

STATE OF MINNESOTA

Journal of the House

EIGHTY-SEVENTH SESSION — 2012

ONE HUNDRED FIFTEENTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MAY 3, 2012

The House of Representatives convened at 12:00 noon and was called to order by Kurt Zellers, Speaker of the House.

Prayer was offered by the Reverend Jenni Eagleman, Arlington Hills United Methodist Church, Maplewood, Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Abeler	Davids	Hamilton	Laine	Mullery	Shimanski
Allen	Davnie	Hancock	Lanning	Murphy, E.	Simon
Anderson, B.	Dean	Hansen	Leidiger	Murphy, M.	Slawik
Anderson, D.	Dettmer	Hausman	LeMieur	Murray	Slocum
Anderson, P.	Dittrich	Hilstrom	Lenczewski	Myhra	Smith
Anderson, S.	Doepke	Hilty	Lesch	Nelson	Stensrud
Anzelc	Downey	Holberg	Liebling	Nornes	Swedzinski
Atkins	Drazkowski	Hoppe	Lillie	Norton	Thissen
Banaian	Eken	Hornstein	Loeffler	O'Driscoll	Tillberry
Barrett	Erickson	Hortman	Lohmer	Paymar	Torkelson
Beard	Fabian	Hosch	Loon	Pelowski	Urdahl
Benson, J.	Falk	Howes	Mack	Peppin	Vogel
Benson, M.	Franson	Huntley	Mariani	Persell	Wagenius
Bills	Fritz	Johnson	Marquart	Petersen, B.	Ward
Brynaert	Garofalo	Kahn	Mazorol	Poppe	Wardlow
Buesgens	Gauthier	Kath	McDonald	Quam	Winkler
Carlson	Gottwalt	Kelly	McElfrick	Rukavina	Woodard
Champion	Greene	Kieffer	McFarlane	Runbeck	Spk. Zellers
Clark	Greiling	Kiel	McNamara	Sanders	
Cornish	Gruenhagen	Kiffmeyer	Melin	Scalze	
Crawford	Gunther	Knuth	Moran	Schomacker	
Daudt	Hackbarth	Kriesel	Morrow	Scott	

A quorum was present.

Dill; Mahoney; Murdock; Peterson, S., and Westrom were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. There being no objection, further reading of the Journal was dispensed with and the Journal was approved as corrected by the Chief Clerk.

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PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 30, 2012

The Honorable Kurt Zellers
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Zellers:

I have vetoed and am returning H. F. No. 2341, Chapter No. 252, a bill that would require physicians to be physically present when abortion-inducing drugs are administered.

This bill continues the Legislature's attempt to place new regulatory burdens only on certain health procedures. Telemedicine has been a commonly used form of health care service delivery for nearly two decades. It is now widely accepted as safe, accessible, and cost-effective for patients. This bill's unique, new regulatory burden for a single procedure would increase the cost of health care and add unnecessary new barriers to a Constitutionally protected health care service for women. Minnesota's laws should not target or restrict the Constitutional rights of women.

Reproductive choice utilizing medication and related procedures are commonly used and medically safe. Physicians administering this medication via telemedicine are required to evaluate the appropriateness of the procedure for each patient. At the time of the procedure, patients are located in a clinic or medical setting with a nurse physically present, and are able to communicate interactively directly with the physician via a secure computer system. The patient typically receives blood tests, a medical history, an exam, an ultrasound and counseling on what to expect from the procedure. Notably, telemedicine for reproductive choice is provided to fewer than 50 women in Minnesota per year.

Lastly, this bill intrudes on the practice of medicine and medical safety, a role primarily reserved for the U.S. Food and Drug Administration (FDA). While patient safety should always be our top priority and can be addressed through state level policy making, a veto is warranted on legislation driven by a specific political ideology rather than a broad-based concern for protecting all patients.

Sincerely,

MARK DAYTON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 30, 2012

The Honorable Kurt Zellers
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Zellers:

I have vetoed and am returning H. F. No. 1134, Chapter No. 261, a bill relating to annuity products regulation. This bill does not provide the necessary protections for senior citizens and accountability for insurance companies in the sale of long-term deferred annuities with substantial surrender penalties.

In our letter dated April 13th, 2012, the Attorney General and I stated:

"For over 25 years, Minnesota has had a suitability law that applies to the sale of long-term fixed annuities with substantial surrender charges. Current law provides, without exception, that both insurance agents and the insurance company issuing a given annuity policy must make sure that the policy is suitable for a particular individual's situation before completing a sale. A variety of Commissioners and Attorneys General have long used this law to protect senior citizens from abusive sales practices."

This bill would undermine those protections. I made it very clear to the bill's authors and interested parties that I would not support this legislation unless it: (1) required meaningful, independent, elevated review by insurance companies of the suitability of long-term deferred annuities for seniors in certain circumstances; and (2) limited the FINRA exemption, which would provide a huge loophole for insurers regarding annuities sold by a securities broker to senior citizens.

Absent those changes, which are essential to providing strong protection to Minnesota's Senior Citizens, I cannot support this legislation. I have, therefore, vetoed it.

Sincerely,

MARK DAYTON
Governor

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Hoppe introduced:

H. F. No. 3045, A bill for an act relating to commerce; clarifying the charge back authority of the Department of Commerce for certain investigations; amending Minnesota Statutes 2010, section 45.027, subdivision 1.

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform.

Westrom introduced:

H. F. No. 3046, A bill for an act relating to property taxation; establishing a mandate relief credit; repealing the homestead market value exclusion; providing a procedure for local governments to opt out of state mandates; amending Minnesota Statutes 2011 Supplement, sections 126C.01, subdivision 3; 273.13, subdivision 34; 273.1393; 276.04, subdivision 2; 477A.011, subdivision 20; proposing coding for new law in Minnesota Statutes, chapter 273; proposing coding for new law as Minnesota Statutes, chapter 471B; repealing Minnesota Statutes 2011 Supplement, section 273.13, subdivision 35.

The bill was read for the first time and referred to the Committee on Taxes.

Westrom introduced:

H. F. No. 3047, A bill for an act relating to civil actions; regulating the imposition of certain civil penalties by state agencies; awarding fees and expenses to prevailing parties in certain actions involving state agencies; amending Minnesota Statutes 2010, sections 14.045, subdivision 3; 15.471, subdivision 6, by adding a subdivision; 15.472.

The bill was read for the first time and referred to the Committee on Civil Law.

Hoppe moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

FISCAL CALENDAR ANNOUNCEMENT

Pursuant to rule 1.22, Holberg announced her intention to place S. F. Nos. 1808 and 1983; and H. F. No. 1752 on the Fiscal Calendar for Thursday, May 3, 2012.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 1721, A bill for an act relating to economic development; authorizing redevelopment demolition loans; eliminating a semiannual report; establishing a small business advocate office in the Business Assistance Center; granting Albert Lea the authority to establish an industrial sewer charge rebate program; amending Minnesota Statutes 2010, sections 116J.555, subdivision 2; 116J.571; 116J.572; 116J.575, by adding a subdivision; 116J.66; proposing coding for new law in Minnesota Statutes, chapter 116J.

The Senate has appointed as such committee:

Senators Rosen, Pederson and Skoe.

Said House File is herewith returned to the House.

CAL R. LUDEMAN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 2269, A bill for an act relating to elections; determining funds for Help America Vote Act; appropriating money.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

CAL R. LUDEMAN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 2685, A bill for an act relating to transportation; modifying provisions governing transportation policy and finance, including trunk highway designation, work and contracting on trunk highways, motor vehicles, motor vehicle weight limit regulations, motor vehicle titles, electric-assisted bicycles and related regulations, bridge inspections, special veterans license plates, pupil transportation, municipal state-aid street fund eligibility and apportionment, small vehicle passenger service, driver and vehicle information system, deputy registrars of motor vehicles, civilian escort drivers, bicycle equipment, school buses, small business contracts, and legislative reports; making contingent appropriations; setting fees; renumbering statutes; making technical changes; amending Minnesota Statutes 2010, sections 160.27, by adding a subdivision; 160.2715; 161.14, by adding a subdivision; 161.20, subdivision 4; 161.321; 161.3212; 162.09, by adding a subdivision; 165.01; 165.03; 168.002, subdivisions 19, 20; 168.012, by adding a subdivision; 168.013, subdivision 3, by adding a subdivision; 168.185; 168A.03, subdivision 1; 168A.07, subdivision 1; 169.011, subdivisions 4, 27, 44, 45; 169.06, subdivision 4; 169.222, subdivisions 4, 6, 7, by adding subdivisions; 169.223, subdivisions 1, 5; 169.72, subdivision 1; 169.86, subdivision 3b; 169.872, subdivision 1a; 169.98, subdivisions 1, 3; 171.01, subdivision 41; 171.02, subdivision 2b; 174.03, subdivision 1b; 221.091, subdivision 2; 299D.085, subdivision 1, by adding a subdivision; 299D.09; 473.388, subdivisions 2, 4; 604A.21, subdivision 5; Minnesota Statutes 2011 Supplement, sections 168.12, subdivision 5; 168.123, subdivision 1; 171.075, subdivision 1; 299A.705, subdivision 3; Laws 2009, chapter 158, section 10; Laws 2011, First Special Session chapter 3, article 1, section 4; proposing coding for new law in Minnesota Statutes, chapters 161; 171; 375; repealing Minnesota Rules, parts 8810.9000; 8810.9100; 8810.9200; 8810.9300; 8810.9400; 8810.9500; 8810.9600; 8810.9700.

CAL R. LUDEMAN, Secretary of the Senate

Beard moved that the House refuse to concur in the Senate amendments to H. F. No. 2685, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 1755, A bill for an act relating to state government; authorizing certain negotiations to avoid layoffs; amending Minnesota Statutes 2010, section 179A.22, by adding a subdivision.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Gazelka, DeKruif and Daley.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

CAL R. LUDEMAN, Secretary of the Senate

Drazkowski moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1755. The motion prevailed.

Greene was excused between the hours of 3:45 p.m. and 4:00 p.m.

CALENDAR FOR THE DAY

S. F. No. 1212 was reported to the House.

Holberg, Hilstrom and Gottwalt moved to amend S. F. No. 1212, the unofficial engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 144.291, subdivision 2, as amended by Laws 2012, chapter 187, article 1, section 21, is amended to read:

Subd. 2. **Definitions.** For the purposes of sections 144.291 to 144.298, the following terms have the meanings given.

(a) "Group purchaser" has the meaning given in section 62J.03, subdivision 6.

(b) "Health information exchange" means a legal arrangement between health care providers and group purchasers to enable and oversee the business and legal issues involved in the electronic exchange of health records between the entities for the delivery of patient care.

(c) "Health record" means any information, whether oral or recorded in any form or medium, that relates to the past, present, or future physical or mental health or condition of a patient; the provision of health care to a patient; or the past, present, or future payment for the provision of health care to a patient.

(d) "Identifying information" means the patient's name, address, date of birth, gender, parent's or guardian's name regardless of the age of the patient, and other nonclinical data which can be used to uniquely identify a patient.

(e) "Individually identifiable form" means a form in which the patient is or can be identified as the subject of the health records.

(f) "Medical emergency" means medically necessary care which is immediately needed to preserve life, prevent serious impairment to bodily functions, organs, or parts, or prevent placing the physical or mental health of the patient in serious jeopardy.

(g) "Patient" means:

(1) a natural person who has received health care services from a provider for treatment or examination of a medical, psychiatric, or mental condition;

(2) the surviving spouse, surviving adult children, and parents of a deceased patient, or unless the authority of a surviving adult child has been limited by the principal in the principal's health care directive;

(3) a person the patient appoints in writing as a representative, including a health care agent acting according to chapter 145C, unless the authority of the agent has been limited by the principal in the principal's health care directive; and

(4) except for minors who have received health care services under sections 144.341 to 144.347, in the case of a minor, ~~patient includes~~ a parent or guardian, or a person acting as a parent or guardian in the absence of a parent or guardian.

(h) "Provider" means:

(1) any person who furnishes health care services and is regulated to furnish the services under chapter 147, 147A, 147B, 147C, 147D, 148, 148B, 148C, 148D, 150A, 151, 153, or 153A;

(2) a home care provider licensed under section 144A.46;

(3) a health care facility licensed under this chapter or chapter 144A; and

(4) a physician assistant registered under chapter 147A.

(i) "Record locator service" means an electronic index of patient identifying information that directs providers in a health information exchange to the location of patient health records held by providers and group purchasers.

(j) "Related health care entity" means an affiliate, as defined in section 144.6521, subdivision 3, paragraph (b), of the provider releasing the health records.

EFFECTIVE DATE. This section is effective August 1, 2012, and applies for persons who become deceased on or after that date.

Amend the title accordingly

The motion prevailed and the amendment was adopted.

O'Driscoll was excused between the hours of 3:55 p.m. and 4:20 p.m.

Holberg, Hilstrom, Kahn and Thissen moved to amend S. F. No. 1212, the unofficial engrossment, as amended, as follows:

Page 1, before line 3, insert:

"Section 1. Minnesota Statutes 2010, section 13.386, is amended by adding a subdivision to read:

Subd. 4. **Public health exception.** Notwithstanding subdivisions 1 to 3, the commissioner of health may collect, store, use, and disseminate any genetic information, which includes biological information or specimens, to the extent required or permitted by any statute or rule that exists as of the effective date of this subdivision. This subdivision does not apply to newborn screening activities conducted under sections 144.125 to 144.128.

This subdivision expires July 1, 2013.

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

Page 2, after line 23, insert:

"Sec. 2. **REPORTS FROM THE COMMISSIONER OF HEALTH.**

By January 15, 2013, the commissioner of health must publish and submit to the chairs and ranking minority members of the legislative committees with jurisdiction over health and data privacy proposed legislation to authorize the commissioner of health to collect, store, use and disseminate genetic information, which includes biological information or specimens, for existing activities at the Department of Health where the commissioner of health determines express authorization is not already provided in law."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Holberg, Kahn, Gottwalt and Thissen moved to amend S. F. No. 1212, the unofficial engrossment, as amended, as follows:

Page 1, before line 3, insert:

"Section 1. Minnesota Statutes 2010, section 144.125, subdivision 3, is amended to read:

~~Subd. 3. **Objection of parents to test Information provided to parents.** Persons with a duty to perform testing under subdivision 1 shall advise parents of infants (1) that the blood or tissue samples used to perform testing thereunder as well as the results of such testing may be retained by the Department of Health, (2) the benefit of retaining the blood or tissue sample, and (3) that the following options are available to them with respect to the testing: (i) to decline to have the tests, or (ii) to elect to have the tests but to require that all blood samples and records of test results be destroyed within 24 months of the testing. If the parents of an infant object in writing to testing for heritable and congenital disorders or elect to require that blood samples and test results be destroyed, the~~

~~objection or election shall be recorded on a form that is signed by a parent or legal guardian and made part of the infant's medical record. A written objection exempts an infant from the requirements of this section and section 144.128.~~ (a) The department shall make information and forms available to health care providers who provide prenatal care describing the newborn screening program and the provisions of this section to be used in a discussion with expectant parents and parents of newborns. The department shall make information and forms about newborn screening available to the persons with a duty to perform testing under this section and to expectant parents and parents of newborns using electronic and other means.

(b) Prior to collecting a sample, persons with a duty to perform testing under subdivision 1 must:

(1) provide parents or legal guardians of infants with a document that provides the following information:

(i) the benefits of newborn screening;

(ii) that the blood sample will be used to test for heritable and congenital disorders, as determined under subdivision 2;

(iii) the data that will be collected as part of the testing;

(iv) the standard retention periods for blood samples and test results as provided in subdivision 6;

(v) that blood samples and test results will be used for program operations during the standard retention period in accordance with subdivision 5;

(vi) the Department of Health's Web site address where more information and forms may be obtained; and

(vii) that parents have a right to elect not to have newborn screening performed and a right to secure private testing;

(2) upon request, provide parents or legal guardians of infants with forms necessary to request that the infant not have blood collected for testing; and

(3) record in the infant's medical record that a parent or legal guardian of the infant has received the information provided pursuant to this subdivision and has had an opportunity to ask questions.

(c) Nothing in this section prohibits a parent or legal guardian of an infant from having newborn screening performed by a private entity.

Sec. 2. Minnesota Statutes 2010, section 144.125, is amended by adding a subdivision to read:

Subd. 4. Parental options. (a) The parent or legal guardian of an infant otherwise subject to testing under this section may elect not to have newborn screening performed.

(b) If a parent or legal guardian elects not to have newborn screening performed, then the election shall be recorded on a form that is signed by the parent or legal guardian. The signed form shall be made part of the infant's medical record and a copy shall be provided to the Department of Health. When a parent or legal guardian elects not to have newborn screening performed, the person with the duty to perform testing under subdivision 1 must follow that election. A written election to decline testing exempts persons with a duty to perform testing and the Department of Health from the requirements of this section and section 144.128.

Sec. 3. Minnesota Statutes 2010, section 144.125, is amended by adding a subdivision to read:

Subd. 5. **Newborn screening program operations.** (a) "Newborn screening program operations" means actions, testing, and procedures directly related to the operation of the newborn screening program, limited to the following:

(1) confirmatory testing;

(2) laboratory quality control assurance and improvement;

(3) calibration of equipment;

(4) evaluating and improving the accuracy of newborn screening tests for conditions approved for screening in Minnesota;

(5) validation of equipment and screening methods; and

(6) continuity of operations to ensure testing can continue as required by Minnesota law in the event of an emergency.

(b) No research, public health studies or development of new newborn screening tests shall be conducted under this subdivision.

Sec. 4. Minnesota Statutes 2010, section 144.125, is amended by adding a subdivision to read:

Subd. 6. **Standard retention period for samples and test results.** The standard retention period for blood samples with a negative test result is up to 71 days from the date of receipt of the sample. The standard retention period for blood samples with a positive test result is up to 24 months from the date of receipt of the sample. The standard retention period for all test results is up to 24 months from the last date of reporting. Blood samples with a negative test result will be destroyed within one week of the 71-day retention period. Blood samples with a positive test result will be destroyed within one week of the 24-month retention period. All test results will be destroyed within one month of the 24-month retention period. During the standard retention period, the Department of Health may use blood samples and test results for newborn screening program operations in accordance with subdivision 5.

Sec. 5. Minnesota Statutes 2010, section 144.125, is amended by adding a subdivision to read:

Subd. 7. **Parental options for extended storage and use.** (a) The parent or legal guardian of an infant otherwise subject to testing under this section may authorize that the infant's blood sample and test results be retained and used by the Department of Health beyond the standard retention periods provided in subdivision 6 or the purposes described in subdivision 9.

(b) The Department of Health must provide a consent form, with an attached Tennessee warning pursuant to section 13.04, subdivision 2. The consent form must provide the following:

(1) information as to the personal identification and use of samples and test results for studies, including studies used to develop new tests;

(2) information as to the personal identification and use of samples and test results for public health studies or research not related to newborn screening;

(3) information that explains that the Department of Health will not store a blood sample or test result for longer than 18 years from an infant's birth date;

(4) information that explains that, upon approval by the Department of Health's Institutional Review Board, blood samples and test results may be shared with external parties for public health studies or research;

(5) information that explains that blood samples contain various components, including deoxyribonucleic acid (DNA); and

(6) the benefits and risks associated with the department's storage of a child's blood sample and test results.

Sec. 6. Minnesota Statutes 2010, section 144.125, is amended by adding a subdivision to read:

Subd. 8. **Extended storage and use of samples and test results.** When authorized in writing by a parent or legal guardian under subdivision 7, the Department of Health may store blood samples and test results for a time period not to exceed 18 years from the infant's birth date, and may use the blood samples and test results in accordance with subdivision 9.

Sec. 7. Minnesota Statutes 2010, section 144.125, is amended by adding a subdivision to read:

Subd. 9. **Written informed consent for other use of samples and test results.** With the written, informed consent of a parent or legal guardian, the Department of Health may:

(1) use blood samples and test results for studies related to newborn screening, including studies used to develop new tests; and

(2) use blood samples and test results for public health studies or research not related to newborn screening, and upon approval by the Department of Health's Institutional Review Board, share samples and test results with external parties for public health studies or research.

Sec. 8. Minnesota Statutes 2010, section 144.125, is amended by adding a subdivision to read:

Subd. 10. **Revoking consent for storage and use.** A parent or legal guardian may revoke approval for extended storage or use of blood samples or test results at any time by providing a signed and dated form requesting destruction of the blood samples or test results. The Department of Health shall make necessary forms available on the department's Web site. Blood samples must be destroyed within one week of receipt of a request or within one week of the standard retention period for blood samples provided in subdivision 6, whichever is later. Test results must be destroyed within one month of receipt of a request or within one month of the standard retention period for test results provided in subdivision 6, whichever is later.

Sec. 9. Minnesota Statutes 2010, section 144.128, is amended to read:

144.128 COMMISSIONER'S DUTIES.

(a) The commissioner shall:

(1) notify the physicians of newborns tested of the results of the tests performed;

(2) make referrals for the necessary treatment of diagnosed cases of heritable and congenital disorders when treatment is indicated;

(3) maintain a registry of the cases of heritable and congenital disorders detected by the screening program for the purpose of follow-up services;

(4) prepare a separate form for use by parents or by adults who were tested as minors to direct that blood samples ~~and~~ or test results be destroyed;

(5) comply with a destruction request ~~within 45 days after receiving it~~ as described in section 144.125;

(6) notify individuals who request destruction of samples and test results that the samples and test results have been destroyed and the date of destruction; and

(7) adopt rules to carry out sections 144.125 to 144.128.

(b) Nothing in sections 144.125 to 144.128 shall exempt the commissioner from the requirements of the genetic privacy act in section 13.386 or from the penalties for a violation of the genetic privacy act as provided in chapter 13."

Page 2, after line 23, insert:

"Sec. 2. **NOTIFICATION FROM COMMISSIONER OF HEALTH.**

After destruction of the test results created pursuant to the newborn screening program that were retained for more than two years prior to November 16, 2011, and after destruction of all blood samples collected pursuant to the newborn screening program that were retained prior to November 16, 2011, the commissioner of health must notify the public through a general announcement and must submit a letter of notification to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services.

Sec. 3. **EFFECTIVE DATE.**

(a) Sections 1 and 5 to 8 are effective August 1, 2012.

(b) Sections 2 to 4 are effective the day following final enactment and apply to blood samples collected and test results created on or after that date.

(c) Nothing in sections 1 to 9 affect or limit pending legal actions with respect to transactions, occurrences, or events that occurred prior to November 16, 2011."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Abeler, Gottwalt, Huntley and Holberg moved to amend S. F. No. 1212, the unofficial engrossment, as amended, as follows:

Page 2, after line 23, insert:

"Sec. 2. Minnesota Statutes 2010, section 256B.05, is amended by adding a subdivision to read:

Subd. 6. **Notice from lead agency.** The notice of the reduction, suspension, denial, or termination of services under sections 256B.0659, 256B.0915, 256B.092, or 256B.49, from the lead agency to the applicant or recipient must be made in plain language.

EFFECTIVE DATE. This section is effective for all notices dated on or after January 1, 2013."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Abeler, Holberg, Huntley and Liebling moved to amend S. F. No. 1212, the unofficial engrossment, as amended, as follows:

Page 2, after line 23, insert:

"Sec. 2. **REQUEST FOR INFORMATION; EVALUATION OF MANDATED HEALTH BENEFITS.**

The commissioner of commerce shall issue a request for information regarding the cost and feasibility of a comprehensive evaluation of mandated health benefits required by a Minnesota statute or rule as of June 1, 2012. The commissioner shall issue a written report on the results of the request for information to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services and commerce no later than December 15, 2012. Any such evaluation must include the analysis, data, and information described in Minnesota Statutes, section 62J.26, subdivision 2, paragraph (b), clauses (1) through (6). For purposes of this section, a "mandated health benefit" means a statutory or administrative requirement that a health plan do the following:

(1) provide coverage or increase the amount of coverage for the treatment of a particular disease, condition, or other health care need;

(2) provide coverage or increase the amount of coverage of a particular type of health care treatment or service, or of equipment, supplies, or drugs used in connection with a health care treatment or service; or

(3) provide coverage for care delivered by a specific type of provider.

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

Amend the title accordingly

Renumber the sections in sequence and correct the internal references

The motion prevailed and the amendment was adopted.

S. F. No. 1212, A bill for an act relating to health records; adding adult children of a deceased patient to the definition of patient; amending Minnesota Statutes 2010, section 144.291, subdivision 2.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Davids	Hamilton	Laine	Mullery	Simon
Allen	Davnie	Hancock	Lanning	Murphy, E.	Slawik
Anderson, B.	Dean	Hansen	Leidiger	Murphy, M.	Slocum
Anderson, D.	Dettmer	Hausman	LeMieur	Murray	Smith
Anderson, P.	Dittrich	Hilstrom	Lenczewski	Myhra	Stensrud
Anderson, S.	Doepke	Hilty	Lesch	Nelson	Swedzinski
Anzelc	Downey	Holberg	Liebling	Nornes	Thissen
Atkins	Drazkowski	Hoppe	Lillie	Norton	Tillberry
Banaian	Eken	Hornstein	Loeffler	Paymar	Torkelson
Barrett	Erickson	Hortman	Lohmer	Pelowski	Urdahl
Beard	Fabian	Hosch	Loon	Peppin	Vogel
Benson, J.	Falk	Howes	Mack	Persell	Wagenius
Benson, M.	Franson	Huntley	Mariani	Petersen, B.	Ward
Bills	Fritz	Johnson	Marquart	Poppe	Wardlow
Brynaert	Garofalo	Kahn	Mazorol	Quam	Winkler
Buesgens	Gauthier	Kath	McDonald	Rukavina	Woodard
Carlson	Gottwalt	Kelly	McElpatrick	Runbeck	Spk. Zellers
Champion	Greene	Kieffer	McFarlane	Sanders	
Clark	Greiling	Kiel	McNamara	Scalze	
Cornish	Gruenhagen	Kiffmeyer	Melin	Schomacker	
Crawford	Gunther	Knuth	Moran	Scott	
Daudt	Hackbarth	Kriesel	Morrow	Shimanski	

The bill was passed, as amended, and its title agreed to.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2685:

Beard; Benson, M., and Nelson.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1755:

Drazkowski; Benson, M., and Nelson.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 506.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

CAL R. LUDEMAN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. No. 506

A bill for an act relating to courts; increasing conciliation court civil claim limit; appropriating money; amending Minnesota Statutes 2010, section 491A.01, subdivision 3.

April 30, 2012

The Honorable Michelle L. Fischbach
President of the Senate

The Honorable Kurt Zellers
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 506 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 506 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 491A.01, subdivision 3, as amended by Laws 2012, chapter 128, section 15, is amended to read:

Subd. 3. **Jurisdiction; general.** (a) Except as provided in subdivisions 4 and 5, the conciliation court has jurisdiction to hear, conciliate, try, and determine civil claims if the amount of money or property that is the subject matter of the claim does not exceed: (1) ~~\$7,500~~ \$10,000; (2) \$4,000, if the claim involves a consumer credit transaction; or (3) \$15,000, if the claim involves money or personal property subject to forfeiture under section 84.7741, 169A.63, 609.5311, 609.5312, 609.5314, or 609.5318. "Consumer credit transaction" means a sale of personal property, or a loan arranged to facilitate the purchase of personal property, in which:

(1) credit is granted by a seller or a lender who regularly engages as a seller or lender in credit transactions of the same kind;

(2) the buyer is a natural person;

(3) the claimant is the seller or lender in the transaction; and

(4) the personal property is purchased primarily for a personal, family, or household purpose and not for a commercial, agricultural, or business purpose.

(b) Except as otherwise provided in this subdivision and subdivisions 5 to 10, the territorial jurisdiction of conciliation court is coextensive with the county in which the court is established. The summons in a conciliation court action under subdivisions 6 to 10 may be served anywhere in the state, and the summons in a conciliation court action under subdivision 7, paragraph (b), may be served outside the state in the manner provided by law. The court administrator shall serve the summons in a conciliation court action by first class mail, except that if the amount of money or property that is the subject of the claim exceeds \$2,500, the summons must be served by the plaintiff by certified mail, and service on nonresident defendants must be made in accordance with applicable law or rule. Subpoenas to secure the attendance of nonparty witnesses and the production of documents at trial may be served anywhere within the state in the manner provided by law.

When a court administrator is required to summon the defendant by certified mail under this paragraph, the summons may be made by personal service in the manner provided in the Rules of Civil Procedure for personal service of a summons of the district court as an alternative to service by certified mail.

(c) This subdivision expires August 1, 2014.

EFFECTIVE DATE. This section is effective August 1, 2012, and applies to claims filed on or after that date.

Sec. 2. Minnesota Statutes 2010, section 491A.01, is amended by adding a subdivision to read:

Subd. 3a. **Jurisdiction; general.** (a) Except as provided in subdivisions 4 and 5, the conciliation court has jurisdiction to hear, conciliate, try, and determine civil claims if the amount of money or property that is the subject matter of the claim does not exceed: (1) \$15,000; or (2) \$4,000, if the claim involves a consumer credit transaction. "Consumer credit transaction" means a sale of personal property, or a loan arranged to facilitate the purchase of personal property, in which:

(1) credit is granted by a seller or a lender who regularly engages as a seller or lender in credit transactions of the same kind;

(2) the buyer is a natural person;

(3) the claimant is the seller or lender in the transaction; and

(4) the personal property is purchased primarily for a personal, family, or household purpose and not for a commercial, agricultural, or business purpose.

(b) Except as otherwise provided in this subdivision and subdivisions 5 to 10, the territorial jurisdiction of conciliation court is coextensive with the county in which the court is established. The summons in a conciliation court action under subdivisions 6 to 10 may be served anywhere in the state, and the summons in a conciliation court action under subdivision 7, paragraph (b), may be served outside the state in the manner provided by law. The court administrator shall serve the summons in a conciliation court action by first class mail, except that if the amount of money or property that is the subject of the claim exceeds \$2,500, the summons must be served by the plaintiff by certified mail, and service on nonresident defendants must be made in accordance with applicable law or rule. Subpoenas to secure the attendance of nonparty witnesses and the production of documents at trial may be served anywhere within the state in the manner provided by law.

When a court administrator is required to summon the defendant by certified mail under this paragraph, the summons may be made by personal service in the manner provided in the Rules of Civil Procedure for personal service of a summons of the district court as an alternative to service by certified mail.

EFFECTIVE DATE. This section is effective August 1, 2014, and applies to claims filed on or after that date.

Sec. 3. **REVISOR'S INSTRUCTION.**

(a) The revisor shall correct the threshold monetary amount wherever it appears in Minnesota Statutes consistent with changes in section 1.

(b) The revisor shall correct the threshold monetary amount and statutory cross references wherever they appear in Minnesota Statutes consistent with changes in section 2.

EFFECTIVE DATE. Paragraph (a) is effective August 1, 2012, and paragraph (b) is effective August 1, 2014."

Delete the title and insert:

"A bill for an act relating to courts; increasing conciliation court civil claim limits; amending Minnesota Statutes 2010, section 491A.01, subdivision 3, as amended, by adding a subdivision."

We request the adoption of this report and repassage of the bill.

Senate Conferees: JULIANNE E. ORTMAN, WARREN LIMMER and JAMES P. METZEN.

House Conferees: RON SHIMANSKI, PAT MAZOROL and KORY KATH.

Shimanski moved that the report of the Conference Committee on S. F. No. 506 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 506, A bill for an act relating to courts; increasing conciliation court civil claim limit; appropriating money; amending Minnesota Statutes 2010, section 491A.01, subdivision 3.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 73 yeas and 54 nays as follows:

Those who voted in the affirmative were:

Abeler	Davids	Gunther	Kriesel	Myhra	Swedzinski
Anderson, B.	Dean	Hackbarth	Lanning	Nornes	Thissen
Anderson, D.	Dettmer	Hamilton	Leidiger	Peppin	Torkelson
Anderson, P.	Dittrich	Hancock	LeMieur	Petersen, B.	Urdahl
Anderson, S.	Doepke	Hilstrom	Lohmer	Quam	Vogel
Banaian	Downey	Holberg	Loon	Runbeck	Wardlow
Barrett	Drazkowski	Hoppe	Mack	Sanders	Woodard
Beard	Erickson	Howes	Mazorol	Scalze	Spk. Zellers
Benson, M.	Fabian	Kath	McDonald	Schomacker	
Bills	Franson	Kelly	McElfrick	Scott	
Cornish	Garofalo	Kieffer	McFarlane	Shimanski	
Crawford	Gottwalt	Kiel	McNamara	Smith	
Daudt	Gruenhagen	Kiffmeyer	Murray	Stensrud	

Those who voted in the negative were:

Allen	Davnie	Hilty	Lenczewski	Morrow	Poppe
Anzelc	Eken	Hornstein	Lesch	Mullery	Rukavina
Atkins	Falk	Hortman	Liebling	Murphy, E.	Simon
Benson, J.	Fritz	Hosch	Lillie	Murphy, M.	Slawik
Brynaert	Gauthier	Huntley	Loeffler	Nelson	Slocum
Buesgens	Greene	Johnson	Mariani	Norton	Tillberry
Carlson	Greiling	Kahn	Marquart	Paymar	Wagenius
Champion	Hansen	Knuth	Melin	Pelowski	Ward
Clark	Hausman	Laine	Moran	Persell	Winkler

The bill was repassed, as amended by Conference, and its title agreed to.

The Speaker called Davids to the Chair.

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1717.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

CAL R. LUDEMAN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. No. 1717

A bill for an act relating to labor and industry; making changes to the State Building Code; amending Minnesota Statutes 2010, sections 178.01; 178.03, subdivisions 3, 4; 178.05, subdivisions 1, 2; 178.06; 178.07; 178.08; 178.09, subdivisions 1, 2; 299F.011, by adding a subdivision; 326B.092, subdivisions 2, 7; 326B.103, subdivision 3; 326B.809; Minnesota Statutes 2011 Supplement, sections 326B.0981, subdivision 4; 326B.46, subdivision 1a; 326B.49, subdivision 1; repealing Minnesota Rules, parts 1300.0230, subpart 4; 1301.1201; 1302.0600; 3801.3640; 3801.3650; 3801.3660; 3801.3670; 3801.3680; 3801.3690; 3801.3700; 3801.3710; 3801.3720; 3801.3730; 3801.3740; 3801.3760; 3801.3790; 3801.3800.

April 30, 2012

The Honorable Michelle L. Fischbach
President of the Senate

The Honorable Kurt Zellers
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1717 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 1717 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
LABOR AND INDUSTRY HOUSEKEEPING

Section 1. Minnesota Statutes 2010, section 178.01, is amended to read:

178.01 PURPOSES.

The purposes of this chapter are: to open to ~~young~~ all people regardless of race, sex, creed, color or national origin, the opportunity to obtain training and on-the-job learning that will equip them for profitable employment and citizenship; to establish as a means to this end, a program of voluntary apprenticeship under approved ~~apprentice~~ apprenticeship agreements providing facilities for their training and guidance in the arts, skills, and crafts of industry and trade or occupation, with concurrent, supplementary instruction in related subjects; to promote apprenticeship opportunities under conditions providing adequate training and on-the-job learning and reasonable earnings; to relate the supply of skilled workers to employment demands; to establish standards for apprentice training; to establish an Apprenticeship Board and apprenticeship committees to assist in effectuating the purposes of this chapter; to provide for a Division of Labor Standards and Apprenticeship within the Department of Labor and Industry; to provide for reports to the legislature regarding the status of apprentice training in the state; to establish a procedure for the determination of ~~apprentice~~ apprenticeship agreement controversies; and to accomplish related ends.

Sec. 2. Minnesota Statutes 2010, section 178.03, subdivision 3, is amended to read:

Subd. 3. **Duties and functions.** The director, under the supervision of the commissioner, and with the advice and consultation of the Apprenticeship Board, is authorized: to administer the provisions of this chapter; to promote apprenticeship and other forms of on-the-job learning; to establish, in cooperation and consultation with the Apprenticeship Board and with the apprenticeship committees, conditions, training, and learning standards for the approval of apprenticeship programs and agreements, which conditions and standards shall in no case be lower than those (1) prescribed by this chapter, and (2) established under Code of Federal Regulations, title 29, part 29; to promote equal employment opportunity in apprenticeship and other on-the-job learning and to establish a Minnesota plan for equal employment opportunity in apprenticeship which shall be consistent with standards established under Code of Federal Regulations, title 29, part 30, as amended; to issue certificates of registration to sponsors of approved apprenticeship programs; to act as secretary of the Apprenticeship Board; to approve, if of the opinion that approval is for the best interest of the apprentice, any apprenticeship agreement which meets the standards established hereunder; to terminate any apprenticeship agreement in accordance with the provisions of such agreement; to keep a record of apprenticeship agreements and their disposition; to issue certificates of completion of apprenticeship; and to perform such other duties as the commissioner deems necessary to carry out the intent of this chapter; provided, that the administration and supervision of supplementary instruction in related subjects for apprentices; coordination of instruction on a concurrent basis with job experiences, and the selection and training of teachers and coordinators for such instruction shall be the function of state and local boards responsible for vocational education. The director shall have the authority to make wage determinations applicable to the graduated schedule of wages and ~~journeyman~~ journeyworker wage rate for apprenticeship agreements, giving consideration to the existing wage rates prevailing throughout the state, except that no wage determination by the director shall alter an existing wage provision for apprentices or ~~journeymen~~ journeyworkers that is contained in a bargaining agreement in effect between an employer and an organization of employees, nor shall the director make any determination for the beginning rate for an apprentice that is below the wage minimum established by federal or state law.

Sec. 3. Minnesota Statutes 2010, section 178.03, subdivision 4, is amended to read:

Subd. 4. **Reciprocity approval.** The director, if requested by a sponsoring entity, shall grant reciprocity approval to apprenticeship programs of employers and unions who jointly form a sponsoring entity on a multistate basis in other than the building construction industry if such programs are in conformity with this chapter and have been registered in compliance with Code of Federal Regulations, title 29, part 29, by a state apprenticeship council recognized by or registered with the ~~Bureau of Apprenticeship and Training~~, United States Department of Labor, Office of Apprenticeship, when such approval is necessary for federal purposes under Code of Federal Regulations, title 29, section 29.13(a) or 29.13(b)(7) .

Sec. 4. Minnesota Statutes 2010, section 178.05, subdivision 1, is amended to read:

Subdivision 1. **Establishment of committees.** Apprenticeship committees may be established by the director to supervise the operation of apprenticeship programs. Establishment of a committee may be considered justified if either of the following conditions are met:

(a) When the employers and employees in a trade or occupation or trades or occupations are parties to a collective bargaining agreement requiring joint participation in program operation; or

(b) When five or more apprentices are enrolled under a program.

Sec. 5. Minnesota Statutes 2010, section 178.05, subdivision 2, is amended to read:

Subd. 2. **Members.** (a) The total number of members on a committee may range from four to twelve.

(b) In joint participation there shall be equal representation of employers and employees.

(c) Members shall be selected by the group or groups they represent subject to approval by the director.

~~(d) A committee may have as one of its employee representatives, an active apprentice of record, provided that the apprentice has completed a minimum of 6,000 hours of an apprenticeship term or has entered the fourth year of the term.~~

Sec. 6. Minnesota Statutes 2010, section 178.06, is amended to read:

178.06 APPRENTICE.

The term "apprentice," as used herein, means a person at least 16 years of age who has entered into a written agreement, hereinafter called an ~~apprentice~~ apprenticeship agreement, with a committee, an employer, an association of employers, or an organization of employees, which ~~apprentice agreement~~ provides for learning consistent with this chapter and Code of Federal Regulations, title 29, section 29.5(b)(1) and (b)(2) :

(1) a time-based approach involving not less than 2,000 hours or one year of reasonably continuous employment for such person and for participation in an approved program of on-the-job learning through employment and through concurrent, supplementary education in related subjects;

(2) a competency-based approach involving successful demonstration of acquired skills and knowledge by an apprentice plus on-the-job learning; or

(3) a hybrid approach involving the completion of a specified minimum number of hours plus the successful demonstration of competency.

Whenever a minimum age exceeding 16 years is prescribed by federal or state law to apply to workers in certain hazardous occupations, the minimum age so prescribed shall be applicable to apprentices.

Sec. 7. Minnesota Statutes 2010, section 178.07, is amended to read:

178.07 ~~APPRENTICE~~ APPRENTICESHIP AGREEMENTS.

Every ~~apprentice~~ apprenticeship agreement entered into under this chapter shall contain:

- (1) the names of the contracting parties;
- (2) the date of birth, and information as to the race and sex of the apprentice;
- (3) a statement of the trade, craft, occupation, or business which the apprentice is to be taught, and the time at which the apprenticeship will begin and end;
- (4) a statement showing the number of hours to be spent by the apprentice in work and the number of hours to be spent in concurrent, supplementary instruction in related subjects, which instruction shall be not less than 144 hours during each year of the apprenticeship term. The maximum number of hours of work per week not including time spent in related and supplemental instruction for any apprentice shall not exceed either the number prescribed by law or the customary regular number of hours per week for the employees of the company by which the apprentice is employed. An apprentice may be allowed to work overtime provided that the overtime work does not conflict with supplementary instruction course attendance. All time in excess of the number of hours of work per week as specified in the apprenticeship agreement shall be considered overtime. For overtime, the apprentice's rate of pay shall be increased by the same percentage as the ~~journeyman's~~ journeyworker's rate of pay for overtime is increased in the same industry or establishment;
- (5) a statement setting forth a schedule of the processes in the trade, occupation, or industry divisions in which the apprentice is to be taught and the approximate time to be spent at each process;
- (6) a statement of the graduated scale of wages to be paid the apprentice and whether the required school time shall be compensated;
- (7) a statement providing for a period of probation of not more than 500 hours of employment and instruction extending over not more than four months, during which time the ~~apprentice~~ apprenticeship agreement shall be terminated by the director upon written request of either party, and providing that after such probationary period the ~~apprentice~~ apprenticeship agreement may be terminated by the director by mutual agreement of all parties thereto, or terminated by the director for good and sufficient reason;
- (8) a provision that controversies or differences concerning the terms of the ~~apprentice~~ apprenticeship agreement which cannot be resolved by the parties thereto, or which are not covered by a collective bargaining agreement, may be submitted to the director for determination as provided for in section 178.09;
- (9) a provision that an employer who is unable to fulfill an obligation under the ~~apprentice~~ apprenticeship agreement may, with the approval of the director, transfer such contract to any other employer, provided that the apprentice consents and that such other employer agrees to assume the obligations of the ~~apprentice~~ apprenticeship agreement; and
- (10) such additional terms and conditions as may be prescribed or approved by the director not inconsistent with the provisions of this chapter.

Sec. 8. Minnesota Statutes 2010, section 178.08, is amended to read:

178.08 DIRECTOR TO APPROVE ~~APPRENTICE~~ APPRENTICESHIP AGREEMENTS.

Every ~~apprentice~~ apprenticeship agreement is subject to approval by the director and shall be signed by the committee, the employer, an association of employers, or an organization of employees, and by the apprentice, and if the apprentice is a minor, by a parent or legal guardian. When a minor enters into an ~~apprentice~~ apprenticeship agreement under this chapter for a period of learning extending into majority the ~~apprentice~~ apprenticeship agreement shall likewise be binding for such a period as may be covered during the apprentice's majority.

Sec. 9. Minnesota Statutes 2010, section 178.09, subdivision 1, is amended to read:

Subdivision 1. **Complaint.** Upon the complaint of any interested person or upon the director's own initiative the director may investigate to determine if there has been a violation of the terms of an ~~apprentice~~ apprenticeship agreement made under this chapter. The director may conduct such proceedings as are necessary for that investigation and determination. All such proceedings shall be on a fair and impartial basis and shall be conducted according to rules promulgated under section 178.041.

Sec. 10. Minnesota Statutes 2010, section 178.09, subdivision 2, is amended to read:

Subd. 2. **Determination; appeal.** The determination of the director shall be filed with the commissioner and written notice shall be served on all parties affected by it. Any person aggrieved by any determination or action of the director may appeal to the commissioner. If no appeal is filed with the commissioner within ten days of the date of service, the director's determination shall become the order of the commissioner. If an appeal is filed, the commissioner shall appoint and convene a hearing board to be composed of three members of the ~~council~~ Apprenticeship Board appointed under section 178.02, one member being a representative of an employer organization, one representative being a member of an employee organization, and one member representing the general public. The board shall hold a hearing on the appeal after due notice to the interested parties and shall submit to the commissioner findings of fact and a recommended decision accompanied by a memorandum of the reasons for it. Within 30 days after submission, the commissioner may adopt the recommended decision of the board, or disregard the recommended decision of the board and prepare a decision based on the findings of fact and accompanied by a memorandum of reasons for that decision. Written notice of the commissioner's determination and order shall be served on all parties affected by it. Any person aggrieved or affected by any determination or order of the commissioner may appeal from it to the district court having jurisdiction at any time within 30 days after the date of the order by service of a written notice of appeal on the commissioner. Upon service of the notice of appeal, the commissioner shall file with the court administrator of the district court to which the appeal is taken a certified copy of the order appealed from, together with findings of fact on which it is based. The person serving a notice of appeal shall, within five days after its service, file it, with proof of service, with the court administrator of the court to which the appeal is taken. The district court shall then have jurisdiction over the appeal and it shall be entered in the records of the district court and tried de novo according to the applicable rules. Any person aggrieved or affected by any determination, order, or decision of the district court may appeal as in other civil cases.

Sec. 11. Minnesota Statutes 2010, section 299F.011, is amended by adding a subdivision to read:

Subd. 4d. **Single-family dwelling; fire sprinklers.** (a) The State Building Code, the State Fire Code, or a political subdivision of the state by code, by ordinance, as a condition of receiving public funding, or in any other way, must not require the installation of fire sprinklers, any fire sprinkler system components, or automatic fire-extinguishing equipment or devices in any new or existing single-family detached dwelling unit.

(b) This subdivision does not affect or limit a requirement for smoke or fire detectors, alarms, or their components.

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

Sec. 12. Minnesota Statutes 2010, section 326B.092, subdivision 2, is amended to read:

Subd. 2. **Licenses not requiring examination administered by commissioner.** If the applicant for a license is not required to pass an examination in order to obtain the license, or is required to pass an examination that is not administered by the commissioner, then the license fee must accompany the application for the license. If the application is for a license issued under sections 326B.802 to 326B.885 and is not an application for license renewal, then the contractor recovery fund fee required under section 326B.89, subdivision 3, is due ~~after the department has determined that the applicant meets the qualifications for licensing and~~ before the license is issued.

Sec. 13. Minnesota Statutes 2010, section 326B.092, subdivision 7, is amended to read:

Subd. 7. **License fees and license renewal fees.** (a) The license fee for each license ~~except a renewed license shall be the base license fee plus any applicable board fee, as set forth in this subdivision. The license renewal fee for each renewed license~~ is the base license fee plus any applicable board fee, continuing education fee, and contractor recovery fund fee and additional assessment, as set forth in this subdivision.

(b) For purposes of this section, "license duration" means the number of years for which the license is issued except that:

(1) if the initial license is not issued for a whole number of years, the license duration shall be rounded up to the next whole number; and

(2) if the department receives an application for license renewal after the renewal deadline, license duration means the number of years for which the renewed license would have been issued if the renewal application had been submitted on time and all other requirements for renewal had been met.

(c) The base license fee shall depend on whether the license is classified as an entry level, master, journeyman, or business license, and on the license duration. The base license fee shall be:

License Classification	License Duration		
	1 Year	2 Years	3 Years
Entry level	\$10	\$20	\$30
Journeyman	\$20	\$40	\$60
Master	\$40	\$80	\$120
Business	\$90	\$180	\$270

(d) If there is a continuing education requirement for renewal of the license, then a continuing education fee must be included in the renewal license fee. The continuing education fee for all license classifications shall be: \$10 if the renewal license duration is one year; \$20 if the renewal license duration is two years; and \$30 if the renewal license duration is three years.

(e) If the license is issued under sections 326B.31 to 326B.59 or 326B.90 to 326B.93, then a board fee must be included in the license fee and the renewal license fee. The board fee for all license classifications shall be: \$4 if the license duration is one year; \$8 if the license duration is two years; and \$12 if the license duration is three years.

(f) If the application is for the renewal of a license issued under sections 326B.802 to 326B.885, then the contractor recovery fund fee required under section 326B.89, subdivision 3, and any additional assessment required under section 326B.89, subdivision 16, must be included in the license renewal fee.

Sec. 14. Minnesota Statutes 2011 Supplement, section 326B.0981, subdivision 4, is amended to read:

Subd. 4. **Internet continuing education.** (a) The design and delivery of an Internet continuing education course must be approved by the International Distance Education Certification Center (IDECC) or the International Association for Continuing Education and Training (IACET) before the course is submitted for the commissioner's approval. The ~~IDECC~~ approval must accompany the course submitted.

(b) An Internet continuing education course must:

- (1) specify the minimum computer system requirements;
- (2) provide encryption that ensures that all personal information, including the student's name, address, and credit card number, cannot be read as it passes across the Internet;
- (3) include technology to guarantee seat time;
- (4) include a high level of interactivity;
- (5) include graphics that reinforce the content;
- (6) include the ability for the student to contact an instructor or course sponsor within a reasonable amount of time;
- (7) include the ability for the student to get technical support within a reasonable amount of time;
- (8) include a statement that the student's information will not be sold or distributed to any third party without prior written consent of the student. Taking the course does not constitute consent;
- (9) be available 24 hours a day, seven days a week, excluding minimal downtime for updating and administration, except that this provision does not apply to live courses taught by an actual instructor and delivered over the Internet;
- (10) provide viewing access to the online course at all times to the commissioner, excluding minimal downtime for updating and administration;
- (11) include a process to authenticate the student's identity;
- (12) inform the student and the commissioner how long after its purchase a course will be accessible;
- (13) inform the student that license education credit will not be awarded for taking the course after it loses its status as an approved course;
- (14) provide clear instructions on how to navigate through the course;
- (15) provide automatic bookmarking at any point in the course;
- (16) provide questions after each unit or chapter that must be answered before the student can proceed to the next unit or chapter;
- (17) include a reinforcement response when a quiz question is answered correctly;
- (18) include a response when a quiz question is answered incorrectly;

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

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

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

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

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

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

Sec. 15. Minnesota Statutes 2010, section 326B.103, subdivision 3, is amended to read:

Subd. 3. **Agricultural building.** "Agricultural building" means a structure that is:

(1) on agricultural land as ~~defined in~~ determined by the governing assessor for the municipality or county under section 273.13, subdivision 23;

(2) designed, constructed, and used to house farm implements, livestock, or agricultural ~~produce or~~ products under section 273.13, subdivision 23; and

(3) used by the owner, lessee, and sublessee of the building and members of their immediate families, their employees, and persons engaged in the pickup or delivery of agricultural ~~produce or~~ products.

Sec. 16. Minnesota Statutes 2011 Supplement, section 326B.46, subdivision 1a, is amended to read:

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

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

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

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

Sec. 17. Minnesota Statutes 2011 Supplement, section 326B.49, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

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

Sec. 18. Minnesota Statutes 2010, section 326B.809, is amended to read:

326B.809 WRITTEN CONTRACT REQUIRED.

(a) All agreements including proposals, estimates, bids, quotations, contracts, purchase orders, and change orders between a licensee and a customer for the performance of a licensee's services must be in writing and must contain the following:

- (1) a detailed summary of the services to be performed;
- (2) a description of the specific materials to be used or a list of standard features to be included; and
- (3) the total contract price or a description of the basis on which the price will be calculated.

(b) Before entering into an agreement, the licensee shall provide a prospective customer with written performance guidelines for the services to be performed. Performance guidelines also must be included or incorporated by reference in the agreement. All agreements shall be signed and dated by the licensee and customer.

(c) Before entering into an agreement, the licensee shall offer a prospective customer the option to install fire sprinklers, any fire sprinkler system components, or automatic fire-extinguishing equipment or devices in any new single-family detached dwelling unit. The offer must be included or incorporated by reference in the agreement. Agreements must be signed and dated by the licensee and customer.

~~(e)~~ (d) The licensee shall provide to the customer, at no charge, a signed and dated document at the time that the licensee and customer sign and date the document. Documents include agreements, performance guidelines, fire sprinkler opt-in forms, and mechanic's lien waivers.

Sec. 19. **REPEALER.**

Minnesota Rules, parts 1300.0230, subpart 4; 1301.1201; 1302.0600; 3801.3640; 3801.3650; 3801.3660; 3801.3670; 3801.3680; 3801.3690; 3801.3700; 3801.3710; 3801.3720; 3801.3730; 3801.3740; 3801.3760; 3801.3790; and 3801.3800, are repealed.

ARTICLE 2

EMPLOYEE CLASSIFICATION OF INDEPENDENT CONTRACTORS

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

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

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

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

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

(d) "Individual" means a human being.

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

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

(g) "Document" or "documents" includes papers; books; records; memoranda; data; contracts; drawings; graphs; charts; photographs; digital, video, and audio recordings; records; accounts; files; statements; letters; e-mails; invoices; bills; notes; and calendars maintained in any form or manner.

(h) "Business entity" means a person other than an individual or a sole proprietor.

Sec. 2. Minnesota Statutes 2010, section 181.723, subdivision 4, is amended to read:

Subd. 4. **Independent contractor.** (a) An individual is an independent contractor and not an employee of the person for whom the individual is performing services in the course of the person's trade, business, profession, or occupation only if ~~(1) the individual holds a current independent contractor exemption certificate issued by the commissioner; and (2) the individual is performing services for the person under the independent contractor exemption certificate as provided in subdivision 6. The requirements in clauses (1) and (2) must be met in order to qualify as an independent contractor and not as an employee of the person for whom the individual is performing services in the course of the person's trade, business, profession, or occupation.~~ the individual is registered with the Department of Labor and Industry, if required under subdivision 4a, and the individual:

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

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

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

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

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

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

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

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

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

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

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

(2) invoices are submitted in the name of the business entity;

(3) the business entity is registered with the secretary of state, if required; and

(4) the business entity is registered with the Department of Labor and Industry, if required under subdivision 4a.

Sec. 3. Minnesota Statutes 2010, section 181.723, is amended by adding a subdivision to read:

Subd. 4a. **Registration pilot project.** (a) The commissioner shall implement a pilot project, effective July 1, 2012, for the registration of persons who perform public or private sector commercial or residential building construction or improvement services as described in subdivision 2. The purpose of the pilot project is to evaluate whether the information obtained through registration assists the Department of Labor and Industry, the Department of Employment and Economic Development, and the Department of Revenue to enforce laws related to misclassification of employees. The commissioner shall issue a report to the legislature no later than January 1, 2014, on recommendations for amendments to the registration program, including reasonable registration fees to be used to aid in enforcing misclassification laws. The commissioner must not charge a fee for registration under the pilot project, but may take the enforcement action specified in subdivision 8a. The pilot project shall expire on June 30, 2014, unless extended by the legislature.

(b) Except as provided in paragraph (c), any person who performs construction services in the state on or after September 15, 2012, must register with the commissioner as provided in subdivision 5 before performing construction services for another person. The requirements for registration under this subdivision are not a substitute for, and do not relieve a person from complying with, any other law requiring that the person be licensed, registered, or certified.

(c) The registration requirements in this subdivision do not apply to:

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

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

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

(4) an employee of the person performing the construction services, if the person was in compliance with laws related to employment of the individual at the time the construction services were performed;

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

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

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

(8) a person exempt from licensing under section 326B.805, subdivision 6, clause (5).

Sec. 4. Minnesota Statutes 2011 Supplement, section 181.723, subdivision 5, is amended to read:

~~Subd. 5. **Registration application.** To obtain an independent contractor exemption certificate, the individual must submit~~ (a) Persons required to register under subdivision 4a must submit electronically, in the manner prescribed by the commissioner, a complete application and the certificate fee required under subdivision 14 according to paragraphs (b) to (d) .

~~(a)~~ (b) A complete application must include all of the following information about any individual who is registering as an individual or a sole proprietor, or who owns 25 percent or more of a business entity being registered:

- ~~(1)~~ (1) the individual's full legal name and title at applicant's business;
- ~~(2)~~ (2) the individual's ~~residence~~ business address and telephone number;
- ~~(3)~~ (3) the ~~individual's business name, address, and telephone number;~~ percentage of the applicant's business owned by the individual; and
- ~~(4)~~ (4) the services for which the individual is seeking an independent contractor exemption certificate;
- ~~(5)~~ (5) ~~(4)~~ the individual's Social Security number; .
- ~~(6)~~ (6) the individual's or the individual's business federal employer identification number, if a number has been issued to the individual or the individual's business;
- ~~(7)~~ (7) any information or documentation that the commissioner requires by rule that will assist the department in determining whether to grant or deny the individual's application; and
- ~~(8)~~ (8) the individual's sworn statement that the individual meets all of the following conditions:
 - ~~(i)~~ (i) maintains a separate business with the individual's own office, equipment, materials, and other facilities;
 - ~~(ii)~~ (ii) holds or has applied for a federal employer identification number or has filed business or self employment income tax returns with the federal Internal Revenue Service if the person has performed services in the previous year for which the individual is seeking the independent contractor exemption certificate;
 - ~~(iii)~~ (iii) operates under contracts to perform specific services for specific amounts of money and under which the individual controls the means of performing the services;
 - ~~(iv)~~ (iv) incurs the main expenses related to the service that the individual performs under contract;
 - ~~(v)~~ (v) is responsible for the satisfactory completion of services that the individual contracts to perform and is liable for a failure to complete the service;
 - ~~(vi)~~ (vi) receives compensation for service performed under a contract on a commission or per job or competitive bid basis and not on any other basis;
 - ~~(vii)~~ (vii) may realize a profit or suffer a loss under contracts to perform service;
 - ~~(viii)~~ (viii) has continuing or recurring business liabilities or obligations; and
 - ~~(ix)~~ (ix) the success or failure of the individual's business depends on the relationship of business receipts to expenditures.

~~(b)~~ (b) Individuals who are applying for or renewing a residential building contractor or residential remodeler license under sections 326B.197, 326B.802, 326B.805, 326B.81, 326B.815, 326B.821 to 326B.86, 326B.87 to 326B.885, and 327B.041, and any rules promulgated pursuant thereto, may simultaneously apply for or renew an independent contractor exemption certificate. The commissioner shall create an application form that allows for the

~~simultaneous application for both a residential building contractor or residential remodeler license and an independent contractor exemption certificate. If individuals simultaneously apply for or renew a residential building contractor or residential remodeler license and an independent contractor exemption certificate using the form created by the commissioner, individuals shall only be required to provide, in addition to the information required by section 326B.83 and rules promulgated pursuant thereto, the sworn statement required by paragraph (a), clause (8), and any additional information required by this subdivision that is not also required by section 326B.83 and any rules promulgated thereto. An independent contractor exemption certificate that is in effect before March 1, 2009, shall remain in effect until March 1, 2013, unless revoked by the commissioner or canceled by the individual.~~

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

~~(1) revoked by the commissioner; or~~

~~(2) canceled by the individual.~~

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

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

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

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

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

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

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

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

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

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

(8) a certification that the person signing the application has: reviewed it; determined that the information provided is true and accurate; and determined that the person signing is authorized to sign and file the application as an agent of the applicant. The name of the person signing, entered on an electronic application, shall constitute a valid signature of the agent on behalf of the applicant; and

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

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

(e) The registered person must remain registered while providing construction services for another person. The provisions of sections 326B.091 and 326B.094 to 326B.097 apply to this section.

Sec. 5. Minnesota Statutes 2010, section 181.723, is amended by adding a subdivision to read:

Subd. 5a. **Web site.** (a) The commissioner shall develop and maintain a Web site on which applicants for registration can submit a registration application. The Web site shall be designed to receive and process registration applications and promptly issue registration certificates electronically to successful applicants.

(b) The commissioner shall maintain the certificates of registration on the department's official public Web site, which shall include the following information:

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

(2) the person's business address designated on the application; and

(3) the effective date of the registration and the expiration date.

Sec. 6. Minnesota Statutes 2010, section 181.723, subdivision 7, is amended to read:

Subd. 7. **Prohibited activities.** (a) The prohibited activities in this subdivision are in addition to those prohibited in sections 326B.081 to 326B.085.

~~(a)~~ (b) An individual shall not:

~~(1) perform work as an independent contractor who meets the qualifications under subdivision 6 without first obtaining from the department an independent contractor exemption certificate;~~

~~(2) perform work as an independent contractor when the department has denied or revoked the individual's independent contractor exemption certificate;~~

~~(3) transfer to another individual or allow another individual to use the individual's independent contractor exemption certificate;~~

~~(4) alter or falsify an independent contractor exemption certificate;~~

~~(5) misrepresent the individual's status as an independent contractor; or~~

~~(6) make a false material statement, representation, or certification; omit material information; or alter, conceal, or fail to file a document required by this section or any rule promulgated by the commissioner under rulemaking authority set out in this section. hold himself or herself out as an independent contractor unless the individual meets the requirements of subdivision 4.~~

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

(1) require an individual through coercion, misrepresentation, or fraudulent means to adopt independent contractor status or form a business entity;

(2) knowingly misrepresent that an individual who has not been issued or misclassify an individual as an independent contractor exemption certificate or is not performing services for the person under an independent contractor exemption certificate is an independent contractor; or

(3) contract with or perform construction services for another person without first being registered if required by subdivision 4a;

(4) make a false material statement, representation, or certification; omit material information; or alter, conceal, or fail to file a document required by this section or any rule promulgated by the commissioner under rulemaking authority set out in this section. contract with or pay another person to perform construction services if the other person is not registered if required by subdivision 4a. All payments to an unregistered person for construction services on a single project site shall be considered a single violation. It is not a violation of this clause;

(i) for a person to contract with or pay an unregistered person if the unregistered person was registered at the time the contract for construction services was entered into; or

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

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

~~(e) A person for whom an individual is performing services must obtain a copy of the individual's independent contractor exemption certificate before services may commence. A copy of the independent contractor exemption certificate must be retained for five years from the date of receipt by the person for whom an individual is performing services.~~

Sec. 7. Minnesota Statutes 2010, section 181.723, is amended by adding a subdivision to read:

Subd. 8a. **Enforcement; remedies; and penalties.** Notwithstanding the maximum penalty amount in section 326B.082, subdivisions 7 and 12, the maximum penalty for failure to register is \$2,000, but the commissioner shall forgive the penalty if the person registers within 30 days of the date of the penalty order.

Sec. 8. Minnesota Statutes 2010, section 181.723, subdivision 10, is amended to read:

Subd. 10. **Notice requirements.** Unless otherwise specified, service of a document on a person under this section may be by mail, by personal service, or in accordance with any consent to service filed with the commissioner. Service by mail shall be accomplished in the manner provided in Minnesota Rules, part 1400.5550, subpart 2. Personal service shall be accomplished in the manner provided in Minnesota Rules, part 1400.5550, subpart 3. Notice of a penalty order for failure to register must include a statement that the penalty shall be forgiven if the person registers within 30 days of the date of the penalty order.

Sec. 9. Minnesota Statutes 2010, section 181.723, subdivision 15, is amended to read:

Subd. 15. **Notice to commissioner; review by commissioner of revenue.** When the commissioner has reason to believe that ~~an individual who holds a certificate has failed to maintain all the conditions required by subdivision 6 or is not performing services for a person under the independent contractor exemption certificate~~ a person has violated subdivision 7, paragraph (b); or (c), clause (1) or (2), the commissioner must notify the commissioner of revenue and the commissioner of employment and economic development. Upon receipt of notification from the commissioner ~~that an individual who holds a certificate has failed to maintain all the conditions required by subdivision 6 or is not performing services for a person under the independent contractor exemption certificate~~, the commissioner of revenue must review the information returns required under section 6041A of the Internal Revenue Code. The commissioner of revenue shall also review the submitted certification that is applicable to returns audited or investigated under section 289A.35.

Sec. 10. Minnesota Statutes 2010, section 181.723, subdivision 16, is amended to read:

Subd. 16. **Data classified.** Data in applications ~~for an independent contractor exemption certificate~~ and any required documentation submitted to the commissioner under this section are private data on individuals or nonpublic data as defined in section 13.02. Data in exemption registration certificates issued by the commissioner are public data; except that registration information published on the department's Web site may be accessed for registration verification purposes only. Data that document a revocation or cancellation of ~~an exemption~~ a certificate are public data. Upon request of the Department of Revenue or the Department of Employment and Economic Development, the commissioner may release to the requesting department data classified as private or nonpublic under this subdivision or investigative data that are not public under section 13.39 that relate to the issuance or denial of applications or revocations of certificates.

Sec. 11. Minnesota Statutes 2010, section 289A.31, subdivision 5, is amended to read:

Subd. 5. **Withholding tax, withholding from payments to out-of-state contractors, and withholding by partnerships and small business corporations.** (a) Except as provided in paragraph (b), an employer or person withholding tax under section 290.92 or 290.923, subdivision 2, who fails to pay to or deposit with the commissioner a sum or sums required by those sections to be deducted, withheld, and paid, is personally and individually liable to the state for the sum or sums, and added penalties and interest, and is not liable to another person for that payment or payments. The sum or sums deducted and withheld under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2, must be held as a special fund in trust for the state of Minnesota.

(b) If the employer or person withholding tax under section 290.92 or 290.923, subdivision 2, fails to deduct and withhold the tax in violation of those sections, and later the taxes against which the tax may be credited are paid, the tax required to be deducted and withheld will not be collected from the employer. This does not, however, relieve the employer from liability for any penalties and interest otherwise applicable for failure to deduct and withhold. This paragraph does not apply to an employer subject to paragraph (g) ~~or to a contractor required to withhold under section 290.92, subdivision 31.~~

(c) Liability for payment of withholding taxes includes a responsible person or entity described in the personal liability provisions of section 270C.56.

(d) Liability for payment of withholding taxes includes a third-party lender or surety described in section 270C.59.

(e) A partnership or S corporation required to withhold and remit tax under section 290.92, subdivisions 4b and 4c, is liable for payment of the tax to the commissioner, and a person having control of or responsibility for the withholding of the tax or the filing of returns due in connection with the tax is personally liable for the tax due.

(f) A payor of sums required to be withheld under section 290.9705, subdivision 1, is liable to the state for the amount required to be deducted, and is not liable to an out-of-state contractor for the amount of the payment.

(g) If an employer fails to withhold tax from the wages of an employee when required to do so under section 290.92, subdivision 2a, by reason of treating such employee as not being an employee, then the liability for tax is equal to three percent of the wages paid to the employee. The liability for tax of an employee is not affected by the assessment or collection of tax under this paragraph. The employer is not entitled to recover from the employee any tax determined under this paragraph.

EFFECTIVE DATE. This section is effective for payments made after June 30, 2012.

Sec. 12. Minnesota Statutes 2010, section 326B.081, subdivision 3, is amended to read:

Subd. 3. **Applicable law.** "Applicable law" means the provisions of sections 181.723, 327.31 to 327.36, and this chapter, and all rules, orders, stipulation agreements, settlements, compliance agreements, licenses, registrations, certificates, and permits adopted, issued, or enforced by the department under sections 181.723, 327.31 to 327.36, or this chapter.

Sec. 13. **REPEALER.**

(a) Minnesota Statutes 2010, section 181.723, subdivision 17, is repealed effective May 15, 2011.

(b) Minnesota Statutes 2010, section 181.723, subdivisions 6, 8, 9, 10, 11, 12, and 14, and Minnesota Rules, parts 5202.0100; 5202.0110; 5202.0120; 5202.0130; 5202.0140; 5202.0150; and 5202.0160, are repealed July 1, 2012, except they shall remain in effect for the regulation of an individual holding an independent contractor exemption certificate issued before July 1, 2012, under Minnesota Statutes 2010, section 181.723, subdivision 5, until the exemption certificate expires, is revoked, or is canceled.

(c) Minnesota Statutes 2010, section 290.92, subdivision 31, is repealed effective for payments made after June 30, 2012.

Sec. 14. **EFFECTIVE DATE.**

Sections 1 to 10 and 12 are effective July 1, 2012, except that those sections do not apply to the regulation of an individual who holds an independent contractor exemption certificate issued before July 1, 2012, under Minnesota Statutes 2010, section 181.723, subdivision 5, until the exemption certificate expires, or is revoked or canceled."

Delete the title and insert:

"A bill for an act relating to labor and industry; making changes to the State Building Code and State Fire Code; clarifying employee classification of independent contractors; providing a pilot project for contractor registration; providing for penalties; amending Minnesota Statutes 2010, sections 178.01; 178.03, subdivisions 3, 4; 178.05, subdivisions 1, 2; 178.06; 178.07; 178.08; 178.09, subdivisions 1, 2; 181.723, subdivisions 1, 4, 7, 10, 15, 16, by adding subdivisions; 289A.31, subdivision 5; 299F.011, by adding a subdivision; 326B.081, subdivision 3; 326B.092, subdivisions 2, 7; 326B.103, subdivision 3; 326B.809; Minnesota Statutes 2011 Supplement, sections 181.723, subdivision 5; 326B.0981, subdivision 4; 326B.46, subdivision 1a; 326B.49, subdivision 1; repealing Minnesota Statutes 2010, section 181.723, subdivisions 6, 8, 9, 10, 11, 12, 14, 17; Minnesota Rules, parts 1300.0230, subpart 4; 1301.1201; 1302.0600; 3801.3640; 3801.3650; 3801.3660; 3801.3670; 3801.3680; 3801.3690; 3801.3700; 3801.3710; 3801.3720; 3801.3730; 3801.3740; 3801.3760; 3801.3790; 3801.3800; 5202.0100; 5202.0110; 5202.0120; 5202.0130; 5202.0140; 5202.0150; 5202.0160."

We request the adoption of this report and repassage of the bill.

Senate Conferees: JEREMY R. MILLER, GEOFF MICHEL and DAVID J. TOMASSONI.

House Conferees: MIKE LEMIEUR, JOYCE PEPPIN and LARRY HOSCH.

LeMieur moved that the report of the Conference Committee on S. F. No. 1717 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1717, A bill for an act relating to labor and industry; making changes to the State Building Code; amending Minnesota Statutes 2010, sections 178.01; 178.03, subdivisions 3, 4; 178.05, subdivisions 1, 2; 178.06; 178.07; 178.08; 178.09, subdivisions 1, 2; 299F.011, by adding a subdivision; 326B.092, subdivisions 2, 7; 326B.103, subdivision 3; 326B.809; Minnesota Statutes 2011 Supplement, sections 326B.0981, subdivision 4; 326B.46, subdivision 1a; 326B.49, subdivision 1; repealing Minnesota Rules, parts 1300.0230, subpart 4; 1301.1201; 1302.0600; 3801.3640; 3801.3650; 3801.3660; 3801.3670; 3801.3680; 3801.3690; 3801.3700; 3801.3710; 3801.3720; 3801.3730; 3801.3740; 3801.3760; 3801.3790; 3801.3800.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 87 yeas and 40 nays as follows:

Those who voted in the affirmative were:

Abeler	Anderson, S.	Beard	Carlson	Davids	Dittrich
Anderson, B.	Anzelc	Benson, M.	Cornish	Davnie	Doepke
Anderson, D.	Banaian	Bills	Crawford	Dean	Downey
Anderson, P.	Barrett	Buesgens	Daudt	Dettmer	Drazkowski

Eken	Hilty	Lanning	McNamara	Runbeck	Torkelson
Erickson	Holberg	Leidiger	Melin	Sanders	Urdahl
Fabian	Hoppe	LeMieur	Murray	Scalze	Vogel
Franson	Hosch	Lohmer	Myhra	Schomacker	Ward
Garofalo	Howes	Loon	Nelson	Scott	Wardlow
Gottwalt	Kath	Mack	Nornes	Shimanski	Winkler
Gruenhagen	Kelly	Marquart	Norton	Simon	Woodard
Gunther	Kieffer	Mazorol	Peppin	Slawik	Spk. Zellers
Hackbarth	Kiel	McDonald	Petersen, B.	Smith	
Hamilton	Kiffmeyer	McElfrick	Quam	Stensrud	
Hancock	Kriesel	McFarlane	Rukavina	Swedzinski	

Those who voted in the negative were:

Allen	Fritz	Hornstein	Lenczewski	Morrow	Poppe
Atkins	Gauthier	Hortman	Lesch	Mullery	Slocum
Benson, J.	Greene	Huntley	Liebling	Murphy, E.	Thissen
Brynaert	Greiling	Johnson	Lillie	Murphy, M.	Tillberry
Champion	Hansen	Kahn	Loeffler	Paymar	Wagenius
Clark	Hausman	Knuth	Mariani	Pelowski	
Falk	Hilstrom	Laine	Moran	Persell	

The bill was repassed, as amended by Conference, and its title agreed to.

FISCAL CALENDAR

Pursuant to rule 1.22, Holberg requested immediate consideration of S. F. No. 1808.

POINT OF ORDER

Buesgens raised a point of order pursuant to rule 1.22 relating to the Fiscal Calendar. Speaker pro tempore Davids ruled the point of order well taken.

Lanning moved to suspend rule 1.22 relating to the Fiscal Calendar as it relates to the two hour notice.

A roll call was requested and properly seconded.

The question was taken on the Lanning motion and the roll was called. There were 97 yeas and 28 nays as follows:

Those who voted in the affirmative were:

Abeler	Beard	Cornish	Dittrich	Garofalo	Hamilton
Anderson, D.	Benson, J.	Crawford	Downey	Gauthier	Hancock
Anderson, P.	Benson, M.	Davids	Eken	Gottwalt	Hausman
Anderson, S.	Brynaert	Davnie	Erickson	Greene	Hilstrom
Anzelc	Carlson	Dean	Fabian	Gruenhagen	Hilty
Banaian	Clark	Dettmer	Fritz	Gunther	Holberg

Hoppe	Kriesel	Mazorol	Norton	Schomacker	Vogel
Hornstein	Laine	McElfatrick	O'Driscoll	Scott	Wagenius
Hortman	Lanning	McFarlane	Paymar	Shimanski	Ward
Hosch	LeMieur	McNamara	Peppin	Simon	Winkler
Howes	Lenczewski	Moran	Persell	Slawik	Woodard
Johnson	Lesch	Morrow	Petersen, B.	Slocum	Spk. Zellers
Kahn	Lillie	Mullery	Poppe	Smith	
Kelly	Loon	Murphy, E.	Quam	Stensrud	
Kieffer	Mack	Murphy, M.	Runbeck	Swedzinski	
Kiel	Mariani	Nelson	Sanders	Thissen	
Knuth	Marquart	Nornes	Scalze	Torkelson	

Those who voted in the negative were:

Allen	Buesgens	Falk	Huntley	Loeffler	Pelowski
Anderson, B.	Champion	Franson	Kath	Lohmer	Tillberry
Atkins	Daudt	Greiling	Kiffmeyer	McDonald	Wardlow
Barrett	Doepke	Hackbarth	Leidiger	Murray	
Bills	Drazkowski	Hansen	Liebling	Myhra	

The motion prevailed.

S. F. No. 1808 was reported to the House.

Speaker pro tempore Davids called Garofalo to the Chair.

S. F. No. 1808, A bill for an act relating to retirement; statewide and local retirement plans; revising certain statutory actuarial assumptions; requiring comprehensive annual retirement plan fund reporting by Minnesota Management and Budget, modifying various Department of Human Services employment classifications eligible for correctional retirement coverage; modifying certain health care savings plan provisions; clarifying transfer eligibility for the unclassified state employees retirement program; making various modifications in retirement plans administered by the Public Employees Retirement Association, making various revisions in the public employees privatization law; making various administrative changes in the Teachers Retirement Association law, including revising state and local aid programs inherited from the former Minneapolis Teachers Retirement Fund Association; making various modifications to conform with the federal Internal Revenue Code retirement plan requirements; updating the public pension fund investment laws, merging the Fairmont Police Relief Association and the Virginia fire consolidation account with the public employees police and fire retirement plan; making various volunteer fire retirement law changes; and making various small group or single person retirement authorizations; amending Minnesota Statutes 2010, sections 11A.07, subdivision 4; 11A.14, subdivision 14; 11A.24; 16A.06, subdivision 9; 69.011, subdivision 1; 69.051, subdivisions 1, 1a, 3; 69.77, subdivision 9; 69.772, subdivision 4; 69.773, subdivision 5; 69.775; 69.80; 126C.41, subdivision 3; 352.90; 352.91, subdivisions 3c, 3d, 3e, 3f; 352.98, subdivisions 3, 4, 5, 8; 352D.02, subdivision 3; 353.01, subdivision 47; 353.50, subdivision 7; 353.656, subdivision 2; 353F.02, subdivision 4; 353F.04, subdivision 1; 353F.07; 353G.08, by adding a subdivision; 354.51, subdivision 5; 354A.08; 354A.12, subdivision 3c; 356.215, subdivisions 1, 11; 356.219, subdivisions 1, 8; 356.415, subdivision 1d; 356.611, subdivisions 2, 3, 3a, 4, by adding a subdivision; 356.635, subdivisions 6, 9; 356A.01, subdivision 19; 356A.06, subdivisions 6, 7; 423A.02, subdivision 3; 424A.001, subdivision 4; 424A.01, subdivision 6; 424A.016, subdivisions 5, 6; 424A.02, subdivisions 1, 7, 9; 424A.04, subdivision 3; 424A.06, subdivision 2; Minnesota Statutes 2011 Supplement, sections 69.77, subdivisions 1a, 4; 353.01, subdivisions 2a, 6, 16; 353.668, subdivision 4; 356.215, subdivision 8; Laws 2002, chapter 392, article 1, section 8; proposing coding for new law in Minnesota Statutes, chapters 16A; 353; 354; repealing Minnesota Statutes 2010, sections 128D.18; 354A.12, subdivision 3b; 356.219, subdivision 4; 423A.06; Laws 1947, chapter 624, sections 1; 2; 3; 4; 5; 6; 8; 9; 10; 11; 12; 13; 14; 15; 16; 17; 18; 19; 21; 22; Laws 1953, chapter 399, as amended; Laws 1961, chapter 420, sections 2, as amended; 3; 4; 5, as

amended; 6; Laws 1963, chapter 407, section 1, as amended; Laws 1963, chapter 423; Laws 1965, chapter 546, sections 1; 2, as amended; 3; Laws 1969, chapter 578, sections 1; 2; 3; Laws 1974, chapter 183, as amended; Laws 1982, chapter 574, section 1; Laws 1982, chapter 578, article 1, section 14; Laws 1983, chapter 69, section 1; Laws 1984, chapter 547, section 27; Laws 1987, chapter 372, article 2, section 14; Laws 1988, chapter 709, sections 1, as amended; 2; Laws 1991, chapter 62, sections 1; 2; Laws 1992, chapter 465, section 1; Laws 1999, chapter 222, article 3, sections 3; 4; 5.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 104 yeas and 24 nays as follows:

Those who voted in the affirmative were:

Abeler	Davnie	Hausman	Lanning	Mullery	Simon
Allen	Dean	Hilstrom	LeMieur	Murphy, E.	Slawik
Anderson, D.	Dettmer	Hilty	Lenczewski	Murphy, M.	Slocum
Anderson, P.	Dittrich	Hoppe	Lesch	Murray	Smith
Anderson, S.	Drazkowski	Hornstein	Liebling	Myhra	Stensrud
Anzelc	Eken	Hortman	Lillie	Nelson	Swedzinski
Atkins	Fabian	Hosch	Loeffler	Nornes	Thissen
Banaian	Falk	Howes	Loon	Norton	Tillberry
Beard	Franson	Huntley	Mack	O'Driscoll	Torkelson
Benson, J.	Fritz	Johnson	Mariani	Paymar	Urdahl
Benson, M.	Garofalo	Kahn	Marquart	Pelowski	Vogel
Brynaert	Gauthier	Kath	Mazorol	Persell	Wagenius
Carlson	Gottwalt	Kelly	McElfatrick	Petersen, B.	Ward
Champion	Greene	Kieffer	McFarlane	Poppe	Spk. Zellers
Clark	Greiling	Kiel	McNamara	Rukavina	
Cornish	Gunther	Knuth	Melin	Sanders	
Crawford	Hamilton	Kriesel	Moran	Scalze	
Davids	Hansen	Laine	Morrow	Schomacker	

Those who voted in the negative were:

Anderson, B.	Daudt	Gruenhagen	Kiffmeyer	Peppin	Shimanski
Barrett	Doepke	Hackbarth	Leidiger	Quam	Wardlow
Bills	Downey	Hancock	Lohmer	Runbeck	Winkler
Buesgens	Erickson	Holberg	McDonald	Scott	Woodard

The bill was passed and its title agreed to.

Hoppe moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by Speaker pro tempore Davids.

Thissen was excused for the remainder of today's session.

Dean moved that the remaining bills on the Calendar for the Day be continued. The motion prevailed.

FISCAL CALENDAR ANNOUNCEMENT

Pursuant to rule 1.22, Holberg announced her intention to place S. F. Nos. 1983 and 1856; and H. F. Nos. 1485 and 1752 on the Fiscal Calendar for Monday, May 7, 2012.

MOTIONS AND RESOLUTIONS

Hausman moved that the names of Carlson, Mullery and Clark be added as authors on H. F. No. 3037. The motion prevailed.

Hortman moved that the name of Clark be added as an author on H. F. No. 3043. The motion prevailed.

Erickson introduced:

House Resolution No. 6, A House resolution recognizing May 3, 2012, as a Day of Prayer in Minnesota.

The resolution was referred to the Committee on Rules and Legislative Administration.

ADJOURNMENT

Dean moved that when the House adjourns today it adjourn until 10:00 a.m., Monday, May 7, 2012. The motion prevailed.

Dean moved that the House adjourn. The motion prevailed, and Speaker pro tempore Davids declared the House stands adjourned until 10:00 a.m., Monday, May 7, 2012.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives