provide the following notice to the
62.8 purchaser and secure signatures of all parties to the purchase agreement on or before
62.9 signing a purchase agreement prior to submitting an application for an installation
62.10 certificate. Whenever a current owner of a manufactured home reinstalls the manufactured
62.11 home under subdivision 1e, the current owner is not required to comply with the notice
62.12 requirement under this subdivision. The notice shall be in at least 14-point font, except the
62.13 heading, "WHICH MAY VOID WARRANTY," must be in capital letters, in 20-point font.
62.14 The notice must be printed on a separate sheet of paper in a color different than the paper
62.15 on which the purchase agreement is printed. The notice becomes a part of the purchase
62.16 agreement and shall be substantially in the following form:

62.17 "Notice of Reinstalling of a ~~Single-Section~~ Used Manufactured Home Above Frost-Line;

62.18 **WHICH MAY VOID WARRANTY**

62.19 It is recommended that the ~~single-section~~ used manufactured home being reinstalled
62.20 follow the instructions in the manufacturer's installation manual. By signing this notice,
62.21 the purchaser(s) are acknowledging they have elected to use footings placed above the
62.22 local frost line in accordance with the Minnesota State Building Code.

62.23 The seller has explained the differences between the manufacturer's installation
62.24 instructions and the installation system selected by the purchaser(s) with respect to
62.25 possible effects of frost on the manufactured home.

62.26 The purchaser(s) acknowledge by signing this notice that there is no manufacturer's
62.27 original warranty remaining on the home and recognize that any other extended or ancillary
62.28 warranty could be adversely affected if any applicable warranty stipulates that the home
62.29 be installed in accordance with the manufacturer's installation manual to remain effective.

62.30 After the reinstallation of the manufactured home, it is highly recommended that the
62.31 purchaser(s) have a licensed manufactured home installer recheck the home's installation
62.32 for any releveled needs or anchoring system adjustments each freeze-thaw cycle.

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63.1 The purchaser(s) of the used manufactured home described below that is being reinstalled
63.2 acknowledge they have read this notice and have been advised to contact the manufacturer
63.3 of the home and/or the Department of Labor and Industry if they desire additional
63.4 information before signing this notice. It is the intent of this notice to inform the
63.5 purchaser(s) that the purchaser(s) elected not to use a frost-protected foundation system
63.6 for the reinstallation of the manufactured home as originally required by the home's
63.7 installation manual.

63.8 Plain language notice.

63.9 I understand that because this home will be installed with footings placed above the
63.10 local frost line, this home may be subject to adverse effects from frost heave that may
63.11 damage this home. Purchaser(s) initials:

63.12 I understand that the installation of this home with footings placed above the local
63.13 frost line could affect my ability to obtain a mortgage or mortgage insurance on this
63.14 home. Purchaser(s) initials:

63.15 I understand that the installation of this home with footings placed above the local
63.16 frost line could void my warranty on the home if any warranty is still in place on this
63.17 home. Purchaser(s) initials:

63.18 Signature of Purchaser(s)

63.19date..... date.....

63.20

63.21 Print name Print name

63.22 (Street address of location where
63.23 manufactured home is being reinstalled)

63.24

63.25 (City/State/Zip).....

63.26 Name of manufacturer of home.....

63.27 Model and year.....

63.28 Serial number.....

63.29 Name of licensed installer and license number or homeowner responsible for the
63.30 installation of the home as described above.

63.31 Installer name:.....

63.32 License number:....."

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

63.34 Sec. 55. Minnesota Statutes 2010, section 327.32, subdivision 7, is amended to read:

63.35 Subd. 7. **Enforcement.** All jurisdictions enforcing the State Building Code, in
63.36 accordance with sections 326B.101 to 326B.151, shall undertake or provide for the

64.1 administration and enforcement of the manufactured home installation rules promulgated
64.2 by the commissioner. Municipalities which have adopted the State Building Code may
64.3 provide installation inspection and plan review services in noncode areas of the state.

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

64.5 Sec. 56. Minnesota Statutes 2010, section 327.33, subdivision 2, is amended to read:

64.6 Subd. 2. **Fees.** The commissioner shall by rule establish reasonable fees for seals,
64.7 installation seals and inspections which are sufficient to cover all costs incurred in the
64.8 administration of sections 327.31 to 327.35. The commissioner shall also establish by
64.9 rule a monitoring inspection fee in an amount that will comply with the secretary's fee
64.10 distribution program. This monitoring inspection fee shall be an amount paid by the
64.11 manufacturer for each manufactured home produced in Minnesota. The monitoring
64.12 inspection fee shall be paid by the manufacturer to the secretary. The rules of the
64.13 fee distribution program require the secretary to distribute the fees collected from all
64.14 manufactured home manufacturers among states approved and conditionally approved
64.15 based on the number of new manufactured homes whose first location after leaving the
64.16 manufacturer is on the premises of a distributor, dealer or purchaser in that state. Fees
64.17 for inspections in areas that have not adopted the State Building Code must be equal to
64.18 the fees for inspections in code areas of the state. Third party vendors may charge their
64.19 usual and normal charge for inspections.

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

64.21 Sec. 57. Minnesota Statutes 2010, section 327C.095, subdivision 12, is amended to
64.22 read:

64.23 Subd. 12. **Payment to the Minnesota manufactured home relocation trust fund.**

64.24 (a) If a manufactured home owner is required to move due to the conversion of all or a
64.25 portion of a manufactured home park to another use, the closure of a park, or cessation of
64.26 use of the land as a manufactured home park, the manufactured park owner shall, upon
64.27 the change in use, pay to the commissioner of management and budget for deposit in the
64.28 Minnesota manufactured home relocation trust fund under section 462A.35, the lesser
64.29 amount of the actual costs of moving or purchasing the manufactured home approved
64.30 by the neutral third party and paid by the Minnesota Housing Finance Agency under
64.31 subdivision 13, paragraph (a) or (e), or \$3,250 for each single section manufactured
64.32 home, and \$6,000 for each multisection manufactured home, for which a manufactured
64.33 home owner has made application for payment of relocation costs under subdivision 13,

65.1 paragraph (c). The manufactured home park owner shall make payments required under
65.2 this section to the Minnesota manufactured home relocation trust fund within 60 days of
65.3 receipt of invoice from the neutral third party.

65.4 (b) A manufactured home park owner is not required to make the payment prescribed
65.5 under paragraph (a), nor is a manufactured home owner entitled to compensation under
65.6 subdivision 13, paragraph (a) or (e), if:

65.7 (1) the manufactured home park owner relocates the manufactured home owner to
65.8 another space in the manufactured home park or to another manufactured home park at
65.9 the park owner's expense;

65.10 (2) the manufactured home owner is vacating the premises and has informed the
65.11 manufactured home park owner or manager of this prior to the mailing date of the closure
65.12 statement under subdivision 1;

65.13 (3) a manufactured home owner has abandoned the manufactured home, or the
65.14 manufactured home owner is not current on the monthly lot rental, personal property taxes;

65.15 (4) the manufactured home owner has a pending eviction action for nonpayment of
65.16 lot rental amount under section 327C.09, which was filed against the manufactured home
65.17 owner prior to the mailing date of the closure statement under subdivision 1, and the writ
65.18 of recovery has been ordered by the district court;

65.19 (5) the conversion of all or a portion of a manufactured home park to another use,
65.20 the closure of a park, or cessation of use of the land as a manufactured home park is the
65.21 result of a taking or exercise of the power of eminent domain by a governmental entity
65.22 or public utility; or

65.23 (6) the owner of the manufactured home is not a resident of the manufactured home
65.24 park, as defined in section 327C.01, subdivision 9, or the owner of the manufactured home
65.25 is a resident, but came to reside in the manufactured home park after the mailing date of
65.26 the closure statement under subdivision 1.

65.27 (c) If the unencumbered fund balance in the manufactured home relocation trust fund
65.28 is less than \$1,000,000 as of June 30 of each year, the commissioner of management and
65.29 budget shall ~~annually~~ assess each manufactured home park owner by mail the total amount
65.30 of \$12 for each licensed lot in their park, payable on or before September 15 of ~~each~~ that
65.31 year. The commissioner of management and budget shall deposit ~~the~~ any payments in the
65.32 Minnesota manufactured home relocation trust fund. On or before July 15 of each year,
65.33 the commissioner of management and budget shall prepare and distribute to park owners a
65.34 letter explaining whether funds are being collected for that year, information about the
65.35 collection, an invoice for all licensed lots, and a sample form for the park owners to
65.36 collect information on which park residents have been accounted for. If assessed under

66.1 this paragraph, the park owner may recoup the cost of the \$12 assessment as a lump
66.2 sum or as a monthly fee of no more than \$1 collected from park residents together with
66.3 monthly lot rent as provided in section 327C.03, subdivision 6. Park owners may adjust
66.4 payment for lots in their park that are vacant or otherwise not eligible for contribution to
66.5 the trust fund under section 327C.095, subdivision 12, paragraph (b), and deduct from the
66.6 assessment accordingly.

66.7 (d) This subdivision and subdivision 13, paragraph (c), clause (5), are enforceable by
66.8 the neutral third party, on behalf of the Minnesota Housing Finance Agency, or by action
66.9 in a court of appropriate jurisdiction. The court may award a prevailing party reasonable
66.10 attorney fees, court costs, and disbursements.

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

66.12 Sec. 58. **REVISOR'S INSTRUCTION.**

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

66.16	<u>Column A</u>	<u>Column B</u>
66.17	<u>326B.82, subd. 2</u>	<u>326B.091, subd. 2a</u>
66.18	<u>326B.82, subd. 3</u>	<u>326B.091, subd. 2b</u>
66.19	<u>326b.82, subd. 5</u>	<u>326B.091, subd. 2c</u>
66.20	<u>326B.82, subd. 7</u>	<u>326B.091, subd. 4a</u>
66.21	<u>326B.82, subd. 8</u>	<u>326B.091, subd. 5a</u>
66.22	<u>326B.82, subd. 9</u>	<u>326B.091, subd. 5c</u>
66.23	<u>326B.82, subd. 10</u>	<u>326B.091, subd. 7</u>
66.24	<u>326B.821, subd. 4</u>	<u>326B.0981, subd. 17</u>
66.25	<u>326B.821, subd. 5</u>	<u>326B.0981, subd. 3</u>
66.26	<u>326B.821, subd. 5a</u>	<u>326B.0981, subd. 4</u>
66.27	<u>326B.821, subd. 6</u>	<u>326B.0981, subd. 5</u>
66.28	<u>326B.821, subd. 7</u>	<u>326B.0981, subd. 6</u>
66.29	<u>326B.821, subd. 8</u>	<u>326B.099, subd. 1</u>
66.30	<u>326B.821, subd. 9</u>	<u>326B.099, subd. 2</u>
66.31	<u>326B.821, subd. 10</u>	<u>326B.099, subd. 3</u>
66.32	<u>326B.821, subd. 11</u>	<u>326B.099, subd. 4</u>
66.33	<u>326B.821, subd. 12</u>	<u>326B.0981, subd. 7</u>
66.34	<u>326B.821, subd. 13</u>	<u>326B.0981, subd. 8</u>
66.35	<u>326B.821, subd. 14</u>	<u>326B.0981, subd. 9</u>
66.36	<u>326B.821, subd. 15</u>	<u>326B.0981, subd. 10</u>
66.37	<u>326B.821, subd. 16</u>	<u>326B.0981, subd. 11</u>
66.38	<u>326B.821, subd. 17</u>	<u>326B.099, subd. 5</u>

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67.1	<u>326B.821, subd. 18</u>	<u>326B.0981, subd. 12</u>
67.2	<u>326B.821, subd. 19</u>	<u>326B.0981, subd. 13</u>
67.3	<u>326B.821, subd. 20</u>	<u>326B.0981, subd. 14</u>
67.4	<u>326B.821, subd. 22</u>	<u>326B.0981, subd. 2</u>
67.5	<u>326B.821, subd. 23</u>	<u>326B.0981, subd. 15</u>
67.6	<u>326B.821, subd. 24</u>	<u>326B.0981, subd. 16</u>

67.7 **Sec. 59. REPEALER.**

67.8 Minnesota Statutes 2010, sections 326B.82, subdivisions 4 and 6; and 326B.821,
67.9 subdivision 3, are repealed.

67.10 **EFFECTIVE DATE.** This section is effective January 1, 2012.

APPENDIX
Article locations in S0887-3

	JOB, ECONOMIC DEVELOPMENT, AND HOUSING	
ARTICLE 1	APPROPRIATIONS	Page.Ln 1.22
ARTICLE 2	MISCELLANEOUS ECONOMIC DEVELOPMENT PROVISIONS .	Page.Ln 19.28
ARTICLE 3	LABOR AND INDUSTRY	Page.Ln 29.3