

A bill for an act

relating to economic development; modifying certain economic development, fees, and licensing provisions; modifying certain occupational continuing education requirements; clarifying and modifying regulation of medical gas system and manufactured home provisions; requiring reports; appropriating money for jobs, economic development, and housing purposes; amending Minnesota Statutes 2010, sections 116J.035, by adding a subdivision; 116J.8737, subdivisions 1, 2, 4; 116L.3625; 116L.62; 154.06; 154.065, subdivision 2; 154.08; 154.11, subdivision 1; 154.12; 181.723, subdivision 5; 182.6553, subdivision 6; 268.18, subdivisions 2, 2b; 268.199; 298.17; 326B.04, subdivision 2; 326B.091; 326B.098; 326B.13, subdivision 8; 326B.148, subdivision 1; 326B.42, subdivisions 8, 9, 10, by adding subdivisions; 326B.435, subdivision 2; 326B.438; 326B.46, subdivisions 1a, 1b, 2, 3; 326B.47, subdivisions 1, 3; 326B.49, subdivision 1; 326B.56, subdivision 1; 326B.58; 326B.82, subdivisions 2, 3, 7, 9; 326B.821, subdivisions 1, 5, 5a, 6, 7, 8, 9, 10, 11, 12, 15, 16, 18, 19, 20, 22, 23; 326B.865; 326B.89, subdivisions 6, 8; 327.32, subdivisions 1a, 1b, 1e, 1f, 7; 327.33, subdivision 2; 327C.095, subdivision 12; 341.321; Laws 2009, chapter 78, article 1, section 18; proposing coding for new law in Minnesota Statutes, chapter 326B; repealing Minnesota Statutes 2010, sections 326B.82, subdivisions 4, 6; 326B.821, subdivision 3.

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

**ARTICLE 1**

**JOBS, ECONOMIC DEVELOPMENT, AND HOUSING APPROPRIATIONS**

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

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

	<u>2012</u>		<u>2013</u>		<u>Total</u>
<u>General</u>	\$ 80,090,000	\$	77,758,000	\$	157,848,000
<u>Workforce Development</u>	14,151,000		14,151,000		28,302,000
<u>Remediation</u>	700,000		700,000		1,400,000

2.1	<u>Workers' Compensation</u>		<u>22,574,000</u>	<u>22,574,000</u>	<u>45,148,000</u>
2.2	<b><u>Total</u></b>	<b>\$</b>	<b><u>117,515,000</u></b>	<b>\$</b>	<b><u>232,698,000</u></b>

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

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

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

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

2.17	<b><u>Subdivision 1. Total Appropriation</u></b>	<b>\$</b>	<b><u>53,044,000</u></b>	<b>\$</b>	<b><u>50,819,000</u></b>
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2.18	<u>Appropriations by Fund</u>			
2.19		<u>2012</u>	<u>2013</u>	
2.20	<u>General</u>	<u>38,850,000</u>	<u>36,625,000</u>	
2.21	<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>	
2.22	<u>Workforce</u>			
2.23	<u>Development</u>	<u>13,494,000</u>	<u>13,494,000</u>	

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

2.27	<b><u>Subd. 2. Business and Community</u></b>			
2.28	<b><u>Development</u></b>		<u>9,166,000</u>	<u>6,941,000</u>

2.29	<u>Appropriations by Fund</u>			
2.30	<u>General</u>	<u>8,186,000</u>	<u>5,961,000</u>	
2.31	<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>	
2.32	<u>Workforce</u>			
2.33	<u>Development</u>	<u>280,000</u>	<u>280,000</u>	

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

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

3.4 (b) \$970,000 the first year and \$970,000 the  
3.5 second year are from the general fund for  
3.6 contaminated site cleanup and development  
3.7 grants under Minnesota Statutes, section  
3.8 116J.554.

3.9 (c) \$1,086,000 the first year and \$1,086,000  
3.10 the second year are from the general fund for  
3.11 the Minnesota Trade Office.

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

3.28 (e) \$75,000 each year is from the general  
3.29 fund and \$40,000 each year is from the  
3.30 workforce development fund for a grant to  
3.31 the Metropolitan Economic Development  
3.32 Association for continuing minority business  
3.33 development programs in the metropolitan  
3.34 area. This appropriation must be used for the  
3.35 sole purpose of providing free or reduced

4.1 fee business consulting services to minority  
4.2 entrepreneurs and contractors.

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

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

4.34 (g) \$50,000 the first year is from the general  
4.35 fund for a grant to the Minnesota Inventors

5.1 Congress, of which at least \$5,000 must be  
5.2 used for youth inventors. This is a onetime  
5.3 appropriation.

5.4 (h)(1) \$90,000 each year is from the  
5.5 workforce development fund for a grant  
5.6 under Minnesota Statutes, section 116J.421,  
5.7 to the Rural Policy and Development  
5.8 Center at St. Peter, Minnesota. The grant  
5.9 shall be used for research and policy  
5.10 analysis on emerging economic and social  
5.11 issues in rural Minnesota, to serve as a  
5.12 policy resource center for rural Minnesota  
5.13 communities, to encourage collaboration  
5.14 across higher education institutions, to  
5.15 provide interdisciplinary team approaches  
5.16 to research and problem-solving in rural  
5.17 communities, and to administer overall  
5.18 operations of the center.

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

5.27 (i)(1) \$150,000 each year is appropriated  
5.28 from the workforce development fund for  
5.29 grants of \$50,000 to eligible organizations  
5.30 each year to assist in the development of  
5.31 entrepreneurs and small businesses. Each  
5.32 state grant dollar must be matched with \$1  
5.33 of nonstate funds. Any balance in the first  
5.34 year does not cancel but is available in the  
5.35 second year.

6.1 (2) Three grants must be awarded to  
 6.2 continue or to develop a program. One  
 6.3 grant must be awarded to the Riverbend  
 6.4 Center for Entrepreneurial Facilitation  
 6.5 in Blue Earth County, and two to other  
 6.6 organizations serving Faribault and Martin  
 6.7 Counties. Grant recipients must report to the  
 6.8 commissioner by February 1 of each year  
 6.9 that the organization receives a grant with the  
 6.10 number of customers served; the number of  
 6.11 businesses started, stabilized, or expanded;  
 6.12 the number of jobs created and retained; and  
 6.13 business success rates. The commissioner  
 6.14 must report to the house of representatives  
 6.15 and senate committees with jurisdiction  
 6.16 over economic development finance on the  
 6.17 effectiveness of these programs for assisting  
 6.18 in the development of entrepreneurs and  
 6.19 small businesses.

6.20 (j) \$1,000,000 the first year is from the  
 6.21 general fund for the Minnesota Investment  
 6.22 Fund under Minnesota Statutes, section  
 6.23 116J.8731. The appropriation is available  
 6.24 until spent. This is a onetime appropriation  
 6.25 and is not added to the agency's base.

6.26 (k) \$750,000 the first year is from the general  
 6.27 fund for the redevelopment account under  
 6.28 Minnesota Statutes, section 116J.571. This  
 6.29 is a onetime appropriation and is available  
 6.30 until spent.

6.31 **Subd. 3. Workforce Development** 43,020,000 43,020,000

	<u>Appropriations by Fund</u>	
6.32		
6.33	<u>General</u>	<u>29,806,000</u>
6.34	<u>Workforce</u>	<u>29,806,000</u>
6.35	<u>Development</u>	<u>13,214,000</u>
		<u>13,214,000</u>

- 7.1 (a) \$3,728,000 each year is from the general  
7.2 fund for the Minnesota job skills partnership  
7.3 program under Minnesota Statutes, sections  
7.4 116L.01 to 116L.17. If the appropriation for  
7.5 either year is insufficient, the appropriation  
7.6 for the other year is available. This  
7.7 appropriation is available until spent.
- 7.8 (b) \$10,800,000 each year is from the general  
7.9 fund for the state's vocational rehabilitation  
7.10 program under Minnesota Statutes, chapter  
7.11 268A.
- 7.12 (c) \$5,928,000 each year is from the general  
7.13 fund for the state services for the blind  
7.14 activities.
- 7.15 (d) \$2,150,000 each year is from the general  
7.16 fund for grants to centers for independent  
7.17 living under Minnesota Statutes, section  
7.18 268A.11.
- 7.19 (e) \$315,000 each year is from the general  
7.20 fund and \$105,000 each year is from the  
7.21 workforce development fund for a grant  
7.22 under Minnesota Statutes, section 116J.8747,  
7.23 to Twin Cities RISE! to provide training to  
7.24 hard-to-train individuals. Funds unexpended  
7.25 in the first year are available for expenditure  
7.26 in the second year.
- 7.27 (f) \$100,000 each year is from the general  
7.28 fund for a grant to Northern Connections  
7.29 in Perham to implement and operate a  
7.30 workforce program that provides one-stop  
7.31 supportive services to individuals as they  
7.32 transition into the workforce.
- 7.33 (g) \$5,091,000 each year is from the general  
7.34 fund and \$6,527,000 each year is from the  
7.35 workforce development fund for extended

8.1 employment services for persons with severe  
8.2 disabilities or related conditions under  
8.3 Minnesota Statutes, section 268A.15. Of  
8.4 the general fund appropriation, \$125,000  
8.5 each year is to supplement funds paid for  
8.6 wage incentives for the community support  
8.7 fund established in Minnesota Rules, part  
8.8 3300.2045.

8.9 (h) \$1,479,000 each year is from the general  
8.10 fund for grants to programs that provide  
8.11 employment support services to persons with  
8.12 mental illness under Minnesota Statutes,  
8.13 sections 268A.13 and 268A.14. Grants  
8.14 may be used for special projects for young  
8.15 people with mental illness transitioning from  
8.16 school to work and people with serious  
8.17 mental illness receiving services through  
8.18 a mental health court or civil commitment  
8.19 court. Special projects must demonstrate  
8.20 interagency collaboration.

8.21 (i) \$135,000 each year is from the general  
8.22 fund and \$163,000 each year is from the  
8.23 workforce development fund for a grant  
8.24 under Minnesota Statutes, section 268A.03,  
8.25 to Rise, Inc. for the Minnesota Employment  
8.26 Center for People Who are Deaf or Hard of  
8.27 Hearing. Money not expended the first year  
8.28 is available the second year.

8.29 (j) \$80,000 each year is from the general fund  
8.30 and \$160,000 each year is from the workforce  
8.31 development fund for a grant to Lifetrack  
8.32 Resources for its immigrant and refugee  
8.33 collaborative program, including those  
8.34 related to job-seeking skills and workplace  
8.35 orientation, intensive job development,



9.1 functional work English, and on-site job  
9.2 coaching. This appropriation may also be  
9.3 used in Rochester.

9.4 (k) \$1,100,000 each year is from the  
9.5 workforce development fund for the  
9.6 Opportunities Industrialization Center  
9.7 programs. The OIC state council must  
9.8 not be colocated with the Department of  
9.9 Employment and Economic Development.

9.10 (l) \$2,450,000 the first year is a onetime  
9.11 appropriation from the workforce  
9.12 development fund for the Minnesota youth  
9.13 program under Minnesota Statutes, sections  
9.14 116L.56 and 116L.561.

9.15 (m) \$630,000 the first year is a onetime  
9.16 appropriation from the workforce  
9.17 development fund for grants for the  
9.18 Minneapolis summer youth employment  
9.19 program. The commissioner shall establish  
9.20 criteria for awarding the grant.

9.21 Of this appropriation, 25 percent is for a grant  
9.22 to the Minneapolis learn-to-earn summer  
9.23 youth employment program.

9.24 (n) \$750,000 the first year is a onetime  
9.25 appropriation from the workforce  
9.26 development fund for a grant to the  
9.27 Minnesota Alliance of Boys and Girls  
9.28 Clubs to administer a statewide project  
9.29 of youth jobs skills development. This  
9.30 project, which may have career guidance  
9.31 components, including health and life skills,  
9.32 is to encourage, train, and assist youth in  
9.33 job-seeking skills, workplace orientation,  
9.34 and job-site knowledge through coaching.  
9.35 This grant requires a 25 percent match

10.1 from nonstate resources. The Alliance may  
10.2 work collaboratively with the Minneapolis  
10.3 Park Board for summer youth employment  
10.4 programming.

10.5 (o) \$391,000 the first year is a onetime  
10.6 appropriation from the workforce  
10.7 development fund for grants to fund summer  
10.8 youth employment in St. Paul. The  
10.9 commissioner shall establish criteria for  
10.10 awarding the grant.

10.11 (p) \$700,000 the first year is a onetime  
10.12 appropriation from the workforce  
10.13 development fund for the youthbuild  
10.14 program under Minnesota Statutes, sections  
10.15 116L.361 to 116L.366.

10.16 (q) \$238,000 the first year is a onetime  
10.17 appropriation from the workforce  
10.18 development fund for grants to provide  
10.19 interpreters for a regional transition program  
10.20 that specializes in providing culturally  
10.21 appropriate transition services leading to  
10.22 employment for deaf, hard-of-hearing, and  
10.23 deafblind students.

10.24 (r) \$5,159,000 the second year is from  
10.25 the workforce development fund for the  
10.26 youth workforce development competitive  
10.27 grant pilot program. The commissioner  
10.28 shall develop and implement a competitive  
10.29 grant program to provide workforce  
10.30 training services to youth in Minnesota.  
10.31 Of this amount, up to five percent is for  
10.32 administering and monitoring this program.  
10.33 The commissioner shall report by October  
10.34 15, 2011, to the standing committees of the  
10.35 senate and house of representatives having

11.1 jurisdiction over workforce development  
 11.2 issues on program parameters and criteria  
 11.3 developed for the competitive grants under  
 11.4 this paragraph. This appropriation is added  
 11.5 to the agency's base.

11.6 Subd. 4. **State-Funded Administration** 858,000 858,000

11.7 Sec. 4. **HOUSING FINANCE AGENCY**

11.8 Subdivision 1. **Total Appropriation** \$ 36,251,000 \$ 36,251,000

11.9 The amounts that may be spent for each  
 11.10 purpose are specified in the following  
 11.11 subdivisions.

11.12 This appropriation is for transfer to the  
 11.13 housing development fund for the programs  
 11.14 specified. Except as otherwise indicated, this  
 11.15 transfer is part of the agency's permanent  
 11.16 budget base.

11.17 Subd. 2. **Challenge Program** 7,059,000 7,059,000

11.18 For the economic development and housing  
 11.19 challenge program under Minnesota  
 11.20 Statutes, section 462A.33. Of this amount,  
 11.21 \$1,208,000 each year shall be made available  
 11.22 during the first eight months of the fiscal  
 11.23 year exclusively for housing projects for  
 11.24 American Indians. Any funds not committed  
 11.25 to housing projects for American Indians in  
 11.26 the first eight months of the fiscal year shall  
 11.27 be available for any eligible activity under  
 11.28 Minnesota Statutes, section 462A.33.

11.29 Subd. 3. **Housing Trust Fund** 8,305,000 8,305,000

11.30 For deposit in the housing trust fund account,  
 11.31 for the purposes provided under Minnesota  
 11.32 Statutes, section 462A.201.

11.33 Subd. 4. **Rental Assistance for Mentally Ill** 2,638,000 2,638,000

12.1	<u>For the rental housing assistance program for</u>		
12.2	<u>persons with a mental illness or families with</u>		
12.3	<u>an adult member with a mental illness under</u>		
12.4	<u>Minnesota Statutes, section 462A.2097.</u>		
12.5	<b><u>Subd. 5. Family Homeless Prevention</u></b>	<u>7,465,000</u>	<u>7,465,000</u>
12.6	<u>For the family homeless prevention and</u>		
12.7	<u>assistance programs under Minnesota</u>		
12.8	<u>Statutes, section 462A.204.</u>		
12.9	<b><u>Subd. 6. Home Ownership Assistance Fund</u></b>	<u>797,000</u>	<u>797,000</u>
12.10	<u>For the home ownership assistance program</u>		
12.11	<u>under Minnesota Statutes, section 462A.21,</u>		
12.12	<u>subdivision 8. The annual interest rate on</u>		
12.13	<u>loans provided under Minnesota Statutes,</u>		
12.14	<u>section 462A.21, subdivision 8, must equal</u>		
12.15	<u>two percent.</u>		
12.16	<b><u>Subd. 7. Affordable Rental Investment Fund</u></b>	<u>6,813,000</u>	<u>6,813,000</u>
12.17	<u>(a) For the affordable rental investment fund</u>		
12.18	<u>program under Minnesota Statutes, section</u>		
12.19	<u>462A.21, subdivision 8b. The appropriation</u>		
12.20	<u>is to finance the acquisition, rehabilitation,</u>		
12.21	<u>and debt restructuring of federally assisted</u>		
12.22	<u>rental property and for making equity</u>		
12.23	<u>take-out loans under Minnesota Statutes,</u>		
12.24	<u>section 462A.05, subdivision 39.</u>		
12.25	<u>(b) The owner of federally assisted rental</u>		
12.26	<u>property must agree to participate in</u>		
12.27	<u>the applicable federally assisted housing</u>		
12.28	<u>program and to extend any existing</u>		
12.29	<u>low-income affordability restrictions on the</u>		
12.30	<u>housing for the maximum term permitted.</u>		
12.31	<u>The owner must also enter into an agreement</u>		
12.32	<u>that gives local units of government,</u>		
12.33	<u>housing and redevelopment authorities,</u>		
12.34	<u>and nonprofit housing organizations the</u>		

13.1 right of first refusal if the rental property  
 13.2 is offered for sale. Priority must be given  
 13.3 among comparable federally assisted rental  
 13.4 properties to properties with the longest  
 13.5 remaining term under an agreement for  
 13.6 federal assistance. Priority must also be  
 13.7 given among comparable rental housing  
 13.8 developments to developments that are or  
 13.9 will be owned by local government units, a  
 13.10 housing and redevelopment authority, or a  
 13.11 nonprofit housing organization.

13.12 (c) The appropriation also may be used to  
 13.13 finance the acquisition, rehabilitation, and  
 13.14 debt restructuring of existing supportive  
 13.15 housing properties. For purposes of this  
 13.16 subdivision, "supportive housing" means  
 13.17 affordable rental housing with links to  
 13.18 services necessary for individuals, youth, and  
 13.19 families with children to maintain housing  
 13.20 stability.

13.21	<b><u>Subd. 8. Housing Rehabilitation</u></b>	<u>2,449,000</u>	<u>2,449,000</u>
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13.22 For the housing rehabilitation program  
 13.23 under Minnesota Statutes, section 462A.05,  
 13.24 subdivision 14, for rental housing  
 13.25 developments.

13.26	<b><u>Subd. 9. Homeownership Education,</u></b>		
13.27	<b><u>Counseling, and Training</u></b>	<u>600,000</u>	<u>600,000</u>

13.28 For the homeownership education,  
 13.29 counseling, and training program under  
 13.30 Minnesota Statutes, section 462A.209.  
 13.31 Notwithstanding Minnesota Statutes, section  
 13.32 462A.209, subdivision 7, paragraph (b),  
 13.33 more than one-half of the funds awarded  
 13.34 for foreclosure prevention and assistance

14.1 activities may be used for mortgage or  
 14.2 financial counseling services.

14.3 **Subd. 10. Capacity-Building Grants** 125,000 125,000

14.4 For nonprofit capacity-building grants  
 14.5 under Minnesota Statutes, section 462A.21,  
 14.6 subdivision 3b.

14.7 **Sec. 5. DEPARTMENT OF LABOR AND**  
 14.8 **INDUSTRY**

14.9 **Subdivision 1. Total Appropriation** **\$ 22,328,000 \$ 22,328,000**

14.10	<u>Appropriations by Fund</u>		
14.11		<u>2012</u>	<u>2013</u>
14.12	<u>General</u>	<u>800,000</u>	<u>800,000</u>
14.13	<u>Workers'</u>		
14.14	<u>Compensation</u>	<u>20,871,000</u>	<u>20,871,000</u>
14.15	<u>Workforce</u>		
14.16	<u>Development</u>	<u>657,000</u>	<u>657,000</u>

14.17 The amounts that may be spent for each  
 14.18 purpose are specified in the following  
 14.19 subdivisions.

14.20 **Subd. 2. Workers' Compensation** 14,832,000 14,832,000

14.21 This appropriation is from the workers'  
 14.22 compensation fund.  
 14.23 \$200,000 each year is for grants to the  
 14.24 Vinland Center for rehabilitation services.  
 14.25 Grants shall be distributed as the department  
 14.26 refers injured workers to the Vinland Center  
 14.27 for rehabilitation services.

14.28 **Subd. 3. Labor Standards and Apprenticeship** 1,457,000 1,457,000

14.29	<u>Appropriations by Fund</u>		
14.30	<u>General</u>	<u>800,000</u>	<u>800,000</u>
14.31	<u>Workforce</u>		
14.32	<u>Development</u>	<u>657,000</u>	<u>657,000</u>

14.33 \$657,000 each year is appropriated from  
 14.34 the workforce development fund for the

15.1	<u>apprenticeship program under Minnesota</u>			
15.2	<u>Statutes, chapter 178.</u>			
15.3	<b><u>Subd. 4. General Support</u></b>		<u>6,039,000</u>	<u>6,039,000</u>
15.4	<u>This appropriation is from the workers'</u>			
15.5	<u>compensation fund.</u>			
15.6	<b><u>Sec. 6. BUREAU OF MEDIATION</u></b>			
15.7	<b><u>SERVICES</u></b>			
15.8	<b><u>Subdivision 1. Total Appropriation</u></b>	<b>\$</b>	<b><u>1,525,000</u></b>	<b>\$ <u>1,525,000</u></b>
15.9	<u>The amounts that may be spent for each</u>			
15.10	<u>purpose are specified in the following</u>			
15.11	<u>subdivisions.</u>			
15.12	<b><u>Subd. 2. Mediation Services</u></b>		<u>1,471,000</u>	<u>1,471,000</u>
15.13	<b><u>Subd. 3. Labor Management Cooperation</u></b>			
15.14	<b><u>Grants</u></b>		<u>54,000</u>	<u>54,000</u>
15.15	<u>\$54,000 each year is for grants to area labor</u>			
15.16	<u>management committees. Grants may be</u>			
15.17	<u>awarded for a 12-month period beginning</u>			
15.18	<u>July 1 each year. Any unencumbered balance</u>			
15.19	<u>remaining at the end of the first year does not</u>			
15.20	<u>cancel but is available for the second year.</u>			
15.21	<b><u>Sec. 7. WORKERS' COMPENSATION</u></b>			
15.22	<b><u>COURT OF APPEALS</u></b>	<b>\$</b>	<b><u>1,703,000</u></b>	<b>\$ <u>1,703,000</u></b>
15.23	<u>This appropriation is from the workers'</u>			
15.24	<u>compensation fund.</u>			
15.25	<b><u>Sec. 8. BOARD OF ACCOUNTANCY</u></b>	<b>\$</b>	<b><u>480,000</u></b>	<b>\$ <u>480,000</u></b>
15.26	<b><u>Sec. 9. BOARD OF ARCHITECTURE,</u></b>			
15.27	<b><u>ENGINEERING, LAND SURVEYING,</u></b>			
15.28	<b><u>LANDSCAPE ARCHITECTURE,</u></b>			
15.29	<b><u>GEOSCIENCE, AND INTERIOR DESIGN</u></b>	<b>\$</b>	<b><u>774,000</u></b>	<b>\$ <u>774,000</u></b>
15.30	<b><u>Sec. 10. BOARD OF COSMETOLOGIST</u></b>			
15.31	<b><u>EXAMINERS</u></b>	<b>\$</b>	<b><u>1,046,000</u></b>	<b>\$ <u>1,046,000</u></b>
15.32	<b><u>Sec. 11. BOARD OF BARBER EXAMINERS</u></b>	<b>\$</b>	<b><u>257,000</u></b>	<b>\$ <u>257,000</u></b>

16.1 Sec. 12. MINNESOTA SCIENCE AND  
 16.2 TECHNOLOGY AUTHORITY \$ 107,000 \$ 0

16.3 This is a onetime appropriation.

16.4 Sec. 13. TRANSFERS

16.5 Prior to June 30, 2012, the commissioner  
 16.6 of iron range resources shall transfer  
 16.7 \$60,000,000 from the Douglas J. Johnson  
 16.8 Economic Protection Trust to the general  
 16.9 fund. This is a onetime transfer.

16.10 The unexpended balance, estimated to  
 16.11 be \$1,575,000, of funds collected for  
 16.12 unemployment insurance state administration  
 16.13 under Minnesota Statutes, section 268.18,  
 16.14 subdivision 2, is transferred to the general  
 16.15 fund.

16.16 **ARTICLE 2**

16.17 **ECONOMIC DEVELOPMENT AND MISCELLANEOUS PROVISIONS**

16.18 Section 1. Minnesota Statutes 2010, section 116J.035, is amended by adding a  
 16.19 subdivision to read:

16.20 Subd. 7. **Monitoring pass-through grant recipients.** The commissioner shall  
 16.21 monitor the activities and outcomes of programs and services funded by legislative  
 16.22 appropriations and administered by the department on a pass-through basis. Unless  
 16.23 amounts are otherwise appropriated for administrative costs, the commissioner may  
 16.24 retain up to five percent of the amount appropriated to the department for grants to  
 16.25 pass-through entities. Amounts retained are deposited to a special revenue account and  
 16.26 are appropriated to the commissioner for costs incurred in administering and monitoring  
 16.27 the pass-through grants.

16.28 Sec. 2. Minnesota Statutes 2010, section 116J.8737, subdivision 1, is amended to read:

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

16.31 (b) "Qualified small business" means a business that has been certified by the  
 16.32 commissioner under subdivision 2.



17.1 (c) "Qualified investor" means an investor who has been certified by the  
17.2 commissioner under subdivision 3.

17.3 (d) "Qualified fund" means a pooled angel investment network fund that has been  
17.4 certified by the commissioner under subdivision 4.

17.5 (e) "Qualified investment" means a cash investment in a qualified small business  
17.6 of a minimum of:

17.7 (1) \$10,000 in a calendar year by a qualified investor; or

17.8 (2) \$30,000 in a calendar year by a qualified fund.

17.9 A qualified investment must be made in exchange for common stock, a partnership  
17.10 or membership interest, preferred stock, debt with mandatory conversion to equity, or an  
17.11 equivalent ownership interest as determined by the commissioner.

17.12 (f) "Family" means a family member within the meaning of the Internal Revenue  
17.13 Code, section 267(c)(4).

17.14 (g) "Pass-through entity" means a corporation that for the applicable taxable year is  
17.15 treated as an S corporation or a general partnership, limited partnership, limited liability  
17.16 partnership, trust, or limited liability company and which for the applicable taxable year is  
17.17 not taxed as a corporation under chapter 290.

17.18 (h) "Intern" means a student of an accredited institution of higher education, or a  
17.19 former student who has graduated in the past six months from an accredited institution  
17.20 of higher education, who is employed by a qualified small business in a nonpermanent  
17.21 position for a duration of nine months or less that provides training and experience in the  
17.22 primary business activity of the business.

17.23 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2011.

17.24 Sec. 3. Minnesota Statutes 2010, section 116J.8737, subdivision 2, is amended to read:

17.25 Subd. 2. **Certification of qualified small businesses.** (a) Businesses may apply  
17.26 to the commissioner for certification as a qualified small business for a calendar year.  
17.27 The application must be in the form and be made under the procedures specified by the  
17.28 commissioner, accompanied by an application fee of \$150. Application fees are deposited  
17.29 in the small business investment tax credit administration account in the special revenue  
17.30 fund. The application for certification for 2010 must be made available on the department's  
17.31 Web site by August 1, 2010. Applications for subsequent years' certification must be made  
17.32 available on the department's Web site by November 1 of the preceding year.

17.33 (b) Within 30 days of receiving an application for certification under this subdivision,  
17.34 the commissioner must either certify the business as satisfying the conditions required of a  
17.35 qualified small business, request additional information from the business, or reject the

18.1 application for certification. If the commissioner requests additional information from the  
18.2 business, the commissioner must either certify the business or reject the application within  
18.3 30 days of receiving the additional information. If the commissioner neither certifies the  
18.4 business nor rejects the application within 30 days of receiving the original application or  
18.5 within 30 days of receiving the additional information requested, whichever is later, then  
18.6 the application is deemed rejected, and the commissioner must refund the \$150 application  
18.7 fee. A business that applies for certification and is rejected may reapply.

18.8 (c) To receive certification, a business must satisfy all of the following conditions:

18.9 (1) the business has its headquarters in Minnesota;

18.10 (2) at least 51 percent of the business's employees are employed in Minnesota, and  
18.11 51 percent of the business's total payroll is paid or incurred in the state;

18.12 (3) the business is engaged in, or is committed to engage in, innovation in Minnesota  
18.13 in one of the following as its primary business activity:

18.14 (i) using proprietary technology to add value to a product, process, or service in a  
18.15 qualified high-technology field;

18.16 (ii) researching or developing a proprietary product, process, or service in a qualified  
18.17 high-technology field; or

18.18 (iii) researching, developing, or producing a new proprietary technology for use in  
18.19 the fields of agriculture, tourism, forestry, mining, manufacturing, or transportation;

18.20 (4) other than the activities specifically listed in clause (3), the business is not  
18.21 engaged in real estate development, insurance, banking, lending, lobbying, political  
18.22 consulting, information technology consulting, wholesale or retail trade, leisure,  
18.23 hospitality, transportation, construction, ethanol production from corn, or professional  
18.24 services provided by attorneys, accountants, business consultants, physicians, or health  
18.25 care consultants;

18.26 (5) the business has fewer than 25 employees;

18.27 (6) the business must pay its employees annual wages of at least 175 percent of the  
18.28 federal poverty guideline for the year for a family of four and must pay its interns annual  
18.29 wages of at least 175 percent of the federal minimum wage used for federally covered  
18.30 employers, except that this requirement must be reduced proportionately for employees  
18.31 and interns who work less than full-time, and does not apply to an executive, officer, or  
18.32 member of the board of the business, or to any employee who owns, controls, or holds  
18.33 power to vote more than 20 percent of the outstanding securities of the business;

18.34 (7) the business has not been in operation for more than ten years;

18.35 (8) the business has not previously received private equity investments of more  
18.36 than ~~\$2,000,000~~ \$4,000,000; and

19.1 (9) the business is not an entity disqualified under section 80A.50, paragraph (b),  
19.2 clause (3).

19.3 (d) In applying the limit under paragraph (c), clause (5), the employees in all  
19.4 members of the unitary business, as defined in section 290.17, subdivision 4, must be  
19.5 included.

19.6 (e) In order for a qualified investment in a business to be eligible for tax credits, the  
19.7 business must have applied for and received certification for the calendar year in which  
19.8 the investment was made prior to the date on which the qualified investment was made.

19.9 (f) The commissioner must maintain a list of businesses certified under this  
19.10 subdivision for the calendar year and make the list accessible to the public on the  
19.11 department's Web site.

19.12 (g) For purposes of this subdivision, the following terms have the meanings given:

19.13 (1) "qualified high-technology field" includes aerospace, agricultural processing,  
19.14 renewable energy, energy efficiency and conservation, environmental engineering, food  
19.15 technology, cellulosic ethanol, information technology, materials science technology,  
19.16 nanotechnology, telecommunications, biotechnology, medical device products,  
19.17 pharmaceuticals, diagnostics, biologicals, chemistry, veterinary science, and similar  
19.18 fields; and

19.19 (2) "proprietary technology" means the technical innovations that are unique and  
19.20 legally owned or licensed by a business and includes, without limitation, those innovations  
19.21 that are patented, patent pending, a subject of trade secrets, or copyrighted.

19.22 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2011.

19.23 Sec. 4. Minnesota Statutes 2010, section 116J.8737, subdivision 4, is amended to read:

19.24 Subd. 4. **Certification of qualified funds.** (a) A pass-through entity may apply to  
19.25 the commissioner for certification as a qualified fund for a calendar year. The application  
19.26 must be in the form and be made under the procedures specified by the commissioner,  
19.27 accompanied by an application fee of \$1,000. Application fees are deposited in the small  
19.28 business investment tax credit administration account in the special revenue fund. The  
19.29 application for certification for 2010 of qualified funds must be made available on the  
19.30 department's Web site by August 1, 2010. Applications for subsequent years' certification  
19.31 must be made available by November 1 of the preceding year.

19.32 (b) Within 30 days of receiving an application for certification under this subdivision,  
19.33 the commissioner must either certify the fund as satisfying the conditions required of a  
19.34 qualified fund, request additional information from the fund, or reject the application  
19.35 for certification. If the commissioner requests additional information from the fund,

20.1 the commissioner must either certify the fund or reject the application within 30 days  
20.2 of receiving the additional information. If the commissioner neither certifies the fund  
20.3 nor rejects the application within 30 days of receiving the original application or within  
20.4 30 days of receiving the additional information requested, whichever is later, then the  
20.5 application is deemed rejected, and the commissioner must refund the \$1,000 application  
20.6 fee. A fund that applies for certification and is rejected may reapply.

20.7 (c) To receive certification, a fund must:

20.8 (1) invest or intend to invest in qualified small businesses;

20.9 (2) be organized as a pass-through entity; and

20.10 (3) have at least three separate investors, ~~all~~ of whom at least three whose investment  
20.11 is made in the certified business and who seek a tax credit allocation satisfy the conditions  
20.12 in subdivision 3, paragraph (c).

20.13 (d) Investments in the fund may consist of equity investments or notes that pay  
20.14 interest or other fixed amounts, or any combination of both.

20.15 (e) In order for a qualified investment in a qualified small business to be eligible for  
20.16 tax credits, a qualified fund that makes the investment must have applied for and received  
20.17 certification for the calendar year prior to making the qualified investment.

20.18 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2011.

20.19 Sec. 5. Minnesota Statutes 2010, section 116L.3625, is amended to read:

20.20 **116L.3625 ADMINISTRATIVE COSTS.**

20.21 The commissioner may use up to five percent of the biennial appropriation for  
20.22 Youthbuild ~~from the general fund~~ to pay costs incurred by the department in administering  
20.23 Youthbuild during the biennium.

20.24 Sec. 6. Minnesota Statutes 2010, section 116L.62, is amended to read:

20.25 **116L.62 DISTRIBUTION AND USE OF STATE MONEY.**

20.26 The commissioner shall distribute the money appropriated for:

20.27 (a) comprehensive job training and related services or job opportunities programs  
20.28 for economically disadvantaged, unemployed, and underemployed individuals, including  
20.29 persons of limited English speaking ability, through opportunities industrialization  
20.30 centers; and

20.31 (b) the establishment and operation in Minnesota of these centers.

21.1 The commissioner may use up to five percent of the appropriation for opportunities  
21.2 industrialization center programs to pay costs incurred by the department in administering  
21.3 the programs.

21.4 Comprehensive job training and related services include: recruitment, counseling,  
21.5 remediation, motivational prejob training, vocational training, job development, job  
21.6 placement, and other appropriate services enabling individuals to secure and retain  
21.7 employment at their maximum capacity.

21.8 Sec. 7. Minnesota Statutes 2010, section 154.06, is amended to read:

21.9 **154.06 WHO MAY RECEIVE CERTIFICATES OF REGISTRATION AS A**  
21.10 **REGISTERED APPRENTICE.**

21.11 Subdivision 1. **Qualifications; duration or registration.** (a) A person is qualified  
21.12 to receive a certificate of registration as a registered apprentice:

21.13 (1) who has completed at least ten grades of an approved school;

21.14 (2) who has graduated from a barber school approved by the board; and

21.15 (3) who has passed an examination conducted by the board to determine fitness to  
21.16 practice as a registered apprentice.

21.17 (b) An applicant for a certificate of registration to practice as an apprentice who fails  
21.18 to pass the examination conducted by the board is required to complete a further course  
21.19 of study of at least 500 hours, of not more than eight hours in any one working day,  
21.20 in a barber school approved by the board.

21.21 (c) A certificate of registration of an apprentice shall be valid for four years from the  
21.22 date the certificate of registration is issued by the board and shall not be renewed. During  
21.23 the four-year period the certificate of registration shall remain in full force and effect only  
21.24 if the apprentice complies with all the provisions of sections 154.001, 154.002, 154.003,  
21.25 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26, including the payment of  
21.26 an annual fee, and the rules of the board.

21.27 Subd. 2. **Limited extension of registration.** (a) If a registered apprentice, during  
21.28 the term in which the certificate of registration is in effect, enters full-time active duty in  
21.29 the armed forces of the United States of America, the expiration date of the certificate  
21.30 of registration shall be extended by a period of time equal to the period or periods of  
21.31 active duty.

21.32 (b) The expiration date of a certificate issued to a person while incarcerated shall be  
21.33 extended once so that it expires four years from the date of first release from a correctional  
21.34 facility after the person becomes a registered apprentice. This paragraph applies when a  
21.35 person graduates from a barber school approved by the board and is issued a certificate of

22.1 registration while incarcerated by the Department of Corrections or the Federal Bureau  
 22.2 of Prisons.

22.3 Sec. 8. Minnesota Statutes 2010, section 154.065, subdivision 2, is amended to read:

22.4 Subd. 2. **Qualifications.** A person is qualified to receive a certificate of registration  
 22.5 as an instructor of barbering who:

22.6 (1) is a graduate from an approved high school, or its equivalent, as determined by  
 22.7 examination by the Department of Education;

22.8 (2) ~~has qualified for a teacher's or instructor's vocational certificate; successfully~~  
 22.9 completed instructor barber training from a board-approved program of not less than  
 22.10 40 clock hours, or completed a college or university program resulting in a technical  
 22.11 or vocational education certificate or its equivalent, issued by an accredited college or  
 22.12 university and approved by the board;

22.13 (3) is currently a registered barber in this state and has at least three years experience  
 22.14 as a registered barber in this state, or its equivalent as determined by the board; and

22.15 (4) has passed an examination conducted by the board to determine fitness to  
 22.16 instruct in barbering.

22.17 ~~A certificate of registration under this section is provisional until a teacher's or~~  
 22.18 ~~instructor's vocational certificate has been issued by the Department of Education. A~~  
 22.19 ~~provisional certificate of registration is valid for 30 days and is not renewable.~~

22.20 Sec. 9. Minnesota Statutes 2010, section 154.08, is amended to read:

22.21 **154.08 APPLICATION; FEE.**

22.22 Each applicant for an examination shall:

22.23 (1) make application to the Board of Barber Examiners on blank forms prepared and  
 22.24 furnished by it, the application to contain proof under the applicant's oath of the particular  
 22.25 qualifications and identity of the applicant;

22.26 (2) ~~furnish to the board two five-inch x three-inch signed photographs of the~~  
 22.27 ~~applicant, one to accompany the application and one to be returned to the applicant,~~  
 22.28 ~~to be presented to the board when the applicant appears for examination; present a~~  
 22.29 government-issued picture identification as proof of identity when the applicant appears  
 22.30 for examination; and

22.31 (3) pay to the board the required fee.

22.32 Sec. 10. Minnesota Statutes 2010, section 154.11, subdivision 1, is amended to read:

23.1           Subdivision 1. **Examination of nonresidents.** A person who meets all of the  
23.2 requirements for barber registration in sections 154.001, 154.002, 154.003, 154.01 to  
23.3 154.161, 154.19 to 154.21, and 154.24 to 154.26 and either has a license, certificate  
23.4 of registration, or an equivalent as a practicing barber or instructor of barbering from  
23.5 another state or country which in the discretion of the board has substantially the same  
23.6 requirements for registering barbers and instructors of barbering as required by sections  
23.7 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26 or  
23.8 can prove by sworn affidavits practice as a barber or instructor of barbering in another  
23.9 state or country for at least five years immediately prior to making application in this state,  
23.10 shall, upon payment of the required fee, be issued a certificate of registration without  
23.11 examination, ~~provided that the other state or country grants the same privileges to holders~~  
23.12 ~~of Minnesota certificates of registration.~~

23.13           Sec. 11. Minnesota Statutes 2010, section 154.12, is amended to read:

23.14           **154.12 EXAMINATION OF NONRESIDENT APPRENTICES.**

23.15           A person who meets all of the requirements for registration as a barber in sections  
23.16 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26 and  
23.17 who has a license, a certificate of registration, or its equivalent as an apprentice in a state  
23.18 or country which in the discretion of the board has substantially the same requirements for  
23.19 registration as an apprentice as is provided by sections 154.001, 154.002, 154.003, 154.01  
23.20 to 154.161, 154.19 to 154.21, and 154.24 to 154.26, shall, upon payment of the required  
23.21 fee, be issued a certificate of registration without examination, ~~provided that the other state~~  
23.22 ~~or country grants the same privileges to holders of Minnesota certificates of registration.~~

23.23           Sec. 12. Minnesota Statutes 2010, section 268.18, subdivision 2, is amended to read:

23.24           Subd. 2. **Overpayment because of fraud.** (a) Any applicant who receives  
23.25 unemployment benefits by knowingly misrepresenting, misstating, or failing to disclose  
23.26 any material fact, or who makes a false statement or representation without a good faith  
23.27 belief as to the correctness of the statement or representation, has committed fraud. After  
23.28 the discovery of facts indicating fraud, the commissioner must make a determination  
23.29 that the applicant obtained unemployment benefits by fraud and that the applicant must  
23.30 promptly repay the unemployment benefits to the trust fund. In addition, the commissioner  
23.31 must assess a penalty equal to 40 percent of the amount fraudulently obtained. This  
23.32 penalty is in addition to penalties under section 268.182.

23.33           (b) Unless the applicant files an appeal within 20 calendar days after the sending  
23.34 of the determination of overpayment by fraud to the applicant by mail or electronic

24.1 transmission, the determination is final. Proceedings on the appeal are conducted in  
24.2 accordance with section 268.105.

24.3 (c) If the applicant fails to repay the unemployment benefits, penalty, and interest  
24.4 assessed, the total due may be collected by the methods allowed under state and federal  
24.5 law. A determination of overpayment by fraud must state the methods of collection the  
24.6 commissioner may use to recover the overpayment. Money received in repayment of  
24.7 fraudulently obtained unemployment benefits, penalties, and interest is first applied to the  
24.8 unemployment benefits overpaid, then to the penalty amount due, then to any interest due.  
24.9 ~~62.5 percent of the~~ Payments made toward the penalty are credited to the contingent  
24.10 ~~account and 37.5 percent credited to the administration account.~~

24.11 (d) If an applicant has been overpaid unemployment benefits under the law of  
24.12 another state because of fraud and that state certifies that the applicant is liable to repay  
24.13 the unemployment benefits and requests the commissioner to recover the overpayment,  
24.14 the commissioner may offset from future unemployment benefits otherwise payable the  
24.15 amount of overpayment.

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

24.19 Sec. 13. Minnesota Statutes 2010, section 268.18, subdivision 2b, is amended to read:

24.20 Subd. 2b. **Interest.** (a) On any unemployment benefits fraudulently obtained, and  
24.21 any penalty amounts assessed under subdivision 2, the commissioner must assess interest  
24.22 at the rate of 1-1/2 percent per month on any amount that remains unpaid beginning  
24.23 30 calendar days after the date of the determination of overpayment by fraud. A  
24.24 determination of overpayment by fraud must state that interest will be assessed.

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

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

24.30 Sec. 14. Minnesota Statutes 2010, section 268.199, is amended to read:

24.31 **268.199 CONTINGENT ACCOUNT.**

24.32 (a) There is created in the state treasury a special account, to be known as the  
24.33 contingent account, ~~that does not lapse nor revert to any other fund or account.~~ This  
24.34 account consists of all money collected under this chapter that is required to be placed



25.1 in this account and any interest earned on the account. ~~All money in this account is~~  
 25.2 ~~appropriated and available for administration of the Minnesota unemployment insurance~~  
 25.3 ~~program unless otherwise appropriated by session law.~~

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

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

25.9 Sec. 15. Minnesota Statutes 2010, section 298.17, is amended to read:

25.10 **298.17 OCCUPATION TAXES TO BE APPORTIONED.**

25.11 All occupation taxes paid by persons, copartnerships, companies, joint stock  
 25.12 companies, corporations, and associations, however or for whatever purpose organized,  
 25.13 engaged in the business of mining or producing iron ore or other ores, when collected  
 25.14 shall be apportioned and distributed in accordance with the Constitution of the state of  
 25.15 Minnesota, article X, section 3, in the manner following: 90 percent shall be deposited  
 25.16 in the state treasury and credited to the general fund of which four-ninths shall be used  
 25.17 for the support of elementary and secondary schools; and ten percent of the proceeds of  
 25.18 the tax imposed by this section shall be deposited in the state treasury and credited to the  
 25.19 general fund for the general support of the university. ~~Of the moneys apportioned to the~~  
 25.20 ~~general fund by this section there is annually appropriated and credited to the Iron Range~~  
 25.21 ~~Resources and Rehabilitation Board account in the special revenue fund an amount equal~~  
 25.22 ~~to that which would have been generated by a 1.5 cent tax imposed by section 298.24 on~~  
 25.23 ~~each taxable ton produced in the preceding calendar year, to be expended for the purposes~~  
 25.24 ~~of section 298.22. The money appropriated pursuant to this section shall be used (1)~~  
 25.25 ~~to provide environmental development grants to local governments located within any~~  
 25.26 ~~county in region 3 as defined in governor's executive order number 60, issued on June~~  
 25.27 ~~12, 1970, which does not contain a municipality qualifying pursuant to section 273.134,~~  
 25.28 ~~paragraph (b), or (2) to provide economic development loans or grants to businesses~~  
 25.29 ~~located within any such county, provided that the county board or an advisory group~~  
 25.30 ~~appointed by the county board to provide recommendations on economic development~~  
 25.31 ~~shall make recommendations to the Iron Range Resources and Rehabilitation Board~~  
 25.32 ~~regarding the loans. Payment to the Iron Range Resources and Rehabilitation Board~~  
 25.33 ~~account shall be made by May 15 annually.~~

25.34 ~~Of the money allocated to Koochiching County, one-third must be paid to the~~  
 25.35 ~~Koochiching County Economic Development Commission.~~

26.1 Sec. 16. Minnesota Statutes 2010, section 341.321, is amended to read:

26.2 **341.321 FEE SCHEDULE.**

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

- 26.4 (1) referees, ~~\$25~~ \$45 for each initial license and each renewal;
- 26.5 (2) promoters, \$400 for each initial license and each renewal;
- 26.6 (3) judges and knockdown judges, ~~\$25~~ \$45 for each initial license and each renewal;
- 26.7 (4) trainers, ~~\$25~~ \$45 for each initial license and each renewal;
- 26.8 (5) ring announcers, ~~\$25~~ \$45 for each initial license and each renewal;
- 26.9 (6) seconds, ~~\$25~~ \$45 for each initial license and each renewal;
- 26.10 (7) timekeepers, ~~\$25~~ \$45 for each initial license and each renewal;
- 26.11 (8) combatants, ~~\$25~~ \$45 for each initial license and each renewal;
- 26.12 (9) managers, ~~\$25~~ \$45 for each initial license and each renewal; and
- 26.13 (10) ringside physicians, ~~\$25~~ \$45 for each initial license and each renewal.

26.14 In addition to the license fee and the late filing penalty fee in section 341.32, subdivision  
 26.15 2, if applicable, an individual who applies for a ~~combatant~~ professional license on the  
 26.16 same day the combative sporting event is held shall pay a late fee of \$100 plus the original  
 26.17 license fee of \$45 at the time the application is submitted.

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

- 26.19 (1) referees, ~~\$10~~ \$45 for each initial license and each renewal;
- 26.20 (2) promoters, ~~\$100~~ \$400 for each initial license and each renewal;
- 26.21 (3) judges and knockdown judges, ~~\$10~~ \$45 for each initial license and each renewal;
- 26.22 (4) trainers, ~~\$10~~ \$45 for each initial license and each renewal;
- 26.23 (5) ring announcers, ~~\$10~~ \$45 for each initial license and each renewal;
- 26.24 (6) seconds, ~~\$10~~ \$45 for each initial license and each renewal;
- 26.25 (7) timekeepers, ~~\$10~~ \$45 for each initial license and each renewal;
- 26.26 (8) combatant, ~~\$10~~ \$25 for each initial license and each renewal;
- 26.27 (9) managers, ~~\$10~~ \$45 for each initial license and each renewal; and
- 26.28 (10) ringside physicians, ~~\$10~~ \$45 for each initial license and each renewal.

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

26.30 The professional combative sport contest fee is \$1,500 per event or not more than four  
 26.31 percent of the gross ticket sales, whichever is greater, as determined by the commission  
 26.32 when the combative sport contest is scheduled, except that the amateur combative sport  
 26.33 contest fee shall be ~~\$150~~ \$500 or not more than four percent of the gross ticket sales,  
 26.34 whichever is greater. The commission shall consider the size and type of venue when  
 26.35 establishing a contest fee. The commission may establish the maximum number of

27.1 complimentary tickets allowed for each event by rule. ~~At~~ A professional or amateur  
 27.2 combative sport contest fee is nonrefundable.

27.3 (d) All fees and penalties collected by the commission must be deposited in the  
 27.4 commission account in the special revenue fund.

27.5 Sec. 17. Laws 2009, chapter 78, article 1, section 18, is amended to read:

27.6 Sec. 18. **COMBATIVE SPORTS**  
 27.7 **COMMISSION** \$ **80,000** \$ **80,000**

27.8 This is a onetime appropriation. ~~The~~  
 27.9 ~~Combative Sports Commission expires on~~  
 27.10 ~~July 1, 2011, unless the commissioner of~~  
 27.11 ~~finance determines that the commission's~~  
 27.12 ~~projected expenditures for the fiscal biennium~~  
 27.13 ~~ending June 30, 2013, will not exceed the~~  
 27.14 ~~commission's projected revenues for the~~  
 27.15 ~~fiscal biennium ending June 30, 2013, from~~  
 27.16 ~~fees and penalties authorized in Minnesota~~  
 27.17 ~~Statutes 2008, chapter 341.~~

27.18 **ARTICLE 3**

27.19 **LABOR AND INDUSTRY**

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

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

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

- 27.25 (1) the individual's full name;
- 27.26 (2) the individual's residence address and telephone number;
- 27.27 (3) the individual's business name, address, and telephone number;
- 27.28 (4) the services for which the individual is seeking an independent contractor  
 27.29 exemption certificate;
- 27.30 (5) the individual's Social Security number;
- 27.31 (6) the individual's or the individual's business federal employer identification  
 27.32 number, if a number has been issued to the individual or the individual's business;

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

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

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

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

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

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

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

28.18 (vi) receives compensation for service performed under a contract on a commission  
28.19 or per-job or competitive bid basis and not on any other basis;

28.20 (vii) may realize a profit or suffer a loss under contracts to perform service;

28.21 (viii) has continuing or recurring business liabilities or obligations; and

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

28.24 (b) Individuals who are applying for or renewing a residential building contractor or  
28.25 residential remodeler license under sections 326B.197, 326B.802, 326B.805, 326B.81,  
28.26 326B.815, 326B.821 to 326B.86, 326B.87 to 326B.885, and 327B.041, and any rules  
28.27 promulgated pursuant thereto, may simultaneously apply for or renew an independent  
28.28 contractor exemption certificate. The commissioner shall create an application form  
28.29 that allows for the simultaneous application for both a residential building contractor  
28.30 or residential remodeler license and an independent contractor exemption certificate.  
28.31 If individuals simultaneously apply for or renew a residential building contractor or  
28.32 residential remodeler license and an independent contractor exemption certificate using  
28.33 the form created by the commissioner, individuals shall only be required to provide, in  
28.34 addition to the information required by section 326B.83 and rules promulgated pursuant  
28.35 thereto, the sworn statement required by paragraph (a), clause (8), and any additional  
28.36 information required by this subdivision that is not also required by section 326B.83

29.1 and any rules promulgated thereto. ~~When individuals submit a simultaneous application~~  
29.2 ~~on the form created by the commissioner for both a residential building contractor or~~  
29.3 ~~residential remodeler license and an independent contractor exemption certificate, the~~  
29.4 ~~application fee shall be \$150.~~ An independent contractor exemption certificate that is in  
29.5 effect before March 1, 2009, shall remain in effect until March 1, 2013, unless revoked by  
29.6 the commissioner or canceled by the individual.

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

- 29.18 (1) revoked by the commissioner; or  
29.19 (2) canceled by the individual.

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

29.27 (e) An individual or person to whom the commissioner issues an order under  
29.28 paragraph (d) shall have 30 days after service of the order to request a hearing. The  
29.29 request for hearing must be in writing and must be served on or faxed to the commissioner  
29.30 at the address or facsimile number specified in the order by the 30th day after service of  
29.31 the order. If the individual does not request a hearing or if the individual's request for a  
29.32 hearing is not served on or faxed to the commissioner by the 30th day after service of the  
29.33 order, the order shall become a final order of the commissioner and will not be subject to  
29.34 review by any court or agency. The date on which a request for hearing is served by mail  
29.35 shall be the postmark date on the envelope in which the request for hearing is mailed. If

30.1 the individual serves or faxes a timely request for hearing, the hearing shall be a contested  
30.2 case hearing and shall be held in accordance with chapter 14.

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

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

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

30.8 Subd. 2. **Deposits.** Unless otherwise specifically designated by law: (1) all money  
30.9 collected under sections 144.122, paragraph (f); 181.723; 326B.092 to 326B.096;  
30.10 326B.101 to 326B.194; 326B.197; 326B.32 to 326B.399; 326B.43 to 326B.49; 326B.52  
30.11 to 326B.59; 326B.802 to 326B.885; 326B.90 to 326B.998; 327.31 to 327.36; and  
30.12 327B.01 to 327B.12, except penalties, is credited to the construction code fund; (2) all  
30.13 fees collected under ~~section 45.23~~ sections 326B.098 to 326B.099 in connection with  
30.14 continuing education for ~~residential contractors, residential remodelers, and residential~~  
30.15 ~~roofers~~ any license, registration, or certificate issued pursuant to this chapter are credited  
30.16 to the construction code fund; and (3) all penalties assessed under the sections set forth  
30.17 in clauses (1) and (2) and all penalties assessed under sections 144.99 to 144.993 in  
30.18 connection with any violation of sections 326B.43 to 326B.49 or 326B.52 to 326B.59 or  
30.19 the rules adopted under those sections are credited to the assigned risk safety account  
30.20 established by section 79.253.

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

30.22 **326B.091 DEFINITIONS.**

30.23 Subdivision 1. **Applicability.** For purposes of sections 326B.091 to ~~326B.098~~  
30.24 326B.099, the terms defined in this section have the meanings given them.

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

30.27 Subd. 3. **License.** "License" means any registration, certification, or other form  
30.28 of approval authorized by this chapter 326B and chapter 327B to be issued by the  
30.29 commissioner or department as a condition of doing business or conducting a trade,  
30.30 profession, or occupation in Minnesota. License includes specifically but not exclusively  
30.31 an authorization issued by the commissioner or department: to perform electrical work,  
30.32 plumbing or water conditioning work, high pressure piping work, or residential building

31.1 work of a residential contractor, residential remodeler, or residential roofer; to install  
31.2 manufactured housing; to serve as a building official; or to operate a boiler or boat.

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

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

31.8 Subd. 5b. **Qualifying individual.** "Qualifying individual" means the individual  
31.9 responsible for obtaining continuing education on behalf of a residential building  
31.10 contractor, residential remodeler, or residential roofer licensed pursuant to sections  
31.11 326B.801 to 326B.885.

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

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

31.15 **326B.098 CONTINUING EDUCATION.**

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

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

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

31.24 Sec. 6. **[326B.0981] CONTINUING EDUCATION; NONDEPARTMENT**  
31.25 **SEMINARS.**

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

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

31.30 Subd. 8. **Effective date of rules.** A rule to adopt or amend the State Building Code  
31.31 is effective 180 days after ~~the filing of the rule with the secretary of state under section~~  
31.32 ~~14.16 or 14.26~~ publication of the rule's notice of adoption in the State Register. The rule  
31.33 may provide for a later effective date. The rule may provide for an earlier effective date

32.1 if the commissioner or board proposing the rule finds that an earlier effective date is  
32.2 necessary to protect public health and safety after considering, among other things, the  
32.3 need for time for training of individuals to comply with and enforce the rule.

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

32.5 Subdivision 1. **Computation.** To defray the costs of administering sections  
32.6 326B.101 to 326B.194, a surcharge is imposed on all permits issued by municipalities in  
32.7 connection with the construction of or addition or alteration to buildings and equipment or  
32.8 appurtenances after June 30, 1971. The commissioner may use any surplus in surcharge  
32.9 receipts to award grants for code research and development and education.

32.10 If the fee for the permit issued is fixed in amount the surcharge is equivalent to  
32.11 one-half mill (.0005) of the fee or 50 cents, except that effective July 1, 2010, until June  
32.12 30, ~~2011~~ 2013, the permit surcharge is equivalent to one-half mill (.0005) of the fee or \$5,  
32.13 whichever amount is greater. For all other permits, the surcharge is as follows:

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

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

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

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

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

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

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

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



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

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

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

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

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

33.11 Subd. 9. **Responsible ~~licensed plumber~~ individual.** A contractor's "responsible  
33.12 ~~licensed plumber~~ individual" means the licensed master plumber or licensed restricted  
33.13 master plumber designated in writing by the contractor in the contractor's license  
33.14 application, or in another manner acceptable to the commissioner, as the individual  
33.15 responsible for the contractor's compliance with sections 326B.41 to 326B.49, all rules  
33.16 adopted under these sections and sections 326B.50 to 326B.59, and all orders issued  
33.17 under section 326B.082.

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

33.19 Subd. 10. **Restricted plumbing contractor.** "Restricted plumbing contractor"  
33.20 means a licensed contractor whose responsible ~~licensed plumber~~ individual is a licensed  
33.21 restricted master plumber.

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

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

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

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

33.29 (3) adopt the plumbing code that must be followed in this state and any plumbing  
33.30 code amendments thereto. The plumbing code shall include the minimum standards  
33.31 described in sections 326B.43, subdivision 1, and 326B.52, subdivision 1. The board

34.1 shall adopt the plumbing code and any amendments thereto pursuant to chapter 14 and  
34.2 as provided in subdivision 6, paragraphs (b), (c), and (d);

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

34.5 (5) adopt rules that regulate the licensure, certification, or registration of plumbing  
34.6 contractors, journeymen, unlicensed individuals, master plumbers, restricted master  
34.7 plumbers, restricted journeymen, restricted plumbing contractors, backflow prevention  
34.8 rebuilders and testers, water conditioning contractors, and water conditioning installers,  
34.9 and other persons engaged in the design, installation, and alteration of plumbing systems  
34.10 or engaged in or working at the business of water conditioning installation or service, or  
34.11 engaged in or working at the business of medical gas system installation, maintenance, or  
34.12 repair, except for those individuals licensed under section 326.02, subdivisions 2 and 3.

34.13 The board shall adopt these rules pursuant to chapter 14 and as provided in subdivision  
34.14 6, paragraphs (e) and (f);

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

34.20 (7) refer complaints or other communications to the commissioner, whether oral or  
34.21 written, as provided in subdivision 8, that allege or imply a violation of a statute, rule, or  
34.22 order that the commissioner has the authority to enforce pertaining to code compliance,  
34.23 licensure, or an offering to perform or performance of unlicensed plumbing services;

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

34.26 (9) approve license reciprocity agreements;

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

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

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

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

34.35 (c) The commissioner shall coordinate the board's rulemaking and recommendations  
34.36 with the recommendations and rulemaking conducted by the other boards created pursuant

35.1 to this chapter. The commissioner shall provide staff support to the board. The support  
35.2 includes professional, legal, technical, and clerical staff necessary to perform rulemaking  
35.3 and other duties assigned to the board. The commissioner of labor and industry shall  
35.4 supply necessary office space and supplies to assist the board in its duties.

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

35.7 (a) No person shall perform or offer to perform the installation, maintenance, repair,  
35.8 replacement, or rebuilding of reduced pressure zone backflow prevention assemblies  
35.9 unless the person obtains a plumbing contractor's license. An individual shall not engage  
35.10 in the testing, maintenance, repair, or rebuilding of reduced pressure zone backflow  
35.11 prevention assemblies, as regulated by the Plumbing Code, unless the individual is  
35.12 certified by the commissioner as a backflow prevention rebuilder.

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

35.17 (c) Certificates are issued for an initial period of two years and must be renewed  
35.18 every two years thereafter for as long as the certificate holder installs, maintains, repairs,  
35.19 rebuilds, or tests reduced pressure zone backflow prevention assemblies. For purposes  
35.20 of calculating fees under section 326B.092, an initial or renewed backflow prevention  
35.21 rebuilder or tester certificate shall be considered an entry level license.

35.22 (d) The Plumbing Board shall adopt expedited rules under section 14.389 that are  
35.23 related to the certification of backflow prevention rebuilders and backflow prevention  
35.24 testers. Section 326B.13, subdivision 8, does not apply to these rules. Notwithstanding the  
35.25 18-month limitation under section 14.125, this authority expires on December 31, 2014.

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

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

35.31 **326B.438 MEDICAL GAS SYSTEMS.**

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

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

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

36.6 Subd. 2. **License and certification required.** ~~A No person shall perform or offer~~  
36.7 ~~to perform the installation, maintenance, or repair of medical gas systems unless the~~  
36.8 ~~person obtains a contractor's license. An individual shall not engage in the installation,~~  
36.9 ~~maintenance, or repair of a medical gas system unless the person individual possesses~~  
36.10 ~~a current Minnesota master or journeyman plumber's license and is certified by the~~  
36.11 ~~commissioner under rules adopted by the Minnesota Plumbing Board. The certification~~  
36.12 ~~must be renewed annually biennially for as long as the certificate holder engages in the~~  
36.13 ~~installation, maintenance, or repair of medical gas and vacuum systems. If a medical gas~~  
36.14 ~~and vacuum system certificate is not renewed within 12 months after its expiration the~~  
36.15 ~~medical gas and vacuum certificate is permanently forfeited.~~

36.16 Subd. 3. **Exemptions.** (a) ~~A person~~ An individual who on August 1, 2010, holds  
36.17 a valid certificate authorized by the American Society of Sanitary Engineering (ASSE)  
36.18 in accordance with standards recommended by the National Fire Protection Association  
36.19 under NFPA 99C is exempt from the requirements of subdivision 2. This exemption  
36.20 applies only if the ~~person~~ individual maintains a valid certification authorized by the ASSE.

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

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

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

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

37.1 (b) An individual who is an employee working on the maintenance and repair of  
 37.2 plumbing equipment, apparatus, or facilities owned or leased by the individual's employer  
 37.3 and which is within the limits of property owned or leased, and operated or maintained by  
 37.4 the individual's employer, shall not be required to maintain a contractor license as long  
 37.5 as the employer has on file with the commissioner a current certificate of responsible  
 37.6 ~~person. The certificate must be signed by the responsible~~ individual. The responsible  
 37.7 individual must be a master plumber or, in an area of the state that is not a city or town  
 37.8 with a population of more than 5,000 according to the last federal census, a restricted  
 37.9 master plumber. ~~The certificate must be signed by the responsible individual and must~~  
 37.10 ~~state that the person signing the certificate is responsible for ensuring that the maintenance~~  
 37.11 ~~and repair work performed by the employer's employees~~ comply ~~complies~~ with sections  
 37.12 326B.41 to 326B.49, all rules adopted under those sections and sections 326B.50 to  
 37.13 326B.59, and all orders issued under section 326B.082. The employer must pay a filing  
 37.14 fee to file a certificate of responsible ~~person~~ individual with the commissioner. The  
 37.15 certificate shall expire two years from the date of filing. In order to maintain a current  
 37.16 certificate of responsible ~~person~~ individual, the employer must resubmit a certificate of  
 37.17 responsible ~~person~~ individual, with a filing fee, no later than two years from the date of the  
 37.18 previous submittal. The filing of the certificate of responsible ~~person~~ individual does not  
 37.19 exempt any employee of the employer from the requirements of this chapter regarding  
 37.20 individual licensing as a plumber or registration as a plumber's apprentice.

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

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

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

37.28 Subd. 1b. **Employment of master plumber or restricted master plumber.** (a)  
 37.29 Each contractor must designate a responsible licensed plumber, who shall be responsible  
 37.30 for the performance of all plumbing work in accordance with sections 326B.41 to  
 37.31 326B.49, all rules adopted under these sections and sections 326B.50 to 326B.59, and all  
 37.32 orders issued under section 326B.082. A plumbing contractor's responsible ~~licensed~~  
 37.33 ~~plumber~~ individual must be a master plumber. A restricted plumbing contractor's  
 37.34 responsible ~~licensed plumber~~ individual must be a master plumber or a restricted master  
 37.35 plumber. A plumbing contractor license authorizes the contractor to offer to perform

38.1 and, through licensed and registered individuals, to perform plumbing work in all areas  
38.2 of the state. A restricted plumbing contractor license authorizes the contractor to offer  
38.3 to perform and, through licensed and registered individuals, to perform plumbing work  
38.4 in all areas of the state except in cities and towns with a population of more than 5,000  
38.5 according to the last federal census.

38.6 (b) If the contractor is an individual or sole proprietorship, the responsible licensed  
38.7 ~~plumber individual~~ must be the individual, proprietor, or managing employee. If the  
38.8 contractor is a partnership, the responsible licensed ~~plumber individual~~ must be a general  
38.9 partner or managing employee. If the contractor is a limited liability company, the  
38.10 responsible licensed ~~plumber individual~~ must be a chief manager or managing employee.  
38.11 If the contractor is a corporation, the responsible licensed ~~plumber individual~~ must be  
38.12 an officer or managing employee. If the responsible licensed ~~plumber individual~~ is a  
38.13 managing employee, the responsible licensed ~~plumber individual~~ must be actively engaged  
38.14 in performing plumbing work on behalf of the contractor, and cannot be employed in any  
38.15 capacity as a plumber for any other contractor. An individual may be the responsible  
38.16 licensed ~~plumber individual~~ for only one contractor.

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

38.19 Sec. 19. Minnesota Statutes 2010, section 326B.46, subdivision 2, is amended to read:

38.20 Subd. 2. **Bond; insurance.** ~~As a condition of licensing, each contractor~~ (a) The  
38.21 bond and insurance requirements of paragraphs (b) and (c) apply to each person who  
38.22 performs or offers to perform plumbing work within the state, including any person who  
38.23 offers to perform or performs sewer or water service installation without a contractor's  
38.24 license. If the person performs or offers to perform any plumbing work other than sewer  
38.25 or water service installation, then the person must meet the requirements of paragraphs  
38.26 (b) and (c) as a condition of holding a contractor's license.

38.27 (b) Each person who performs or offers to perform plumbing work within the state  
38.28 shall give and maintain bond to the state in the amount of at least \$25,000 for (1) all  
38.29 plumbing work entered into within the state or (2) all plumbing work and subsurface  
38.30 sewage treatment work entered into within the state. If the bond is for both plumbing work  
38.31 and subsurface sewage treatment work, the bond must comply with the requirements of  
38.32 this section and section 115.56, subdivision 2, paragraph (e). The bond shall be for the  
38.33 benefit of persons injured or suffering financial loss by reason of failure to comply with the  
38.34 requirements of the State Plumbing Code and, if the bond is for both plumbing work and  
38.35 subsurface sewage treatment work, financial loss by reason of failure to comply with the

39.1 requirements of sections 115.55 and 115.56. The bond shall be filed with the commissioner  
39.2 and shall be written by a corporate surety licensed to do business in the state.

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

39.13 Sec. 20. Minnesota Statutes 2010, section 326B.46, subdivision 3, is amended to read:

39.14 Subd. 3. **Bond and insurance exemption.** If a ~~master plumber or restricted~~  
39.15 ~~master plumber~~ person who is in compliance with the bond and insurance requirements  
39.16 of subdivision 2, employs a licensed plumber, ~~the~~ or an individual who has completed  
39.17 pipe-laying training as prescribed by the commissioner, that employee plumber shall not be  
39.18 required to meet the bond and insurance requirements of subdivision 2. An individual who  
39.19 is an employee working on the maintenance and repair of plumbing equipment, apparatus,  
39.20 or facilities owned or leased by the individual's employer and which is within the limits of  
39.21 property owned or leased, and operated or maintained by the individual's employer, shall  
39.22 not be required to meet the bond and insurance requirements of subdivision 2.

39.23 Sec. 21. Minnesota Statutes 2010, section 326B.47, subdivision 1, is amended to read:

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

39.27 (b) A plumber's apprentice or registered unlicensed individual is authorized to  
39.28 assist in the installation of plumbing only while under the direct supervision of a master,  
39.29 restricted master, journeyman, or restricted journeyman plumber. The master, restricted  
39.30 master, journeyman, or restricted journeyman plumber is responsible for ensuring that all  
39.31 plumbing work performed by the plumber's apprentice or registered unlicensed individual  
39.32 complies with the plumbing code. The supervising master, restricted master, journeyman,  
39.33 or restricted journeyman must be licensed and must be employed by the same employer  
39.34 as the plumber's apprentice or registered unlicensed individual. Licensed individuals

40.1 shall not permit plumber's apprentices or registered unlicensed individuals to perform  
40.2 plumbing work except under the direct supervision of an individual actually licensed to  
40.3 perform such work. Plumber's apprentices and registered unlicensed individuals shall not  
40.4 supervise the performance of plumbing work or make assignments of plumbing work  
40.5 to unlicensed individuals.

40.6 (c) Contractors employing plumber's apprentices or registered unlicensed individuals  
40.7 to perform plumbing work shall maintain records establishing compliance with this  
40.8 subdivision that shall identify all plumber's apprentices and registered unlicensed  
40.9 individuals performing plumbing work, and shall permit the department to examine and  
40.10 copy all such records.

40.11 Sec. 22. Minnesota Statutes 2010, section 326B.47, subdivision 3, is amended to read:

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

40.21 Sec. 23. Minnesota Statutes 2010, section 326B.49, subdivision 1, is amended to read:

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

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



41.1 years. By June 30, 2011, all renewed master and journeyman plumber's licenses shall be  
41.2 two-year licenses.

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

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

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

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

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

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

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

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

41.21 Sec. 24. Minnesota Statutes 2010, section 326B.56, subdivision 1, is amended to read:

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

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

41.27 (b) Each bond given to the state under this subdivision shall be in the total sum of  
41.28 \$3,000 conditioned upon the faithful and lawful performance of all water conditioning  
41.29 installation or servicing done within the state. The bond shall be for the benefit of  
41.30 persons suffering injuries or damages due to the work. The bond shall be filed with the  
41.31 commissioner and shall be written by a corporate surety licensed to do business in this  
41.32 state. The bond must remain in effect at all times while the application is pending and  
41.33 while the license is in effect.

42.1 Sec. 25. Minnesota Statutes 2010, section 326B.58, is amended to read:

42.2 **326B.58 FEES; RENEWAL.**

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

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

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

42.13 (d) For purposes of calculating license fees and renewal fees required under section  
42.14 326B.092:

42.15 (1) a water conditioning journeyman license shall be considered a journeyman  
42.16 license;

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

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

42.19 Sec. 26. Minnesota Statutes 2010, section 326B.82, subdivision 2, is amended to read:

42.20 Subd. 2. **Appropriate and related knowledge.** "Appropriate and related  
42.21 knowledge" means facts, information, or principles that are clearly relevant to the licensee  
42.22 ~~in performing~~ licensee's responsibilities under a license issued by the commissioner.  
42.23 These facts, information, or principles must convey substantive and procedural knowledge  
42.24 as it relates to postlicensing issues and must be relevant to the technical aspects of a  
42.25 ~~particular area of continuing education~~ regulated industry.

42.26 Sec. 27. Minnesota Statutes 2010, section 326B.82, subdivision 3, is amended to read:

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

42.29 Sec. 28. Minnesota Statutes 2010, section 326B.82, subdivision 7, is amended to read:

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

42.32 Sec. 29. Minnesota Statutes 2010, section 326B.82, subdivision 9, is amended to read:

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

43.5 Sec. 30. Minnesota Statutes 2010, section 326B.821, subdivision 1, is amended to read:

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

43.10 Sec. 31. Minnesota Statutes 2010, section 326B.821, subdivision 5, is amended to read:

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

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

43.20 (c) ~~Textbooks are not required to be used for continuing education courses.~~ If  
43.21 textbooks are not used as part of the course, the sponsor must provide students with a  
43.22 syllabus containing, ~~at a minimum~~, the course title, the times and dates of the course  
43.23 offering, the name, address, ~~and~~ telephone number of the course sponsor ~~and~~ the name  
43.24 and affiliation of the instructor, and a detailed outline of the subject materials to be  
43.25 covered. Any written or printed material given to students must be of readable quality and  
43.26 contain accurate and current information.

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

43.33 (e) Continuing education credit in an approved course shall be awarded to presenting  
43.34 instructors on the basis of one credit for each hour of ~~preparation for the duration~~ of the

44.1 initial presentation. Continuing education ~~credit may not be earned if the licensee has~~  
44.2 ~~previously obtained credit for the same course as a licensee or as an instructor within the~~  
44.3 ~~three years immediately prior~~ credits for completion of an approved course may only be  
44.4 used once for renewal of a specific license.

44.5 ~~(e)~~ (f) Courses will be approved using the following guidelines:

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

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

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

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

44.19 (3) courses must be presented and attended in a suitable classroom or construction  
44.20 setting, except for Internet education courses which must meet the requirements of  
44.21 subdivision 5a. Courses presented via video recording, simultaneous broadcast, or  
44.22 teleconference may be approved provided the sponsor is available at all times during the  
44.23 presentation, except for Internet education courses which must meet the requirements  
44.24 of subdivision 5a.

44.25 ~~(f)~~ (g) The following courses will not be approved for credit:

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

44.27 (2) courses in mechanical office skills, including typing, speed reading, or other  
44.28 machines or equipment. Computer courses are allowed, if appropriate and related to the  
44.29 ~~residential construction~~ regulated industry;

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

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

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

45.1 (6) courses where any of the educational content of the course is the State Building  
45.2 Code that include code provisions that have not been adopted into the State Building  
45.3 Code unless the course materials clarify ~~whether or not~~ that the code provisions have  
45.4 been officially adopted into a future version of the State Building Code and the effective  
45.5 date of enforcement, ~~if applicable~~.

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

45.8 Subd. 5a. **Internet continuing education.** (a) Minnesota state colleges and  
45.9 universities that are accredited to provide Internet education by the Higher Learning  
45.10 Commission are exempt from the requirements of this subdivision.

45.11 (b) The design and delivery of an Internet continuing education course must be  
45.12 approved by the International Distance Education Certification Center (IDECC) before  
45.13 the course is submitted for the commissioner's approval. The IDECC approval must  
45.14 accompany the course submitted.

45.15 ~~(b)~~ (c) An Internet continuing education course must:

45.16 (1) specify the minimum computer system requirements;

45.17 (2) provide encryption that ensures that all personal information, including the  
45.18 student's name, address, and credit card number, cannot be read as it passes across the  
45.19 Internet;

45.20 (3) include technology to guarantee seat time;

45.21 (4) include a high level of interactivity;

45.22 (5) include graphics that reinforce the content;

45.23 (6) include the ability for the student to contact an instructor or course sponsor  
45.24 within a reasonable amount of time;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

46.26 ~~(e)~~ (d) The final examination must be either an encrypted online examination or a  
46.27 paper examination that is monitored by a proctor who certifies that the student took the  
46.28 examination.

46.29 Sec. 33. Minnesota Statutes 2010, section 326B.821, subdivision 6, is amended to read:

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

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

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

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

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

47.18 Sec. 34. Minnesota Statutes 2010, section 326B.821, subdivision 7, is amended to read:

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

47.23 Sec. 35. Minnesota Statutes 2010, section 326B.821, subdivision 8, is amended to read:

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

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

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

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

- 48.1 Sec. 36. Minnesota Statutes 2010, section 326B.821, subdivision 9, is amended to read:
- 48.2 Subd. 9. **Responsibilities.** A sponsor is responsible for:
- 48.3 (1) ensuring compliance with all laws and rules relating to continuing educational
- 48.4 offerings governed by the commissioner;
- 48.5 (2) ensuring that students are provided with current and accurate information relating
- 48.6 to the laws and rules governing ~~their licensed activity~~ the regulated industry;
- 48.7 (3) supervising and evaluating courses and instructors. Supervision includes
- 48.8 ensuring that all areas of the curriculum are addressed without redundancy and that
- 48.9 continuity is present throughout the entire course;
- 48.10 (4) ensuring that instructors are qualified to teach the course offering;
- 48.11 (5) furnishing the commissioner, upon request, with copies of course ~~and instructor~~
- 48.12 ~~evaluations and~~ Evaluations must be completed by students at the time the course is
- 48.13 offered;
- 48.14 ~~(6) furnishing the commissioner, upon request, with copies of the qualifications of~~
- 48.15 ~~instructors. Evaluations must be completed by students at the time the course is offered~~
- 48.16 ~~and by sponsors within five days after the course offering~~;
- 48.17 ~~(6)~~ (7) investigating complaints related to course offerings or instructors. A copy
- 48.18 of the written complaint must be sent to the commissioner within ten days of receipt of
- 48.19 the complaint and a copy of the complaint resolution must be sent not more than ten
- 48.20 days after resolution is reached;
- 48.21 ~~(7)~~ (8) maintaining accurate records relating to course offerings, instructors, tests
- 48.22 taken by students if required, and student attendance for a period of three years from the
- 48.23 date on which the course was completed. These records must be made available to the
- 48.24 commissioner upon request. In the event the sponsor ceases operations before termination
- 48.25 of the sponsor application, the sponsor must provide to the commissioner digital copies of
- 48.26 all course and attendance records of courses held for the previous three years;
- 48.27 ~~(8)~~ (9) attending workshops or instructional programs as reasonably required by
- 48.28 the commissioner;
- 48.29 ~~(9)~~ (10) providing course completion certificates within ten days of, but not before,
- 48.30 completion of the entire course. A sponsor may require payment of the course tuition as a
- 48.31 condition of receiving the course completion certificate. Course completion certificates
- 48.32 must be completed in their entirety. ~~Course completion certificates must and shall~~ contain
- 48.33 the following:
- 48.34 (i) the statement: "If you have any comments about this course offering, please mail
- 48.35 them to the Minnesota Department of Labor and Industry."



- 49.1 (ii) the current address of the department must be included. A sponsor may require  
 49.2 payment of the course tuition as a condition for receiving the course completion certificate,  
 49.3 name of the provider, date and location of the course, educational program identification  
 49.4 provided by the department, and hours of instruction or continuing education hours; and  
 49.5 (iii) the licensee's or attendee's name and license, certificate, or registration number  
 49.6 or the last four digits of the licensee's or attendee's Social Security number; and  
 49.7 ~~(10)~~ (11) notifying the commissioner in writing within ten days of any change in the  
 49.8 information in an application for approval on file with the commissioner.

49.9 Sec. 37. Minnesota Statutes 2010, section 326B.821, subdivision 10, is amended to  
 49.10 read:

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

49.16 (b) Qualified continuing education instructors must have one of the following  
 49.17 qualifications:

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

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

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

49.22 (4) demonstrated expertise in the subject area being taught. Instructors providing  
 49.23 instruction related to electricity, plumbing, or high pressure piping systems must comply  
 49.24 with all applicable continuing education rules adopted by the Board of Electricity, the  
 49.25 Plumbing Board, or the Board of High Pressure Piping Systems.

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

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

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

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

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

49.31 (5) providing assistance to students and responding to questions relating to course  
 49.32 materials; and

49.33 (6) attending the workshops or instructional programs that are required by the  
 49.34 commissioner.

50.1 Sec. 38. Minnesota Statutes 2010, section 326B.821, subdivision 11, is amended to  
50.2 read:

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

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

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

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

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

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

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

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

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

50.20 (9) issue inaccurate course completion certificates.

50.21 (b) Sponsors shall notify the commissioner within ten days of a felony or gross  
50.22 misdemeanor conviction or of disciplinary action taken against an occupational or  
50.23 professional license held by the sponsor or an instructor teaching an approved course. The  
50.24 ~~notification~~ conviction or disciplinary action shall be grounds for the commissioner to  
50.25 withdraw the approval of the sponsor and to disallow the use of the sponsor or instructor.

50.26 Sec. 39. Minnesota Statutes 2010, section 326B.821, subdivision 12, is amended to  
50.27 read:

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

51.1 Sec. 40. Minnesota Statutes 2010, section 326B.821, subdivision 15, is amended to  
51.2 read:

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

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

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

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

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

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

51.21 (f) The number of hours for which a course has been approved must be prominently  
51.22 displayed on an advertisement for the course. If the course offering is longer than the  
51.23 number of hours of credit to be given, it must be clear that credit is not earned for the  
51.24 entire course.

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

51.26 Sec. 41. Minnesota Statutes 2010, section 326B.821, subdivision 16, is amended to  
51.27 read:

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

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

51.33 Sec. 42. Minnesota Statutes 2010, section 326B.821, subdivision 18, is amended to  
51.34 read:

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

52.7 The commissioner reserves the right to audit a licensee's continuing education  
52.8 records.

52.9 Sec. 43. Minnesota Statutes 2010, section 326B.821, subdivision 19, is amended to  
52.10 read:

52.11 Subd. 19. **Waivers and extensions.** ~~If a licensee provides documentation to the~~  
52.12 ~~commissioner that the licensee or its qualifying person is unable, and will continue to be~~  
52.13 ~~unable, to attend actual classroom course work because of a physical disability, medical~~  
52.14 ~~condition, or similar reason, attendance at continuing education courses shall be waived~~  
52.15 ~~for a period not to exceed one year. The commissioner shall require that the licensee or~~  
52.16 ~~its qualifying person satisfactorily complete a self-study program to include reading a~~  
52.17 ~~sufficient number of textbooks, or listening to a sufficient number of tapes, related to the~~  
52.18 ~~residential building contractor industry, as would be necessary for the licensee to satisfy~~  
52.19 ~~continuing educational credit hour needs. The commissioner shall award the licensee~~  
52.20 ~~credit hours for a self-study program by determining how many credit hours would~~  
52.21 ~~be granted to a classroom course involving the same material and giving the licensee~~  
52.22 ~~the same number of credit hours under this section. The licensee may apply each year~~  
52.23 ~~for a new waiver upon the same terms and conditions as were necessary to secure the~~  
52.24 ~~original waiver, and must demonstrate that in subsequent years, the licensee was unable to~~  
52.25 ~~complete actual classroom course work. The commissioner may request documentation~~  
52.26 ~~of the condition upon which the request for waiver is based as is necessary to satisfy~~  
52.27 ~~the commissioner of the existence of the condition and that the condition does preclude~~  
52.28 ~~attendance at continuing education courses.~~

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

53.1 Sec. 44. Minnesota Statutes 2010, section 326B.821, subdivision 20, is amended to  
53.2 read:

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

53.6 Sec. 45. Minnesota Statutes 2010, section 326B.821, subdivision 22, is amended to  
53.7 read:

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

53.11 Sec. 46. Minnesota Statutes 2010, section 326B.821, subdivision 23, is amended to  
53.12 read:

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

53.15 (1) initial course approval, \$20 for each hour or fraction of one hour of continuing  
53.16 education course approval sought. Initial course approval expires on the last day of the  
53.17 ~~24th~~ 36th month after the course is approved;

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

53.20 ~~(3)~~ (2) initial sponsor approval, \$100. Initial sponsor approval expires on the last  
53.21 day of the 24th month after the sponsor is approved; and

53.22 ~~(4)~~ (3) renewal of sponsor approval, ~~\$20~~ \$100. Renewal of sponsor approval expires  
53.23 on the last day of the 24th month after the sponsor is renewed.

53.24 Sec. 47. Minnesota Statutes 2010, section 326B.865, is amended to read:

53.25 **326B.865 SIGN CONTRACTOR; BOND.**

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

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

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

54.8 (d) Each person giving bond under this section shall pay a biennial bond filing fee of  
54.9 \$100 to the commissioner of labor and industry.

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

54.11 Sec. 48. Minnesota Statutes 2010, section 326B.89, subdivision 6, is amended to read:

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

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

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

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

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

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

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

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

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

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

55.6 The verified application must include documents evidencing the amount of the  
55.7 owner's or the lessee's actual and direct out-of-pocket loss. The owner's and the lessee's  
55.8 actual and direct out-of-pocket loss shall not include any attorney fees, litigation costs  
55.9 or fees, interest on the loss, and interest on the final judgment obtained as a result of the  
55.10 loss or any costs not directly related to the value difference between what was contracted  
55.11 for and what was provided. Any amount paid in satisfaction of the final judgment shall  
55.12 be applied to the owner's or lessee's actual and direct out-of-pocket loss. An owner or  
55.13 lessee may serve a verified application regardless of whether the final judgment has been  
55.14 discharged by a bankruptcy court. A judgment issued by a court is final if all proceedings  
55.15 on the judgment have either been pursued and concluded or been forgone, including all  
55.16 reviews and appeals. For purposes of this section, owners who are joint tenants or tenants  
55.17 in common are deemed to be a single owner. For purposes of this section, owners and  
55.18 lessees eligible for payment of compensation from the fund shall not include government  
55.19 agencies, political subdivisions, financial institutions, and any other entity that purchases,  
55.20 guarantees, or insures a loan secured by real estate.

55.21 Sec. 49. Minnesota Statutes 2010, section 326B.89, subdivision 8, is amended to read:

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

55.31 At the hearing the owner or the lessee shall have the burden of proving by substantial  
55.32 evidence under subdivision 6, clauses (1) to (8). Whenever an applicant's judgment  
55.33 is by default, stipulation, or consent, or whenever the action against the licensee was  
55.34 defended by a trustee in bankruptcy, the applicant shall have the burden of proving the  
55.35 cause of action for fraudulent, deceptive, or dishonest practices, conversion of funds, or

56.1 failure of performance. Otherwise, the judgment shall create a rebuttable presumption  
56.2 of the fraudulent, deceptive, or dishonest practices, conversion of funds, or failure of  
56.3 performance. This presumption affects the burden of producing evidence.

56.4 The administrative law judge shall issue findings of fact, conclusions of law, and  
56.5 order. If the administrative law judge finds that compensation should be paid to the owner  
56.6 or the lessee, the administrative law judge shall order the commissioner to make payment  
56.7 from the fund of the amount it finds to be payable pursuant to the provisions of and in  
56.8 accordance with the limitations contained in this section. The order of the administrative  
56.9 law judge shall constitute the final decision of the agency in the contested case. The  
56.10 commissioner or the owner or lessee may seek judicial review of the administrative law  
56.11 judge's findings of fact, conclusions of law, and order ~~shall be~~ in accordance with sections  
56.12 14.63 to 14.69.

56.13 Sec. 50. Minnesota Statutes 2010, section 327.32, subdivision 1a, is amended to read:

56.14 Subd. 1a. **Requirement; used manufactured homes.** No person shall sell or  
56.15 offer for sale in this state any used manufactured home manufactured after June 14,  
56.16 1976, or install for occupancy any used manufactured home manufactured after June  
56.17 14, 1976, unless the used manufactured home complies with the Notice of Compliance  
56.18 Form as provided in this subdivision. If manufactured after June 14, 1976, the home  
56.19 must bear a label as required by the secretary. The Notice of Compliance Form shall be  
56.20 signed by the seller and purchaser indicating which party is responsible for either making  
56.21 or paying for any necessary corrections prior to the sale and transferring ownership of  
56.22 the manufactured home.

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

56.24 "Notice of Compliance Form as required in Minnesota Statutes,  
56.25 section 327.32, subdivision 1

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

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

56.33 Complies ..... Correction required .....  
56.34 Initialed by Responsible Party: Buyer ..... Seller .....



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

57.5 Complies ..... Correction required .....  
 57.6 Initialed by Responsible Party: Buyer ..... Seller .....

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

57.10 Complies ..... Correction required .....  
 57.11 Initialed by Responsible Party: Buyer ..... Seller .....

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

57.14 Complies ..... Correction required .....  
 57.15 Initialed by Responsible Party: Buyer ..... Seller .....

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

57.18 Complies ..... Correction required .....  
 57.19 Initialed by Responsible Party: Buyer ..... Seller .....

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

57.25 Complies ..... Correction required .....  
 57.26 Initialed by Responsible Party: Buyer ..... Seller .....

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

57.30 Complies ..... Correction required .....  
 57.31 Initialed by Responsible Party: Buyer ..... Seller .....

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

58.1 Complies ..... Correction required .....

58.2 Initialed by Responsible Party: Buyer ..... Seller .....

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

58.5 Complies ..... Correction required .....

58.6 Initialed by Responsible Party: Buyer ..... Seller .....

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

58.13 Signature of Purchaser(s) of Home  
 58.14 .....date..... date.....

58.15 .....date..... date.....

58.16 Print name as appears on purchase agreement Print name as appears on purchase  
 58.17 agreement agreement

58.18 Signature of Seller(s) of Home  
 58.19 .....date..... date.....

58.20 .....date..... date.....

58.21 Print name and license number, if applicable Print name and license number, if applicable  
 58.22 (Street address of home at time of sale)

58.23 .....date..... date.....

58.24 (City/State/Zip).....

58.25 Name of manufacturer of home.....

58.26 Model and year.....

58.27 Serial number....."

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

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

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

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

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

59.3 Subd. 1e. **Reinstallation requirements for ~~single-section~~ used manufactured**  
59.4 **homes.** (a) All ~~single-section~~ used manufactured homes reinstalled less than 24 months  
59.5 from the date of installation by the first purchaser must be reinstalled in compliance with  
59.6 subdivision 1c. All ~~single-section~~ used manufactured homes reinstalled more than 24  
59.7 months from the date of installation by the first purchaser may be reinstalled without  
59.8 a frost-protected foundation if the home is reinstalled in compliance with Minnesota  
59.9 Rules, chapter 1350, for above frost-line installations and the notice requirement of  
59.10 subdivision 1f is complied with by the seller and the purchaser of the ~~single-section~~ used  
59.11 manufactured home.

59.12 (b) The installer shall affix an installation seal issued by the department to the  
59.13 outside of the home as required by the Minnesota State Building Code. The certificate  
59.14 of installation issued by the installer of record shall clearly state that the home has been  
59.15 reinstalled with an above frost-line foundation. Fees for inspection of a reinstallation and  
59.16 for issuance of reinstallation seals shall follow the requirements of sections 326B.802  
59.17 to 326B.885. Fees for review of plans, specifications, and on-site inspections shall be  
59.18 those as specified in section 326B.153, subdivision 1, paragraph (c). Whenever an  
59.19 installation certificate for an above frost-line installation is issued to a ~~single-section~~ used  
59.20 manufactured home being listed for sale, the purchase agreement must disclose that the  
59.21 home is installed on a nonfrost-protected foundation and recommend that the purchaser  
59.22 have the home inspected to determine the effects of frost on the home.

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

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

59.25 Subd. 1f. **Notice requirement.** The seller of the ~~single-section~~ used manufactured  
59.26 home being reinstalled under subdivision 1e shall provide the following notice to the  
59.27 purchaser and secure signatures of all parties to the purchase agreement on or before  
59.28 signing a purchase agreement prior to submitting an application for an installation  
59.29 certificate. Whenever a current owner of a manufactured home reinstalls the manufactured  
59.30 home under subdivision 1e, the current owner is not required to comply with the notice  
59.31 requirement under this subdivision. The notice shall be in at least 14-point font, except the  
59.32 heading, "WHICH MAY VOID WARRANTY," must be in capital letters, in 20-point font.  
59.33 The notice must be printed on a separate sheet of paper in a color different than the paper

60.1 on which the purchase agreement is printed. The notice becomes a part of the purchase  
60.2 agreement and shall be substantially in the following form:

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

60.4 WHICH MAY VOID WARRANTY

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

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

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

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

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

60.26 Plain language notice.

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

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

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

61.1 Signature of Purchaser(s)  
 61.2 .....date..... date.....  
 61.3 .....  
 61.4 Print name Print name  
 61.5 (Street address of location where  
 61.6 manufactured home is being reinstalled)  
 61.7 .....  
 61.8 (City/State/Zip).....  
 61.9 Name of manufacturer of home.....  
 61.10 Model and year.....  
 61.11 Serial number.....

61.12 Name of licensed installer and license number or homeowner responsible for the  
 61.13 installation of the home as described above.  
 61.14 Installer name:.....  
 61.15 License number:....."

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

61.17 Sec. 54. Minnesota Statutes 2010, section 327.32, subdivision 7, is amended to read:

61.18 Subd. 7. **Enforcement.** All jurisdictions enforcing the State Building Code, in  
 61.19 accordance with sections 326B.101 to 326B.151, shall undertake or provide for the  
 61.20 administration and enforcement of the manufactured home installation rules promulgated  
 61.21 by the commissioner. Municipalities which have adopted the State Building Code may  
 61.22 provide installation inspection and plan review services in noncode areas of the state.

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

61.24 Sec. 55. Minnesota Statutes 2010, section 327.33, subdivision 2, is amended to read:

61.25 Subd. 2. **Fees.** The commissioner shall by rule establish reasonable fees for seals,  
 61.26 installation seals and inspections which are sufficient to cover all costs incurred in the  
 61.27 administration of sections 327.31 to 327.35. The commissioner shall also establish by  
 61.28 rule a monitoring inspection fee in an amount that will comply with the secretary's fee  
 61.29 distribution program. This monitoring inspection fee shall be an amount paid by the  
 61.30 manufacturer for each manufactured home produced in Minnesota. The monitoring  
 61.31 inspection fee shall be paid by the manufacturer to the secretary. The rules of the  
 61.32 fee distribution program require the secretary to distribute the fees collected from all  
 61.33 manufactured home manufacturers among states approved and conditionally approved  
 61.34 based on the number of new manufactured homes whose first location after leaving the

62.1 manufacturer is on the premises of a distributor, dealer or purchaser in that state. Fees  
62.2 for inspections in areas that have not adopted the State Building Code must be equal to  
62.3 the fees for inspections in code areas of the state. Third party vendors may charge their  
62.4 usual and normal charge for inspections.

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

62.6 Sec. 56. Minnesota Statutes 2010, section 327C.095, subdivision 12, is amended to  
62.7 read:

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

62.9 (a) If a manufactured home owner is required to move due to the conversion of all or a  
62.10 portion of a manufactured home park to another use, the closure of a park, or cessation of  
62.11 use of the land as a manufactured home park, the manufactured park owner shall, upon  
62.12 the change in use, pay to the commissioner of management and budget for deposit in the  
62.13 Minnesota manufactured home relocation trust fund under section 462A.35, the lesser  
62.14 amount of the actual costs of moving or purchasing the manufactured home approved  
62.15 by the neutral third party and paid by the Minnesota Housing Finance Agency under  
62.16 subdivision 13, paragraph (a) or (e), or \$3,250 for each single section manufactured  
62.17 home, and \$6,000 for each multisection manufactured home, for which a manufactured  
62.18 home owner has made application for payment of relocation costs under subdivision 13,  
62.19 paragraph (c). The manufactured home park owner shall make payments required under  
62.20 this section to the Minnesota manufactured home relocation trust fund within 60 days of  
62.21 receipt of invoice from the neutral third party.

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

62.25 (1) the manufactured home park owner relocates the manufactured home owner to  
62.26 another space in the manufactured home park or to another manufactured home park at  
62.27 the park owner's expense;

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

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

62.33 (4) the manufactured home owner has a pending eviction action for nonpayment of  
62.34 lot rental amount under section 327C.09, which was filed against the manufactured home

63.1 owner prior to the mailing date of the closure statement under subdivision 1, and the writ  
63.2 of recovery has been ordered by the district court;

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

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

63.11 (c) If the unencumbered fund balance in the manufactured home relocation trust fund  
63.12 is less than \$1,000,000 as of June 30 of each year, the commissioner of management and  
63.13 budget shall ~~annually~~ assess each manufactured home park owner by mail the total amount  
63.14 of \$12 for each licensed lot in their park, payable on or before September 15 of ~~each~~ that  
63.15 year. The commissioner of management and budget shall deposit ~~the~~ any payments in the  
63.16 Minnesota manufactured home relocation trust fund. On or before July 15 of each year,  
63.17 the commissioner of management and budget shall prepare and distribute to park owners a  
63.18 letter explaining whether funds are being collected for that year, information about the  
63.19 collection, an invoice for all licensed lots, and a sample form for the park owners to  
63.20 collect information on which park residents have been accounted for. If assessed under  
63.21 this paragraph, the park owner may recoup the cost of the \$12 assessment as a lump  
63.22 sum or as a monthly fee of no more than \$1 collected from park residents together with  
63.23 monthly lot rent as provided in section 327C.03, subdivision 6. Park owners may adjust  
63.24 payment for lots in their park that are vacant or otherwise not eligible for contribution to  
63.25 the trust fund under section 327C.095, subdivision 12, paragraph (b), and deduct from the  
63.26 assessment accordingly.

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

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

63.32 Sec. 57. **REVISOR'S INSTRUCTION.**

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

	<u>Column A</u>	<u>Column B</u>
64.1		
64.2	<u>326B.82, subd. 2</u>	<u>326B.091, subd. 2a</u>
64.3	<u>326B.82, subd. 3</u>	<u>326B.091, subd. 2b</u>
64.4	<u>326b.82, subd. 5</u>	<u>326B.091, subd. 2c</u>
64.5	<u>326B.82, subd. 7</u>	<u>326B.091, subd. 4a</u>
64.6	<u>326B.82, subd. 8</u>	<u>326B.091, subd. 5a</u>
64.7	<u>326B.82, subd. 9</u>	<u>326B.091, subd. 5c</u>
64.8	<u>326B.82, subd. 10</u>	<u>326B.091, subd. 7</u>
64.9	<u>326B.821, subd. 4</u>	<u>326B.0981, subd. 17</u>
64.10	<u>326B.821, subd. 5</u>	<u>326B.0981, subd. 3</u>
64.11	<u>326B.821, subd. 5a</u>	<u>326B.0981, subd. 4</u>
64.12	<u>326B.821, subd. 6</u>	<u>326B.0981, subd. 5</u>
64.13	<u>326B.821, subd. 7</u>	<u>326B.0981, subd. 6</u>
64.14	<u>326B.821, subd. 8</u>	<u>326B.099, subd. 1</u>
64.15	<u>326B.821, subd. 9</u>	<u>326B.099, subd. 2</u>
64.16	<u>326B.821, subd. 10</u>	<u>326B.099, subd. 3</u>
64.17	<u>326B.821, subd. 11</u>	<u>326B.099, subd. 4</u>
64.18	<u>326B.821, subd. 12</u>	<u>326B.0981, subd. 7</u>
64.19	<u>326B.821, subd. 13</u>	<u>326B.0981, subd. 8</u>
64.20	<u>326B.821, subd. 14</u>	<u>326B.0981, subd. 9</u>
64.21	<u>326B.821, subd. 15</u>	<u>326B.0981, subd. 10</u>
64.22	<u>326B.821, subd. 16</u>	<u>326B.0981, subd. 11</u>
64.23	<u>326B.821, subd. 17</u>	<u>326B.099, subd. 5</u>
64.24	<u>326B.821, subd. 18</u>	<u>326B.0981, subd. 12</u>
64.25	<u>326B.821, subd. 19</u>	<u>326B.0981, subd. 13</u>
64.26	<u>326B.821, subd. 20</u>	<u>326B.0981, subd. 14</u>
64.27	<u>326B.821, subd. 22</u>	<u>326B.0981, subd. 2</u>
64.28	<u>326B.821, subd. 23</u>	<u>326B.0981, subd. 15</u>
64.29	<u>326B.821, subd. 24</u>	<u>326B.0981, subd. 16</u>

64.30        **Sec. 58. REPEALER.**

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

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



APPENDIX  
Article locations in H1049-1

ARTICLE 1	JOB, ECONOMIC DEVELOPMENT, AND HOUSING APPROPRIATIONS .....	Page.Ln 1.22
ARTICLE 2	ECONOMIC DEVELOPMENT AND MISCELLANEOUS PROVISIONS .....	Page.Ln 16.16
ARTICLE 3	LABOR AND INDUSTRY .....	Page.Ln 27.18