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**ARTICLE 6
LABOR AND INDUSTRY**

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**ARTICLE 9
LABOR AND INDUSTRY**

83.9 Section 1. Minnesota Statutes 2017 Supplement, section 175.46, subdivision 13, is amended
83.10 to read:

83.11 Subd. 13. **Grant awards.** (a) The commissioner shall award grants to local partnerships
83.12 located throughout the state, not to exceed \$100,000 per local partnership grant. The
83.13 commissioner may use up to five percent of this amount for administration of the grant
83.14 program.

83.15 (b) A local partnership awarded a grant under this section must use the grant award for
83.16 any of the following implementation and coordination activities:

83.17 (1) recruiting additional employers to provide on-the-job training and supervision for
83.18 student learners and providing technical assistance to those employers;

83.19 (2) recruiting students to participate in the local youth skills training program, monitoring
83.20 the progress of student learners participating in the program, and monitoring program
83.21 outcomes;

83.22 (3) coordinating youth skills training activities within participating school districts and
83.23 among participating school districts, postsecondary institutions, and employers;

83.24 (4) coordinating academic, vocational and occupational learning, school-based and
83.25 work-based learning, and secondary and postsecondary education for participants in the
83.26 local youth skills training program;

83.27 (5) coordinating transportation for student learners participating in the local youth skills
83.28 training program; and

83.29 (6) any other implementation or coordination activity that the commissioner may direct
83.30 or permit the local partnership to perform.

83.31 ~~(b)~~ (c) Grant awards may not be used to directly or indirectly pay the wages of a student
83.32 learner.

218.13 Sec. 2. Minnesota Statutes 2016, section 177.24, subdivision 1, is amended to read:

218.14 Subdivision 1. **Amount.** (a) For purposes of this subdivision, the terms defined in this
218.15 paragraph have the meanings given them.

218.16 (1) "Large employer" means an enterprise whose annual gross volume of sales made or
218.17 business done is not less than \$500,000 (exclusive of excise taxes at the retail level that are
218.18 separately stated) and covered by the Minnesota Fair Labor Standards Act, sections 177.21
218.19 to 177.35.

218.20 (2) "Small employer" means an enterprise whose annual gross volume of sales made or
218.21 business done is less than \$500,000 (exclusive of excise taxes at the retail level that are
218.22 separately stated) and covered by the Minnesota Fair Labor Standards Act, sections 177.21
218.23 to 177.35.

218.24 (3) "Employee receiving gratuities" means an employee who customarily and regularly
218.25 receives more than \$30 per month in gratuities.

218.26 (b) Except as otherwise provided in sections 177.21 to 177.35:

218.27 (1) every large employer must pay each employee wages at a rate of at least:

218.28 (i) \$8.00 per hour beginning August 1, 2014;

218.29 (ii) \$9.00 per hour beginning August 1, 2015;

218.30 (iii) \$9.50 per hour beginning August 1, 2016; and

218.31 (iv) the rate established under paragraph (f) beginning January 1, 2018; and

218.32 (2) every small employer must pay each employee at a rate of at least:

219.1 (i) \$6.50 per hour beginning August 1, 2014;

219.2 (ii) \$7.25 per hour beginning August 1, 2015;

219.3 (iii) \$7.75 per hour beginning August 1, 2016; and

219.4 (iv) the rate established under paragraph (f) beginning January 1, 2018.

219.5 (c) Notwithstanding paragraph (b), during the first 90 consecutive days of employment,
219.6 an employer may pay an employee under the age of 20 years a wage of at least:

219.7 (1) \$6.50 per hour beginning August 1, 2014;

219.8 (2) \$7.25 per hour beginning August 1, 2015;

219.9 (3) \$7.75 per hour beginning August 1, 2016; and

219.10 (4) the rate established under paragraph (f) beginning January 1, 2018.

219.11 No employer may take any action to displace an employee, including a partial displacement
219.12 through a reduction in hours, wages, or employment benefits, in order to hire an employee
219.13 at the wage authorized in this paragraph.

219.14 (d) Notwithstanding paragraph (b), an employer that is a "hotel or motel," "lodging
219.15 establishment," or "resort" as defined in Minnesota Statutes 2012, section 157.15,
219.16 subdivisions 7, 8, and 11, must pay an employee working under a contract with the employer
219.17 that includes the provision by the employer of a food or lodging benefit, if the employee is
219.18 working under authority of a summer work travel exchange visitor program (J) nonimmigrant
219.19 visa, a wage of at least:

219.20 (1) \$7.25 per hour beginning August 1, 2014;

219.21 (2) \$7.50 per hour beginning August 1, 2015;

219.22 (3) \$7.75 per hour beginning August 1, 2016; and

219.23 (4) the rate established under paragraph (f) beginning January 1, 2018.

219.24 No employer may take any action to displace an employee, including a partial displacement
219.25 through a reduction in hours, wages, or employment benefits, in order to hire an employee
219.26 at the wage authorized in this paragraph.

219.27 (e) Notwithstanding paragraph (b), a large employer must pay an employee under the
219.28 age of 18 at a rate of at least:

219.29 (1) \$6.50 per hour beginning August 1, 2014;

219.30 (2) \$7.25 per hour beginning August 1, 2015;

220.1 (3) \$7.75 per hour beginning August 1, 2016; and

220.2 (4) the rate established under paragraph (f) beginning January 1, 2018.

220.3 No employer may take any action to displace an employee, including a partial displacement
220.4 through a reduction in hours, wages, or employment benefits, in order to hire an employee
220.5 at the wage authorized in this paragraph.

220.6 (f) No later than August 31 of each year, beginning in 2017, the commissioner shall
220.7 determine the percentage increase in the rate of inflation, as measured by the implicit price
220.8 deflator, national data for personal consumption expenditures as determined by the United
220.9 States Department of Commerce, Bureau of Economic Analysis during the 12-month period
220.10 immediately preceding that August or, if that data is unavailable, during the most recent
220.11 12-month period for which data is available. The minimum wage rates in paragraphs (b),
220.12 (c), (d), and (e) are increased by the lesser of: (1) 2.5 percent, rounded to the nearest cent;
220.13 or (2) the percentage calculated by the commissioner, rounded to the nearest cent. A minimum
220.14 wage rate shall not be reduced under this paragraph. The new minimum wage rates
220.15 determined under this paragraph take effect on the next January 1.

220.16 (g)(1) No later than September 30 of each year, beginning in 2017, the commissioner
220.17 may issue an order that an increase calculated under paragraph (f) not take effect. The
220.18 commissioner may issue the order only if the commissioner, after consultation with the
220.19 commissioner of management and budget, finds that leading economic indicators, including
220.20 but not limited to projections of gross domestic product calculated by the United States
220.21 Department of Commerce, Bureau of Economic Analysis; the Consumer Confidence Index
220.22 issued by the Conference Board; and seasonally adjusted Minnesota unemployment rates,
220.23 indicate the potential for a substantial downturn in the state's economy. Prior to issuing an
220.24 order, the commissioner shall also calculate and consider the ratio of the rate of the calculated
220.25 change in the minimum wage rate to the rate of change in state median income over the
220.26 same time period used to calculate the change in wage rate. Prior to issuing the order, the
220.27 commissioner shall hold a public hearing, notice of which must be published in the State
220.28 Register, on the department's Web site, in newspapers of general circulation, and by other
220.29 means likely to inform interested persons of the hearing, at least ten days prior to the hearing.
220.30 The commissioner must allow interested persons to submit written comments to the
220.31 commissioner before the public hearing and for 20 days after the public hearing.

220.32 (2) The commissioner may in a year subsequent to issuing an order under clause (1),
220.33 make a supplemental increase in the minimum wage rate in addition to the increase for a
220.34 year calculated under paragraph (f). The supplemental increase may be in an amount up to
221.1 the full amount of the increase not put into effect because of the order. If the supplemental
221.2 increase is not the full amount, the commissioner may make a supplemental increase of the
221.3 difference, or any part of a difference, in a subsequent year until the full amount of the
221.4 increase ordered not to take effect has been included in a supplemental increase. In making
221.5 a determination to award a supplemental increase under this clause, the commissioner shall
221.6 use the same considerations and use the same process as for an order under clause (1). A
221.7 supplemental wage increase is not subject to and shall not be considered in determining

- 221.8 whether a wage rate increase exceeds the limits for annual wage rate increases allowed
221.9 under paragraph (f).
- 221.10 (h) Notwithstanding paragraph (b), every large employer must pay an employee receiving
221.11 gratuities a wage of at least:
- 221.12 (1) \$9.65 per hour if the employee earns sufficient gratuities during the workweek so
221.13 that the sum of \$9.65 per hour and gratuities received averages at least the amount established
221.14 for large employers under paragraph (i); or
- 221.15 (2) the greater of the wage rate under this section or United States Code, title 29, section
221.16 206(a)(1), if the employee does not earn sufficient gratuities during the workweek so that
221.17 the sum of \$9.65 per hour and gratuities received averages at least the amount established
221.18 for large employers under paragraph (i).
- 221.19 (i) Notwithstanding paragraph (b), every small employer must pay an employee receiving
221.20 gratuities a wage of at least:
- 221.21 (1) \$7.87 per hour if the employee earns sufficient gratuities during the workweek so
221.22 that the sum of \$7.87 per hour and gratuities received averages at least the amount established
221.23 for small employers under paragraph (j); or
- 221.24 (2) the greater of the wage rate under this section or United States Code, title 29, section
221.25 206(a)(1), if the employee does not earn sufficient gratuities during the workweek so that
221.26 the sum of \$7.87 per hour and gratuities received averages at least the amount established
221.27 for small employers under paragraph (j).
- 221.28 (j)(1) For large employers, the average hourly wage and gratuity amount begins at \$14
221.29 and increases annually by the lesser of:
- 221.30 (i) two percent, rounded to the nearest cent; or
- 221.31 (ii) the percentage calculated by the commissioner under paragraph (f), rounded to the
221.32 nearest cent.
- 222.1 (2) For small employers, the average hourly wage and gratuity amount begins at \$12
222.2 and increases annually by the lesser of:
- 222.3 (i) two percent, rounded to the nearest cent; or

222.4 (ii) the percentage calculated by the commissioner under paragraph (f), rounded to the
222.5 nearest cent.

222.6 An average hourly wage and gratuity amount shall not be reduced under this paragraph.
222.7 The adjusted average hourly wage and salary amounts determined under this paragraph take
222.8 effect on the next January 1.

222.9 Sec. 3. Minnesota Statutes 2016, section 182.666, subdivision 1, is amended to read:

222.10 Subdivision 1. **Willful or repeated violations.** Any employer who willfully or repeatedly
222.11 violates the requirements of section 182.653, or any standard, rule, or order adopted under
222.12 the authority of the commissioner as provided in this chapter, may be assessed a fine not to
222.13 exceed ~~\$70,000~~ \$126,750 for each violation. The minimum fine for a willful violation is
222.14 ~~\$5,000~~ \$9,055.

222.15 Sec. 4. Minnesota Statutes 2016, section 182.666, subdivision 2, is amended to read:

222.16 Subd. 2. **Serious violations.** Any employer who has received a citation for a serious
222.17 violation of its duties under section 182.653, or any standard, rule, or order adopted under
222.18 the authority of the commissioner as provided in this chapter, shall be assessed a fine not
222.19 to exceed ~~\$7,000~~ \$12,675 for each violation. If a serious violation under section 182.653,
222.20 subdivision 2, causes or contributes to the death of an employee, the employer shall be
222.21 assessed a fine of up to \$25,000 for each violation.

222.22 Sec. 5. Minnesota Statutes 2016, section 182.666, subdivision 3, is amended to read:

222.23 Subd. 3. **Nonserious violations.** Any employer who has received a citation for a violation
222.24 of its duties under section 182.653, subdivisions 2 to 4, where the violation is specifically
222.25 determined not to be of a serious nature as provided in section 182.651, subdivision 12,
222.26 may be assessed a fine of up to ~~\$7,000~~ \$12,675 for each violation.

222.27 Sec. 6. Minnesota Statutes 2016, section 182.666, subdivision 4, is amended to read:

222.28 Subd. 4. **Failure to correct a violation.** Any employer who fails to correct a violation
222.29 for which a citation has been issued under section 182.66 within the period permitted for
222.30 its correction, which period shall not begin to run until the date of the final order of the
223.1 commissioner in the case of any review proceedings under this chapter initiated by the
223.2 employer in good faith and not solely for delay or avoidance of penalties, may be assessed
223.3 a fine of not more than ~~\$7,000~~ \$12,675 for each day during which the failure or violation
223.4 continues.

223.5 Sec. 7. Minnesota Statutes 2016, section 182.666, subdivision 5, is amended to read:

223.6 Subd. 5. **Posting violations.** Any employer who violates any of the posting requirements,
 223.7 as prescribed under this chapter, except those prescribed under section 182.661, subdivision
 223.8 3a, shall be assessed a fine of up to ~~\$7,000~~ \$12,675 for each violation.

223.9 Sec. 8. Minnesota Statutes 2016, section 182.666, is amended by adding a subdivision to
 223.10 read:

223.11 Subd. 6a. **Increases for inflation.** (a) No later than August 31 of each year, beginning
 223.12 in 2018, the commissioner shall determine the percentage increase in the rate of inflation,
 223.13 as measured by the implicit price deflator, national data for personal consumption
 223.14 expenditures as determined by the United States Department of Commerce, Bureau of
 223.15 Economic Analysis during the 12-month period immediately preceding that August or, if
 223.16 that data is unavailable, during the most recent 12-month period for which data is available.
 223.17 The fines in subdivisions 1, 2, 3, 4, and 5, except for the fine for a serious violation under
 223.18 section 182.653, subdivision 2, that causes or contributes to the death of an employee, are
 223.19 increased by the lesser of (1) 2.5 percent, rounded to the nearest dollar amount evenly
 223.20 divisible by ten, or (2) the percentage calculated by the commissioner, rounded to the nearest
 223.21 dollar amount evenly divisible by ten.

223.22 (b) The fines increased under paragraph (a) shall not be increased to an amount greater
 223.23 than the corresponding federal penalties for the specified violations promulgated in United
 223.24 States Code, title 29, section 666, subsections (a)-(d), (i), as amended through November
 223.25 5, 1990, and adjusted according to United States Code, title 28, section 2461, note (Federal
 223.26 Civil Penalties Inflation Adjustment), as amended through November 2, 2015.

223.27 (c) A fine must not be reduced under this subdivision. A fine increased under this
 223.28 subdivision takes effect on the next January 1.

84.1 Sec. 2. Minnesota Statutes 2016, section 326B.106, subdivision 9, is amended to read:

84.2 Subd. 9. **Accessibility.** (a) **Public buildings.** The code must provide for making require
 84.3 new public buildings constructed or remodeled after July 1, 1963, and existing public
 84.4 buildings when remodeled, to be accessible to and usable by persons with disabilities;
 84.5 although this does not require the remodeling of public buildings solely to provide
 84.6 accessibility and usability to persons with disabilities when remodeling would not otherwise
 84.7 be undertaken.

84.8 (b) **Leased space.** No agency of the state may lease space for agency operations in a
 84.9 non-state-owned building unless the building satisfies the requirements of the State Building
 84.10 Code for accessibility by persons with disabilities, or is eligible to display the state symbol

84.11 of accessibility. This limitation applies to leases of 30 days or more for space of at least
84.12 1,000 square feet.

84.13 (c) **Meetings or conferences.** Meetings or conferences for the public or for state
84.14 employees which are sponsored in whole or in part by a state agency must be held in
84.15 buildings that meet the State Building Code requirements relating to accessibility for persons
84.16 with disabilities. This subdivision does not apply to any classes, seminars, or training
84.17 programs offered by the Minnesota State Colleges and Universities or the University of
84.18 Minnesota. Meetings or conferences intended for specific individuals none of whom need
84.19 the accessibility features for persons with disabilities specified in the State Building Code
84.20 need not comply with this subdivision unless a person with a disability gives reasonable
84.21 advance notice of an intent to attend the meeting or conference. When sign language
84.22 interpreters will be provided, meetings or conference sites must be chosen which allow
84.23 participants who are deaf or hard-of-hearing to see the sign language interpreters clearly.

84.24 (d) **Exemptions.** The commissioner may grant an exemption from the requirements of
84.25 paragraphs (b) and (c) in advance if an agency has demonstrated that reasonable efforts
84.26 were made to secure facilities which complied with those requirements and if the selected
84.27 facilities are the best available for access for persons with disabilities. Exemptions shall be
84.28 granted using criteria developed by the commissioner in consultation with the Council on
84.29 Disability.

84.30 (e) **Symbol indicating access.** The wheelchair symbol adopted by Rehabilitation
84.31 International's Eleventh World Congress is the state symbol indicating buildings, facilities,
84.32 and grounds which are accessible to and usable by persons with disabilities. In the interests
84.33 of uniformity, this symbol is the sole symbol for display in or on all public or private
84.34 buildings, facilities, and grounds which qualify for its use. The secretary of state shall obtain
85.1 the symbol and keep it on file. No building, facility, or grounds may display the symbol
85.2 unless it is in compliance with the rules adopted by the commissioner under subdivision 1.
85.3 Before any rules are proposed for adoption under this paragraph, the commissioner shall
85.4 consult with the Council on Disability. Rules adopted under this paragraph must be enforced
85.5 in the same way as other accessibility rules of the State Building Code.

223.29 Sec. 9. Minnesota Statutes 2016, section 326B.805, subdivision 3, is amended to read:

223.30 Subd. 3. **Prohibition.** Except as provided in subdivision 6, no persons required to be
223.31 licensed by subdivision 1 may act or hold themselves out as a residential building contractor,
223.32 residential remodeler, residential roofer, or manufactured home installer for compensation
224.1 without a license issued by the commissioner. Unlicensed residential building contractor,
224.2 residential remodeler, or residential roofer activity is a gross misdemeanor.

85.6 Sec. 3. Minnesota Statutes 2016, section 326B.815, subdivision 1, is amended to read:

85.7 Subdivision 1. **Fees.** (a) For the purposes of calculating fees under section 326B.092,
85.8 an initial or renewed residential contractor, residential remodeler, or residential roofer license
85.9 is a business license. Notwithstanding section 326B.092, the licensing fee for manufactured
85.10 home installers under section 327B.041 is ~~\$300~~ \$180 for a three-year period.

85.11 (b) All initial and renewal licenses, except for manufactured home installer licenses,
85.12 shall be effective for two years and shall expire on March 31 of the year after the year in
85.13 which the application is made.

85.14 (c) The commissioner shall in a manner determined by the commissioner, without the
85.15 need for any rulemaking under chapter 14, phase in the renewal of residential contractor,
85.16 residential remodeler, and residential roofer licenses from one year to two years. By June
85.17 30, 2011, all renewed residential contractor, residential remodeler, and residential roofer
85.18 licenses shall be two-year licenses.

85.19 Sec. 4. Minnesota Statutes 2016, section 327B.041, is amended to read:

85.20 **327B.041 MANUFACTURED HOME INSTALLERS.**

85.21 (a) Manufactured home installers are subject to all of the fees in section 326B.092 and
85.22 the requirements of sections 326B.802 to 326B.885, except for the following:

85.23 (1) manufactured home installers are not subject to the continuing education requirements
85.24 of sections 326B.0981, 326B.099, and 326B.821, but are subject to the continuing education
85.25 requirements established in rules adopted under section 327B.10;

85.26 (2) the examination requirement of section 326B.83, subdivision 3, for manufactured
85.27 home installers shall be satisfied by successful completion of a written examination
85.28 administered and developed specifically for the examination of manufactured home installers.
85.29 The examination must be administered and developed by the commissioner. The
85.30 commissioner and the state building official shall seek advice on the grading, monitoring,
85.31 and updating of examinations from the Minnesota Manufactured Housing Association;

86.1 (3) a local government unit may not place a surcharge on a license fee, and may not
86.2 charge a separate fee to installers;

86.3 (4) a dealer or distributor who does not install or repair manufactured homes is exempt
86.4 from licensure under sections 326B.802 to 326B.885;

86.5 (5) the exemption under section 326B.805, subdivision 6, clause (5), does not apply;
86.6 and

175.25 Sec. 3. Minnesota Statutes 2016, section 326B.815, subdivision 1, is amended to read:

175.26 Subdivision 1. **Fees.** (a) For the purposes of calculating fees under section 326B.092,
175.27 an initial or renewed residential contractor, residential remodeler, or residential roofer license
175.28 is a business license. Notwithstanding section 326B.092, the licensing fee for manufactured
175.29 home installers under section 327B.041 is ~~\$300~~ \$180 for a three-year period.

176.1 (b) All initial and renewal licenses, except for manufactured home installer licenses,
176.2 shall be effective for two years and shall expire on March 31 of the year after the year in
176.3 which the application is made.

176.4 (c) The commissioner shall in a manner determined by the commissioner, without the
176.5 need for any rulemaking under chapter 14, phase in the renewal of residential contractor,
176.6 residential remodeler, and residential roofer licenses from one year to two years. By June
176.7 30, 2011, all renewed residential contractor, residential remodeler, and residential roofer
176.8 licenses shall be two-year licenses.

176.28 Sec. 6. Minnesota Statutes 2016, section 327B.041, is amended to read:

176.29 **327B.041 MANUFACTURED HOME INSTALLERS.**

176.30 (a) Manufactured home installers are subject to all of the fees in section 326B.092 and
176.31 the requirements of sections 326B.802 to 326B.885, except for the following:

177.1 (1) manufactured home installers are not subject to the continuing education requirements
177.2 of sections 326B.0981, 326B.099, and 326B.821, but are subject to the continuing education
177.3 requirements established in rules adopted under section 327B.10;

177.4 (2) the examination requirement of section 326B.83, subdivision 3, for manufactured
177.5 home installers shall be satisfied by successful completion of a written examination
177.6 administered and developed specifically for the examination of manufactured home installers.
177.7 The examination must be administered and developed by the commissioner. The
177.8 commissioner and the state building official shall seek advice on the grading, monitoring,
177.9 and updating of examinations from the Minnesota Manufactured Housing Association;

177.10 (3) a local government unit may not place a surcharge on a license fee, and may not
177.11 charge a separate fee to installers;

177.12 (4) a dealer or distributor who does not install or repair manufactured homes is exempt
177.13 from licensure under sections 326B.802 to 326B.885;

177.14 (5) the exemption under section 326B.805, subdivision 6, clause (5), does not apply;
177.15 and

86.7 (6) manufactured home installers are not subject to the contractor recovery fund in
86.8 section 326B.89.

86.9 (b) The commissioner may waive all or part of the requirements for licensure as a
86.10 manufactured home installer for any individual who holds an unexpired license or certificate
86.11 issued by any other state or other United States jurisdiction if the licensing requirements of
86.12 that jurisdiction meet or exceed the corresponding licensing requirements of the department
86.13 and the individual complies with section 326B.092, subdivisions 1 and 3 to 7. ~~For the~~
86.14 ~~purposes of calculating fees under section 326B.092, licensure as a manufactured home~~
86.15 ~~installer is a business license.~~

177.16 (6) manufactured home installers are not subject to the contractor recovery fund in
177.17 section 326B.89.

177.18 (b) The commissioner may waive all or part of the requirements for licensure as a
177.19 manufactured home installer for any individual who holds an unexpired license or certificate
177.20 issued by any other state or other United States jurisdiction if the licensing requirements of
177.21 that jurisdiction meet or exceed the corresponding licensing requirements of the department
177.22 and the individual complies with section 326B.092, subdivisions 1 and 3 to 7. ~~For the~~
177.23 ~~purposes of calculating fees under section 326B.092, licensure as a manufactured home~~
177.24 ~~installer is a business license.~~

224.3 Sec. 10. **REPEALER.**

224.4 Minnesota Statutes 2016, section 177.24, subdivision 2, is repealed.