

1.1 moves to amend H.F. No. 1049 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

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

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

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

		<u>2012</u>		<u>2013</u>		<u>Total</u>
1.9						
1.10	<u>General</u>	\$ 80,090,000	\$	77,758,000	\$	157,848,000
1.11	<u>Workforce Development</u>	14,151,000		14,151,000		28,302,000
1.12	<u>Remediation</u>	700,000		700,000		1,400,000
1.13	<u>Workers' Compensation</u>	22,574,000		22,574,000		45,148,000
1.14	<u>Total</u>	\$ 117,515,000	\$	115,183,000	\$	232,698,000

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

1.16 The sums shown in the columns marked "Appropriations" are appropriated to the
1.17 agencies and for the purposes specified in this article. The appropriations are from the
1.18 general fund, or another named fund, and are available for the fiscal years indicated
1.19 for each purpose. The figures "2012" and "2013" used in this article mean that the
1.20 appropriations listed under them are available for the fiscal year ending June 30, 2012, or
1.21 June 30, 2013, respectively. "The first year" is fiscal year 2012. "The second year" is fiscal
1.22 year 2013. "The biennium" is fiscal years 2012 and 2013.

1.23 **APPROPRIATIONS**
1.24 **Available for the Year**
1.25 **Ending June 30**
1.26 **2012** **2013**

3.1 and for programs that encourage and assist
3.2 women to enter nontraditional careers in the
3.3 trades; manual and technical occupations;
3.4 science, technology, engineering, and
3.5 mathematics-related occupations; and green
3.6 jobs. This appropriation may be matched
3.7 dollar for dollar with any resources available
3.8 from the federal government for these
3.9 purposes with priority given to initiatives
3.10 that have a goal of increasing by at least ten
3.11 percent the number of women in occupations
3.12 where women currently comprise less than
3.13 25 percent of the workforce.

3.14 (e) \$75,000 each year is from the general
3.15 fund and \$40,000 each year is from the
3.16 workforce development fund for a grant to
3.17 the Metropolitan Economic Development
3.18 Association for continuing minority business
3.19 development programs in the metropolitan
3.20 area. This appropriation must be used for the
3.21 sole purpose of providing free or reduced
3.22 fee business consulting services to minority
3.23 entrepreneurs and contractors.

3.24 (f)(1) \$425,000 the first year is a onetime
3.25 appropriation from the general fund for a
3.26 grant to BioBusiness Alliance of Minnesota
3.27 for bioscience business development
3.28 programs to promote and position the state
3.29 as a global leader in bioscience business
3.30 activities. These funds may be used to create,
3.31 recruit, retain, and expand biobusiness
3.32 activity in Minnesota; implement the
3.33 destination 2025 statewide plan; update
3.34 a statewide assessment of the bioscience
3.35 industry and the competitive position of
3.36 Minnesota-based bioscience businesses

4.1 relative to other states and other nations;
4.2 and develop and implement business and
4.3 scenario-planning models to create, recruit,
4.4 retain, and expand biobusiness activity in
4.5 Minnesota.

4.6 (2) The BioBusiness Alliance must report
4.7 each year by February 15 to the committees
4.8 of the house of representatives and the senate
4.9 having jurisdiction over bioscience industry
4.10 activity in Minnesota on the use of funds;
4.11 the number of bioscience businesses and
4.12 jobs created, recruited, retained, or expanded
4.13 in the state since the last reporting period;
4.14 the competitive position of the biobusiness
4.15 industry; and utilization rates and results of
4.16 the business and scenario-planning models
4.17 and outcomes resulting from utilization of
4.18 the business and scenario-planning models.

4.19 (g) \$50,000 in the first year is from the
4.20 general fund for a grant to the Minnesota
4.21 Inventors Congress, of which at least \$5,000
4.22 must be used for youth inventors. This is a
4.23 onetime appropriation.

4.24 (h)(1) \$90,000 each year is from the
4.25 workforce development fund for a grant
4.26 under Minnesota Statutes, section 116J.421,
4.27 to the Rural Policy and Development
4.28 Center at St. Peter, Minnesota. The grant
4.29 shall be used for research and policy
4.30 analysis on emerging economic and social
4.31 issues in rural Minnesota, to serve as a
4.32 policy resource center for rural Minnesota
4.33 communities, to encourage collaboration
4.34 across higher education institutions, to
4.35 provide interdisciplinary team approaches

5.1 to research and problem-solving in rural
5.2 communities, and to administer overall
5.3 operations of the center.

5.4 (2) The grant shall be provided upon the
5.5 condition that each state-appropriated
5.6 dollar be matched with a nonstate dollar.
5.7 Acceptable matching funds are nonstate
5.8 contributions that the center has received and
5.9 have not been used to match previous state
5.10 grants. Any funds not spent the first year are
5.11 available the second year.

5.12 (i)(1) \$150,000 each year is appropriated
5.13 from the workforce development fund for
5.14 grants of \$50,000 to eligible organizations
5.15 each year to assist in the development of
5.16 entrepreneurs and small businesses. Each
5.17 state grant dollar must be matched with \$1
5.18 of nonstate funds. Any balance in the first
5.19 year does not cancel but is available in the
5.20 second year.

5.21 (2) Three grants must be awarded to
5.22 continue or to develop a program. One
5.23 grant must be awarded to the Riverbend
5.24 Center for Entrepreneurial Facilitation
5.25 in Blue Earth County, and two to other
5.26 organizations serving Faribault and Martin
5.27 Counties. Grant recipients must report to the
5.28 commissioner by February 1 of each year
5.29 that the organization receives a grant with the
5.30 number of customers served; the number of
5.31 businesses started, stabilized, or expanded;
5.32 the number of jobs created and retained; and
5.33 business success rates. The commissioner
5.34 must report to the house of representatives
5.35 and senate committees with jurisdiction

6.1 over economic development finance on the
 6.2 effectiveness of these programs for assisting
 6.3 in the development of entrepreneurs and
 6.4 small businesses.

6.5 (j) \$1,000,000 the first year is from the
 6.6 general fund for the Minnesota Investment
 6.7 Fund under Minnesota Statutes, section
 6.8 116J.8731. The appropriation is available
 6.9 until spent. This is a onetime appropriation
 6.10 and is not added to the agency's base.

6.11 (k) \$750,000 the first year is from the general
 6.12 fund for the redevelopment account under
 6.13 Minnesota Statutes, sections 116J.571. This
 6.14 is a onetime appropriation and is available
 6.15 until spent.

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

	<u>Appropriations by Fund</u>	
6.17	<u>General</u>	<u>29,806,000</u>
6.18		<u>29,806,000</u>
6.19	<u>Workforce</u>	
6.20	<u>Development</u>	<u>13,214,000</u>
		<u>13,214,000</u>

6.21 (a) \$3,728,000 each year is from the general
 6.22 fund for the Minnesota job skills partnership
 6.23 program under Minnesota Statutes, sections
 6.24 116L.01 to 116L.17. If the appropriation for
 6.25 either year is insufficient, the appropriation
 6.26 for the other year is available. This
 6.27 appropriation is available until spent.

6.28 (b) \$10,800,000 each year is from the general
 6.29 fund for the state's vocational rehabilitation
 6.30 program under Minnesota Statutes, chapter
 6.31 268A.

6.32 (c) \$5,928,000 each year is from the general
 6.33 fund for the state services for the blind
 6.34 activities.

- 7.1 (d) \$2,150,000 each year is from the general
7.2 fund for grants to centers for independent
7.3 living under Minnesota Statutes, section
7.4 268A.11.
- 7.5 (e) \$315,000 each year is from the general
7.6 fund and \$105,000 each year is from the
7.7 workforce development fund for a grant
7.8 under Minnesota Statutes, section 116J.8747,
7.9 to Twin Cities RISE! to provide training to
7.10 hard-to-train individuals. Funds unexpended
7.11 in the first year are available for expenditure
7.12 in the second year.
- 7.13 (f) \$100,000 each year is from the general
7.14 fund for a grant to Northern Connections
7.15 in Perham to implement and operate a
7.16 workforce program that provides one-stop
7.17 supportive services to individuals as they
7.18 transition into the workforce.
- 7.19 (g) \$5,091,000 each year is from the general
7.20 fund and \$6,527,000 each year is from the
7.21 workforce development fund for extended
7.22 employment services for persons with severe
7.23 disabilities or related conditions under
7.24 Minnesota Statutes, section 268A.15. Of
7.25 the general fund appropriation, \$125,000
7.26 each year is to supplement funds paid for
7.27 wage incentives for the community support
7.28 fund established in Minnesota Rules, part
7.29 3300.2045.
- 7.30 (h) \$1,479,000 each year is from the general
7.31 fund for grants to programs that provide
7.32 employment support services to persons with
7.33 mental illness under Minnesota Statutes,
7.34 sections 268A.13 and 268A.14. Grants
7.35 may be used for special projects for young

8.1 people with mental illness transitioning from
8.2 school to work and people with serious
8.3 mental illness receiving services through
8.4 a mental health court or civil commitment
8.5 court. Special projects must demonstrate
8.6 interagency collaboration.

8.7 (i) \$135,000 each year is from the general
8.8 fund and \$163,000 each year is from the
8.9 workforce development fund for a grant
8.10 under Minnesota Statutes, section 268A.03,
8.11 to Rise, Inc. for the Minnesota Employment
8.12 Center for People Who are Deaf or Hard of
8.13 Hearing. Money not expended the first year
8.14 is available the second year.

8.15 (j) \$80,000 each year is from the general fund
8.16 and \$160,000 each year is from the workforce
8.17 development fund for a grant to Lifetrack
8.18 Resources for its immigrant and refugee
8.19 collaborative program, including those
8.20 related to job-seeking skills and workplace
8.21 orientation, intensive job development,
8.22 functional work English, and on-site job
8.23 coaching. This appropriation may also be
8.24 used in Rochester.

8.25 (k) \$1,100,000 each year is from the
8.26 workforce development fund for the
8.27 Opportunities Industrialization Center
8.28 programs. The OIC state council must
8.29 not be colocated with the Department of
8.30 Employment and Economic Development.

8.31 (l) \$2,450,000 the first year is a onetime
8.32 appropriation from the workforce
8.33 development fund for the Minnesota youth
8.34 program under Minnesota Statutes, sections
8.35 116L.56 and 116L.561.

9.1 (m) \$630,000 the first year is a onetime
9.2 appropriation from the workforce
9.3 development fund for grants for the
9.4 Minneapolis summer youth employment
9.5 program. The commissioner shall establish
9.6 criteria for awarding the grant.

9.7 (n) \$750,000 the first year is a onetime
9.8 appropriation from the workforce
9.9 development fund for a grant to the
9.10 Minnesota Alliance of Boys and Girls
9.11 Clubs to administer a statewide project
9.12 of youth jobs skills development. This
9.13 project, which may have career guidance
9.14 components, including health and life skills,
9.15 is to encourage, train, and assist youth in
9.16 job-seeking skills, workplace orientation,
9.17 and job-site knowledge through coaching.
9.18 This grant requires a 25 percent match
9.19 from nonstate resources. The Alliance may
9.20 work collaboratively with the Minneapolis
9.21 Park Board for summer youth employment
9.22 programming.

9.23 (o) \$391,000 the first year is a onetime
9.24 appropriation from the workforce
9.25 development fund for grants to fund summer
9.26 youth employment in St. Paul. The
9.27 commissioner shall establish criteria for
9.28 awarding the grant.

9.29 (p) \$700,000 the first year is a onetime
9.30 appropriation from the workforce
9.31 development fund for the youthbuild
9.32 program under Minnesota Statutes, sections
9.33 116L.361 to 116L.366.

9.34 (q) \$238,000 the first year is a onetime
9.35 appropriation from the workforce

10.1 development fund for grants to provide
 10.2 interpreters for a regional transition program
 10.3 that specializes in providing culturally
 10.4 appropriate transition services leading to
 10.5 employment for deaf, hard-of-hearing, and
 10.6 deaf-blind students.

10.7 (r) \$5,159,000 the second year is for the
 10.8 youth workforce development competitive
 10.9 grant pilot program. The commissioner
 10.10 shall develop and implement a competitive
 10.11 grant program to provide workforce
 10.12 training services to youth in Minnesota.

10.13 Of this amount, up to five percent is for
 10.14 administering and monitoring this program.

10.15 The commissioner shall report by October
 10.16 15, 2011, to the standing committees of the
 10.17 senate and house of representatives having
 10.18 jurisdiction over workforce development
 10.19 issues on program parameters and criteria
 10.20 developed for the competitive grants under
 10.21 this paragraph. This appropriation is added
 10.22 to the agency's base.

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

10.24 **Sec. 4. HOUSING FINANCE AGENCY**

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

10.26 The amounts that may be spent for each
 10.27 purpose are specified in the following
 10.28 subdivisions.

10.29 This appropriation is for transfer to the
 10.30 housing development fund for the programs
 10.31 specified. Except as otherwise indicated, this
 10.32 transfer is part of the agency's permanent
 10.33 budget base.

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

11.1	<u>For the economic development and housing</u>		
11.2	<u>challenge program under Minnesota</u>		
11.3	<u>Statutes, section 462A.33. Of this amount,</u>		
11.4	<u>\$1,208,000 each year shall be made available</u>		
11.5	<u>during the first eight months of the fiscal</u>		
11.6	<u>year exclusively for housing projects for</u>		
11.7	<u>American Indians. Any funds not committed</u>		
11.8	<u>to housing projects for American Indians in</u>		
11.9	<u>the first eight months of the fiscal year shall</u>		
11.10	<u>be available for any eligible activity under</u>		
11.11	<u>Minnesota Statutes, section 462A.33.</u>		
11.12	<u>Subd. 3. Housing Trust Fund</u>	<u>8,305,000</u>	<u>8,305,000</u>
11.13	<u>For deposit in the housing trust fund account,</u>		
11.14	<u>for the purposes provided under Minnesota</u>		
11.15	<u>Statutes, section 462A.201.</u>		
11.16	<u>Subd. 4. Rental Assistance for Mentally Ill</u>	<u>2,638,000</u>	<u>2,638,000</u>
11.17	<u>For the rental housing assistance program for</u>		
11.18	<u>persons with a mental illness or families with</u>		
11.19	<u>an adult member with a mental illness under</u>		
11.20	<u>Minnesota Statutes, section 462A.2097.</u>		
11.21	<u>Subd. 5. Family Homeless Prevention</u>	<u>7,465,000</u>	<u>7,465,000</u>
11.22	<u>For the family homeless prevention and</u>		
11.23	<u>assistance programs under Minnesota</u>		
11.24	<u>Statutes, section 462A.204.</u>		
11.25	<u>Subd. 6. Home Ownership Assistance Fund</u>	<u>797,000</u>	<u>797,000</u>
11.26	<u>For the home ownership assistance program</u>		
11.27	<u>under Minnesota Statutes, section 462A.21,</u>		
11.28	<u>subdivision 8. The annual interest rate</u>		
11.29	<u>on loans provided under section 462A.21,</u>		
11.30	<u>subdivision 8, must equal two percent.</u>		
11.31	<u>Subd. 7. Affordable Rental Investment Fund</u>	<u>6,813,000</u>	<u>6,813,000</u>
11.32	<u>(a) For the affordable rental investment fund</u>		
11.33	<u>program under Minnesota Statutes, section</u>		

12.1 462A.21, subdivision 8b. The appropriation
12.2 is to finance the acquisition, rehabilitation,
12.3 and debt restructuring of federally assisted
12.4 rental property and for making equity
12.5 take-out loans under Minnesota Statutes,
12.6 section 462A.05, subdivision 39.

12.7 (b) The owner of federally assisted rental
12.8 property must agree to participate in
12.9 the applicable federally assisted housing
12.10 program and to extend any existing
12.11 low-income affordability restrictions on the
12.12 housing for the maximum term permitted.
12.13 The owner must also enter into an agreement
12.14 that gives local units of government,
12.15 housing and redevelopment authorities,
12.16 and nonprofit housing organizations the
12.17 right of first refusal if the rental property
12.18 is offered for sale. Priority must be given
12.19 among comparable federally assisted rental
12.20 properties to properties with the longest
12.21 remaining term under an agreement for
12.22 federal assistance. Priority must also be
12.23 given among comparable rental housing
12.24 developments to developments that are or
12.25 will be owned by local government units, a
12.26 housing and redevelopment authority, or a
12.27 nonprofit housing organization.

12.28 (c) The appropriation also may be used to
12.29 finance the acquisition, rehabilitation, and
12.30 debt restructuring of existing supportive
12.31 housing properties. For purposes of this
12.32 subdivision, "supportive housing" means
12.33 affordable rental housing with links to
12.34 services necessary for individuals, youth, and
12.35 families with children to maintain housing
12.36 stability.

13.1	<u>Subd. 8. Housing Rehabilitation</u>		<u>2,449,000</u>	<u>2,449,000</u>
13.2	<u>For the housing rehabilitation program</u>			
13.3	<u>under Minnesota Statutes, section 462A.05,</u>			
13.4	<u>subdivision 14, for rental housing</u>			
13.5	<u>developments.</u>			
13.6	<u>Subd. 9. Homeownership Education,</u>			
13.7	<u>Counseling, and Training</u>		<u>600,000</u>	<u>600,000</u>
13.8	<u>For the homeownership education,</u>			
13.9	<u>counseling, and training program under</u>			
13.10	<u>Minnesota Statutes, section 462A.209.</u>			
13.11	<u>Notwithstanding Minnesota Statutes, section</u>			
13.12	<u>462A.209, subdivision 7, paragraph (b),</u>			
13.13	<u>more than one-half of the funds awarded</u>			
13.14	<u>for foreclosure prevention and assistance</u>			
13.15	<u>activities may be used for mortgage or</u>			
13.16	<u>financial counseling services.</u>			
13.17	<u>Subd. 10. Capacity-Building Grants</u>		<u>125,000</u>	<u>125,000</u>
13.18	<u>For nonprofit capacity-building grants</u>			
13.19	<u>under Minnesota Statutes, section 462A.21,</u>			
13.20	<u>subdivision 3b,</u>			
13.21	<u>Sec. 5. DEPARTMENT OF LABOR AND</u>			
13.22	<u>INDUSTRY</u>			
13.23	<u>Subdivision 1. Total Appropriation</u>	\$	<u>22,328,000</u>	<u>22,328,000</u>
13.24	<u>Appropriations by Fund</u>			
13.25		<u>2012</u>	<u>2013</u>	
13.26	<u>General</u>	<u>800,000</u>	<u>800,000</u>	
13.27	<u>Workers'</u>			
13.28	<u>Compensation</u>	<u>20,871,000</u>	<u>20,871,000</u>	
13.29	<u>Workforce</u>			
13.30	<u>Development</u>	<u>657,000</u>	<u>657,000</u>	
13.31	<u>The amounts that may be spent for each</u>			
13.32	<u>purpose are specified in the following</u>			
13.33	<u>subdivisions.</u>			
13.34	<u>Subd. 2. Workers' Compensation</u>		<u>14,832,000</u>	<u>14,832,000</u>

14.1 This appropriation is from the workers'
 14.2 compensation fund.

14.3 \$200,000 each year is for grants to the
 14.4 Vinland Center for rehabilitation services.

14.5 Grants shall be distributed as the department
 14.6 refers injured workers to the Vinland Center
 14.7 for rehabilitation services.

14.8 **Subd. 3. Labor Standards/Apprenticeship** 1,457,000 1,457,000

14.9 Appropriations by Fund

14.10	<u>General</u>	<u>800,000</u>	<u>800,000</u>
14.11	<u>Workforce</u>		
14.12	<u>Development</u>	<u>657,000</u>	<u>657,000</u>

14.13 \$657,000 each year is appropriated from
 14.14 the workforce development fund for the
 14.15 apprenticeship program under Minnesota
 14.16 Statutes, chapter 178.

14.17 **Subd. 4. General Support** 6,039,000 6,039,000

14.18 This appropriation is from the workers'
 14.19 compensation fund.

14.20 **Sec. 6. BUREAU OF MEDIATION**
 14.21 **SERVICES**

14.22 **Subdivision 1. Total Appropriation** \$ 1,525,000 \$ 1,525,000

14.23 The amounts that may be spent for each
 14.24 purpose are specified in the following
 14.25 subdivisions.

14.26 **Subd. 2. Mediation Services** 1,471,000 1,471,000

14.27 **Subd. 3. Labor Management Cooperation**
 14.28 **Grants** 54,000 54,000

14.29 \$54,000 each year is for grants to area labor
 14.30 management committees. Grants may be
 14.31 awarded for a 12-month period beginning
 14.32 July 1 each year. Any unencumbered balance
 14.33 remaining at the end of the first year does not
 14.34 cancel but is available for the second year.

15.1 Sec. 7. **WORKERS' COMPENSATION**
 15.2 **COURT OF APPEALS** \$ **1,703,000** \$ **1,703,000**

15.3 This appropriation is from the workers'
 15.4 compensation fund.

15.5 Sec. 8. **BOARD OF ACCOUNTANCY** \$ **480,000** \$ **480,000**

15.6 Sec. 9. **BOARD OF ARCHITECTURE,**
 15.7 **ENGINEERING, LAND SURVEYING,**
 15.8 **LANDSCAPE ARCHITECTURE,**
 15.9 **GEOSCIENCE, AND INTERIOR DESIGN** \$ **774,000** \$ **774,000**

15.10 Sec. 10. **BOARD OF COSMETOLOGIST**
 15.11 **EXAMINERS** \$ **1,046,000** \$ **1,046,000**

15.12 Sec. 11. **BOARD OF BARBER EXAMINERS** \$ **257,000** \$ **257,000**

15.13 Sec. 12. **MINNESOTA SCIENCE AND**
 15.14 **TECHNOLOGY AUTHORITY** \$ **107,000** \$ **0**

15.15 This is a onetime appropriation.

15.16 Sec. 13. **TRANSFERS**

15.17 Prior to June 30, 2012, the commissioner
 15.18 of Iron Range Resources shall transfer
 15.19 \$60,000,000 from the Douglas J. Johnson
 15.20 Economic Protection Trust to the general
 15.21 fund. This is a onetime transfer.

15.22 The unexpended balance, estimated to
 15.23 be \$1,575,000, of funds collected for
 15.24 unemployment insurance state administration
 15.25 under Minnesota Statutes, section 268.18,
 15.26 subdivision 2, is transferred to the general
 15.27 fund.

15.28 **ARTICLE 2**

15.29 **ECONOMIC DEVELOPMENT AND MISCELLANEOUS PROVISIONS**

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

16.1 Subd. 7. **Monitoring pass-through grant recipients.** The commissioner shall
16.2 monitor the activities and outcomes of programs and services funded by legislative
16.3 appropriations and administered by the department on a pass-through basis. Unless
16.4 amounts are otherwise appropriated for administrative costs, the commissioner may
16.5 retain up to five percent of the amount appropriated to the department for grants to
16.6 pass-through entities. Amounts retained are deposited to a special revenue account and
16.7 are appropriated to the commissioner for costs incurred in administering and monitoring
16.8 the pass-through grants.

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

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

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

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

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

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

16.20 (1) \$10,000 in a calendar year by a qualified investor; or

16.21 (2) \$30,000 in a calendar year by a qualified fund.

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

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

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

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

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

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

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

17.11 (b) Within 30 days of receiving an application for certification under this subdivision,
17.12 the commissioner must either certify the business as satisfying the conditions required of a
17.13 qualified small business, request additional information from the business, or reject the
17.14 application for certification. If the commissioner requests additional information from the
17.15 business, the commissioner must either certify the business or reject the application within
17.16 30 days of receiving the additional information. If the commissioner neither certifies the
17.17 business nor rejects the application within 30 days of receiving the original application or
17.18 within 30 days of receiving the additional information requested, whichever is later, then
17.19 the application is deemed rejected, and the commissioner must refund the \$150 application
17.20 fee. A business that applies for certification and is rejected may reapply.

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

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

17.23 (2) at least 51 percent of the business's employees are employed in Minnesota, and
17.24 51 percent of the business's total payroll is paid or incurred in the state;

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

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

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

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

17.33 (4) other than the activities specifically listed in clause (3), the business is not
17.34 engaged in real estate development, insurance, banking, lending, lobbying, political
17.35 consulting, information technology consulting, wholesale or retail trade, leisure,

18.1 hospitality, transportation, construction, ethanol production from corn, or professional
18.2 services provided by attorneys, accountants, business consultants, physicians, or health
18.3 care consultants;

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

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

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

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

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

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

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

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

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

18.27 (1) "qualified high-technology field" includes aerospace, agricultural processing,
18.28 renewable energy, energy efficiency and conservation, environmental engineering, food
18.29 technology, cellulosic ethanol, information technology, materials science technology,
18.30 nanotechnology, telecommunications, biotechnology, medical device products,
18.31 pharmaceuticals, diagnostics, biologicals, chemistry, veterinary science, and similar
18.32 fields; and

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

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

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

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

19.10 (b) Within 30 days of receiving an application for certification under this subdivision,
19.11 the commissioner must either certify the fund as satisfying the conditions required of a
19.12 qualified fund, request additional information from the fund, or reject the application
19.13 for certification. If the commissioner requests additional information from the fund,
19.14 the commissioner must either certify the fund or reject the application within 30 days
19.15 of receiving the additional information. If the commissioner neither certifies the fund
19.16 nor rejects the application within 30 days of receiving the original application or within
19.17 30 days of receiving the additional information requested, whichever is later, then the
19.18 application is deemed rejected, and the commissioner must refund the \$1,000 application
19.19 fee. A fund that applies for certification and is rejected may reapply.

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

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

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

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

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

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

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

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

19.33 **116L.3625 ADMINISTRATIVE COSTS.**

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

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

20.5 **116L.62 DISTRIBUTION AND USE OF STATE MONEY.**

20.6 The commissioner shall distribute the money appropriated for:

20.7 (a) comprehensive job training and related services or job opportunities programs
20.8 for economically disadvantaged, unemployed, and underemployed individuals, including
20.9 persons of limited English speaking ability, through opportunities industrialization
20.10 centers; and

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

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

20.15 Comprehensive job training and related services include: recruitment, counseling,
20.16 remediation, motivational prejob training, vocational training, job development, job
20.17 placement, and other appropriate services enabling individuals to secure and retain
20.18 employment at their maximum capacity.

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

20.20 **154.06 WHO MAY RECEIVE CERTIFICATES OF REGISTRATION AS A**
20.21 **REGISTERED APPRENTICE.**

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

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

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

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

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

20.32 (c) A certificate of registration of an apprentice shall be valid for four years from the
20.33 date the certificate of registration is issued by the board and shall not be renewed. During
20.34 the four-year period the certificate of registration shall remain in full force and effect only

21.1 if the apprentice complies with all the provisions of sections 154.001, 154.002, 154.003,
 21.2 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26, including the payment of
 21.3 an annual fee, and the rules of the board.

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

21.9 (b) The expiration date of a certificate issued to a person while incarcerated, shall be
 21.10 extended once so that it expires four years from the date of first release from a correctional
 21.11 facility after the person becomes a registered apprentice. This paragraph applies when a
 21.12 person graduates from a barber school approved by the board and is issued a certificate of
 21.13 registration while incarcerated by the Department of Corrections of the Federal Bureau
 21.14 of Prisons.

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

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

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

21.20 (2) ~~has qualified for a teacher's or instructor's vocational certificate;~~ successfully
 21.21 completed instructor barber training from a board-approved program of not less than
 21.22 40 clock hours, or completed a college or university program resulting in a technical
 21.23 or vocational education certificate or its equivalent, issued by an accredited college or
 21.24 university and approved by the board;

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

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

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

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

21.33 **154.08 APPLICATION; FEE.**

21.34 Each applicant for an examination shall:

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

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

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

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

22.11 Subdivision 1. **Examination of nonresidents.** A person who meets all of the
22.12 requirements for barber registration in sections 154.001, 154.002, 154.003, 154.01 to
22.13 154.161, 154.19 to 154.21, and 154.24 to 154.26 and either has a license, certificate
22.14 of registration, or an equivalent as a practicing barber or instructor of barbering from
22.15 another state or country which in the discretion of the board has substantially the same
22.16 requirements for registering barbers and instructors of barbering as required by sections
22.17 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26 or
22.18 can prove by sworn affidavits practice as a barber or instructor of barbering in another
22.19 state or country for at least five years immediately prior to making application in this state,
22.20 shall, upon payment of the required fee, be issued a certificate of registration without
22.21 examination, ~~provided that the other state or country grants the same privileges to holders~~
22.22 ~~of Minnesota certificates of registration.~~

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

22.24 **154.12 EXAMINATION OF NONRESIDENT APPRENTICES.**

22.25 A person who meets all of the requirements for registration as a barber in sections
22.26 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26 and
22.27 who has a license, a certificate of registration, or its equivalent as an apprentice in a state
22.28 or country which in the discretion of the board has substantially the same requirements for
22.29 registration as an apprentice as is provided by sections 154.001, 154.002, 154.003, 154.01
22.30 to 154.161, 154.19 to 154.21, and 154.24 to 154.26, shall, upon payment of the required
22.31 fee, be issued a certificate of registration without examination, ~~provided that the other state~~
22.32 ~~or country grants the same privileges to holders of Minnesota certificates of registration.~~

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

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

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

23.14 (c) If the applicant fails to repay the unemployment benefits, penalty, and interest
 23.15 assessed, the total due may be collected by the methods allowed under state and federal
 23.16 law. A determination of overpayment by fraud must state the methods of collection the
 23.17 commissioner may use to recover the overpayment. Money received in repayment of
 23.18 fraudulently obtained unemployment benefits, penalties, and interest is first applied to the
 23.19 unemployment benefits overpaid, then to the penalty amount due, then to any interest due.
 23.20 ~~62.5 percent of the~~ Payments made toward the penalty are credited to the contingent
 23.21 ~~account and 37.5 percent credited to the administration account.~~

23.22 (d) If an applicant has been overpaid unemployment benefits under the law of
 23.23 another state because of fraud and that state certifies that the applicant is liable to repay
 23.24 the unemployment benefits and requests the commissioner to recover the overpayment,
 23.25 the commissioner may offset from future unemployment benefits otherwise payable the
 23.26 amount of overpayment.

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

23.30 Sec. 13. Minnesota Statutes 2010, section 268.199, is amended to read:

23.31 **268.199 CONTINGENT ACCOUNT.**

23.32 (a) There is created in the state treasury a special account, to be known as the
 23.33 contingent account, ~~that does not lapse nor revert to any other fund or account.~~ This
 23.34 account consists of all money collected under this chapter that is required to be placed
 23.35 in this account and any interest earned on the account. ~~All money in this account is~~

24.1 ~~appropriated and available for administration of the Minnesota unemployment insurance~~
24.2 ~~program unless otherwise appropriated by session law.~~

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

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

24.8 Sec. 14. Minnesota Statutes 2010, section 298.17, is amended to read:

24.9 **298.17 OCCUPATION TAXES TO BE APPORTIONED.**

24.10 All occupation taxes paid by persons, copartnerships, companies, joint stock
24.11 companies, corporations, and associations, however or for whatever purpose organized,
24.12 engaged in the business of mining or producing iron ore or other ores, when collected
24.13 shall be apportioned and distributed in accordance with the Constitution of the state of
24.14 Minnesota, article X, section 3, in the manner following: 90 percent shall be deposited
24.15 in the state treasury and credited to the general fund of which four-ninths shall be used
24.16 for the support of elementary and secondary schools; and ten percent of the proceeds of
24.17 the tax imposed by this section shall be deposited in the state treasury and credited to the
24.18 general fund for the general support of the university. ~~Of the moneys apportioned to the~~
24.19 ~~general fund by this section there is annually appropriated and credited to the Iron Range~~
24.20 ~~Resources and Rehabilitation Board account in the special revenue fund an amount equal~~
24.21 ~~to that which would have been generated by a 1.5 cent tax imposed by section 298.24 on~~
24.22 ~~each taxable ton produced in the preceding calendar year, to be expended for the purposes~~
24.23 ~~of section 298.22. The money appropriated pursuant to this section shall be used (1)~~
24.24 ~~to provide environmental development grants to local governments located within any~~
24.25 ~~county in region 3 as defined in governor's executive order number 60, issued on June~~
24.26 ~~12, 1970, which does not contain a municipality qualifying pursuant to section 273.134,~~
24.27 ~~paragraph (b), or (2) to provide economic development loans or grants to businesses~~
24.28 ~~located within any such county, provided that the county board or an advisory group~~
24.29 ~~appointed by the county board to provide recommendations on economic development~~
24.30 ~~shall make recommendations to the Iron Range Resources and Rehabilitation Board~~
24.31 ~~regarding the loans. Payment to the Iron Range Resources and Rehabilitation Board~~
24.32 ~~account shall be made by May 15 annually.~~

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

25.1 Sec. 15. Minnesota Statutes 2010, section 341.321, is amended to read:

25.2 **341.321 FEE SCHEDULE.**

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

- 25.4 (1) referees, ~~\$25~~ \$45 for each initial license and each renewal;
- 25.5 (2) promoters, \$400 for each initial license and each renewal;
- 25.6 (3) judges and knockdown judges, ~~\$25~~ \$45 for each initial license and each renewal;
- 25.7 (4) trainers, ~~\$25~~ \$45 for each initial license and each renewal;
- 25.8 (5) ring announcers, ~~\$25~~ \$45 for each initial license and each renewal;
- 25.9 (6) seconds, ~~\$25~~ \$45 for each initial license and each renewal;
- 25.10 (7) timekeepers, ~~\$25~~ \$45 for each initial license and each renewal;
- 25.11 (8) combatants, ~~\$25~~ \$45 for each initial license and each renewal;
- 25.12 (9) managers, ~~\$25~~ \$45 for each initial license and each renewal; and
- 25.13 (10) ringside physicians, ~~\$25~~ \$45 for each initial license and each renewal.

25.14 In addition to the license fee and the late filing penalty fee in section 341.32, subdivision

25.15 2, if applicable, an individual who applies for a ~~combatant~~ professional license on the

25.16 same day the combative sporting event is held shall pay a late fee of \$100 plus the original

25.17 license fee of \$45 at the time the application is submitted.

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

- 25.19 (1) referees, ~~\$10~~ \$45 for each initial license and each renewal;
- 25.20 (2) promoters, ~~\$100~~ \$400 for each initial license and each renewal;
- 25.21 (3) judges and knockdown judges, ~~\$10~~ \$45 for each initial license and each renewal;
- 25.22 (4) trainers, ~~\$10~~ \$45 for each initial license and each renewal;
- 25.23 (5) ring announcers, ~~\$10~~ \$45 for each initial license and each renewal;
- 25.24 (6) seconds, ~~\$10~~ \$45 for each initial license and each renewal;
- 25.25 (7) timekeepers, ~~\$10~~ \$45 for each initial license and each renewal;
- 25.26 (8) combatant, ~~\$10~~ \$25 for each initial license and each renewal;
- 25.27 (9) managers, ~~\$10~~ \$45 for each initial license and each renewal; and
- 25.28 (10) ringside physicians, ~~\$10~~ \$45 for each initial license and each renewal.

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

25.30 The professional combative sport contest fee is \$1,500 per event or not more than four

25.31 percent of the gross ticket sales, whichever is greater, as determined by the commission

25.32 when the combative sport contest is scheduled, except that the amateur combative sport

25.33 contest fee shall be ~~\$150~~ \$500 or not more than four percent of the gross ticket sales,

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

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

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

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

26.5 Sec. 16. Laws 2009, chapter 78, article 1, section 18, is amended to read:

26.6 Sec. 18. **COMBATIVE SPORTS**
26.7 **COMMISSION** \$ **80,000** \$ **80,000**

26.8 This is a onetime appropriation. ~~The~~
26.9 ~~Combative Sports Commission expires on~~
26.10 ~~July 1, 2011, unless the commissioner of~~
26.11 ~~finance determines that the commission's~~
26.12 ~~projected expenditures for the fiscal biennium~~
26.13 ~~ending June 30, 2013, will not exceed the~~
26.14 ~~commission's projected revenues for the~~
26.15 ~~fiscal biennium ending June 30, 2013, from~~
26.16 ~~fees and penalties authorized in Minnesota~~
26.17 ~~Statutes 2008, chapter 341.~~

26.18 **ARTICLE 3**

26.19 **LABOR AND INDUSTRY**

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

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

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

- 26.25 (1) the individual's full name;
- 26.26 (2) the individual's residence address and telephone number;
- 26.27 (3) the individual's business name, address, and telephone number;
- 26.28 (4) the services for which the individual is seeking an independent contractor
26.29 exemption certificate;
- 26.30 (5) the individual's Social Security number;
- 26.31 (6) the individual's or the individual's business federal employer identification
26.32 number, if a number has been issued to the individual or the individual's business;

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

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

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

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

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

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

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

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

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

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

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

27.24 (b) Individuals who are applying for or renewing a residential building contractor or
27.25 residential remodeler license under sections 326B.197, 326B.802, 326B.805, 326B.81,
27.26 326B.815, 326B.821 to 326B.86, 326B.87 to 326B.885, and 327B.041, and any rules
27.27 promulgated pursuant thereto, may simultaneously apply for or renew an independent
27.28 contractor exemption certificate. The commissioner shall create an application form
27.29 that allows for the simultaneous application for both a residential building contractor
27.30 or residential remodeler license and an independent contractor exemption certificate.
27.31 If individuals simultaneously apply for or renew a residential building contractor or
27.32 residential remodeler license and an independent contractor exemption certificate using
27.33 the form created by the commissioner, individuals shall only be required to provide, in
27.34 addition to the information required by section 326B.83 and rules promulgated pursuant
27.35 thereto, the sworn statement required by paragraph (a), clause (8), and any additional
27.36 information required by this subdivision that is not also required by section 326B.83

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

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

- 28.18 (1) revoked by the commissioner; or
28.19 (2) canceled by the individual.

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

28.27 (e) An individual or person to whom the commissioner issues an order under
28.28 paragraph (d) shall have 30 days after service of the order to request a hearing. The
28.29 request for hearing must be in writing and must be served on or faxed to the commissioner
28.30 at the address or facsimile number specified in the order by the 30th day after service of
28.31 the order. If the individual does not request a hearing or if the individual's request for a
28.32 hearing is not served on or faxed to the commissioner by the 30th day after service of the
28.33 order, the order shall become a final order of the commissioner and will not be subject to
28.34 review by any court or agency. The date on which a request for hearing is served by mail
28.35 shall be the postmark date on the envelope in which the request for hearing is mailed. If

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

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

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

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

29.8 Subd. 2. **Deposits.** Unless otherwise specifically designated by law: (1) all money
 29.9 collected under sections 144.122, paragraph (f); 181.723; 326B.092 to 326B.096;
 29.10 326B.101 to 326B.194; 326B.197; 326B.32 to 326B.399; 326B.43 to 326B.49; 326B.52
 29.11 to 326B.59; 326B.802 to 326B.885; 326B.90 to 326B.998; 327.31 to 327.36; and
 29.12 327B.01 to 327B.12, except penalties, is credited to the construction code fund; (2) all
 29.13 fees collected under ~~section 45.23~~ sections 326B.098 to 326B.099 in connection with
 29.14 continuing education for ~~residential contractors, residential remodelers, and residential~~
 29.15 ~~roofers~~ any license, registration, or certificate issued pursuant to this chapter are credited
 29.16 to the construction code fund; and (3) all penalties assessed under the sections set forth
 29.17 in clauses (1) and (2) and all penalties assessed under sections 144.99 to 144.993 in
 29.18 connection with any violation of sections 326B.43 to 326B.49 or 326B.52 to 326B.59 or
 29.19 the rules adopted under those sections are credited to the assigned risk safety account
 29.20 established by section 79.253.

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

29.22 **326B.091 DEFINITIONS.**

29.23 Subdivision 1. **Applicability.** For purposes of sections 326B.091 to ~~326B.098~~
 29.24 326B.099, the terms defined in this section have the meanings given them.

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

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

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

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

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

30.8 Subd. 5b. **Qualifying individual.** "Qualifying individual" means the individual
 30.9 responsible for obtaining continuing education on behalf of a residential building
 30.10 contractor, residential remodeler, or residential roofer licensed pursuant to sections
 30.11 326B.801 to 326B.885.

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

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

30.15 **326B.098 CONTINUING EDUCATION.**

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

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

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

30.24 Sec. 6. **[326B.0981] CONTINUING EDUCATION; NONDEPARTMENT**
 30.25 **SEMINARS.**

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

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

30.30 Subd. 8. **Effective date of rules.** A rule to adopt or amend the State Building Code
 30.31 is effective 180 days after ~~the filing of the rule with the secretary of state under section~~
 30.32 ~~14.16 or 14.26~~ publication of the rule's notice of adoption in the State Register. The rule
 30.33 may provide for a later effective date. The rule may provide for an earlier effective date

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

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

31.5 Subdivision 1. **Computation.** To defray the costs of administering sections
31.6 326B.101 to 326B.194, a surcharge is imposed on all permits issued by municipalities in
31.7 connection with the construction of or addition or alteration to buildings and equipment or
31.8 appurtenances after June 30, 1971. The commissioner may use any surplus in surcharge
31.9 receipts to award grants for code research and development and education.

31.10 If the fee for the permit issued is fixed in amount the surcharge is equivalent to
31.11 one-half mill (.0005) of the fee or 50 cents, except that effective July 1, 2010, until June
31.12 30, ~~2011~~ 2013, the permit surcharge is equivalent to one-half mill (.0005) of the fee or \$5,
31.13 whichever amount is greater. For all other permits, the surcharge is as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

32.11 Subd. 9. **Responsible ~~licensed plumber~~ individual.** A contractor's "responsible
32.12 ~~licensed plumber~~ individual" means the licensed master plumber or licensed restricted
32.13 master plumber designated in writing by the contractor in the contractor's license
32.14 application, or in another manner acceptable to the commissioner, as the individual
32.15 responsible for the contractor's compliance with sections 326B.41 to 326B.49, all rules
32.16 adopted under these sections and sections 326B.50 to 326B.59, and all orders issued
32.17 under section 326B.082.

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

32.19 Subd. 10. **Restricted plumbing contractor.** "Restricted plumbing contractor"
32.20 means a licensed contractor whose responsible ~~licensed plumber~~ individual is a licensed
32.21 restricted master plumber.

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

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

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

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

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

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

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

33.5 (5) adopt rules that regulate the licensure, certification, or registration of plumbing
33.6 contractors, journeymen, unlicensed individuals, master plumbers, restricted master
33.7 plumbers, restricted journeymen, restricted plumbing contractors, backflow prevention
33.8 rebuilders and testers, water conditioning contractors, and water conditioning installers,
33.9 and other persons engaged in the design, installation, and alteration of plumbing systems
33.10 or engaged in or working at the business of water conditioning installation or service, or
33.11 engaged in or working at the business of medical gas system installation, maintenance, or
33.12 repair, except for those individuals licensed under section 326.02, subdivisions 2 and 3.

33.13 The board shall adopt these rules pursuant to chapter 14 and as provided in subdivision
33.14 6, paragraphs (e) and (f);

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

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

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

33.26 (9) approve license reciprocity agreements;

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

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

33.30 Except for the powers granted to the Plumbing Board, the Board of Electricity, and the
33.31 Board of High Pressure Piping Systems, the commissioner of labor and industry shall
33.32 administer and enforce the provisions of this chapter and any rules promulgated pursuant
33.33 thereto.

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

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

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

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

34.7 (a) No person shall perform or offer to perform the installation, maintenance, repair,
34.8 replacement, or rebuilding of reduced pressure zone backflow prevention assemblies
34.9 unless the person obtains a plumbing contractor license. An individual shall not engage
34.10 in the testing, maintenance, repair, or rebuilding of reduced pressure zone backflow
34.11 prevention assemblies, as regulated by the plumbing code, unless the individual is certified
34.12 by the commissioner as a backflow prevention rebuilder.

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

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

34.22 (d) The Plumbing Board shall adopt expedited rules under section 14.389 that are
34.23 related to the certification of backflow prevention rebuilders and backflow prevention
34.24 testers. Section 326B.13, subdivision 8, does not apply to these rules. Notwithstanding the
34.25 18-month limitation under section 14.125, this authority expires on December 31, 2014.

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

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

34.31 **326B.438 MEDICAL GAS SYSTEMS.**

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

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

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

35.6 Subd. 2. **License and certification required.** ~~A No person shall perform or offer~~
35.7 ~~to perform the installation, maintenance, or repair of medical gas systems unless the~~
35.8 ~~person obtains a contractor license. An individual shall not engage in the installation,~~
35.9 ~~maintenance, or repair of a medical gas system unless the person individual possesses~~
35.10 ~~a current Minnesota master or journeyman plumber's license and is certified by the~~
35.11 ~~commissioner under rules adopted by the Minnesota Plumbing Board. The certification~~
35.12 ~~must be renewed annually biennially for as long as the certificate holder engages in the~~
35.13 ~~installation, maintenance, or repair of medical gas and vacuum systems. If a medical gas~~
35.14 ~~and vacuum system certificate is not renewed within 12 months after its expiration the~~
35.15 ~~medical gas and vacuum certificate is permanently forfeited.~~

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

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

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

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

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

36.1 (b) An individual who is an employee working on the maintenance and repair of
 36.2 plumbing equipment, apparatus, or facilities owned or leased by the individual's employer
 36.3 and which is within the limits of property owned or leased, and operated or maintained by
 36.4 the individual's employer, shall not be required to maintain a contractor license as long
 36.5 as the employer has on file with the commissioner a current certificate of responsible
 36.6 ~~person. The certificate must be signed by the responsible~~ individual. The responsible
 36.7 individual must be a master plumber or, in an area of the state that is not a city or town
 36.8 with a population of more than 5,000 according to the last federal census, a restricted
 36.9 master plumber. ~~The certificate must be signed by the responsible individual and must~~
 36.10 ~~state that the person signing the certificate is responsible for ensuring that the maintenance~~
 36.11 ~~and repair work performed by the employer's employees~~ comply ~~complies~~ with sections
 36.12 326B.41 to 326B.49, all rules adopted under those sections and sections 326B.50 to
 36.13 326B.59, and all orders issued under section 326B.082. The employer must pay a filing
 36.14 fee to file a certificate of responsible ~~person~~ individual with the commissioner. The
 36.15 certificate shall expire two years from the date of filing. In order to maintain a current
 36.16 certificate of responsible ~~person~~ individual, the employer must resubmit a certificate of
 36.17 responsible ~~person~~ individual, with a filing fee, no later than two years from the date of the
 36.18 previous submittal. The filing of the certificate of responsible ~~person~~ individual does not
 36.19 exempt any employee of the employer from the requirements of this chapter regarding
 36.20 individual licensing as a plumber or registration as a plumber's apprentice.

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

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

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

36.28 Subd. 1b. **Employment of master plumber or restricted master plumber.** (a)
 36.29 Each contractor must designate a responsible licensed plumber, who shall be responsible
 36.30 for the performance of all plumbing work in accordance with sections 326B.41 to
 36.31 326B.49, all rules adopted under these sections and sections 326B.50 to 326B.59, and all
 36.32 orders issued under section 326B.082. A plumbing contractor's responsible ~~licensed~~
 36.33 ~~plumber~~ individual must be a master plumber. A restricted plumbing contractor's
 36.34 responsible ~~licensed plumber~~ individual must be a master plumber or a restricted master
 36.35 plumber. A plumbing contractor license authorizes the contractor to offer to perform

37.1 and, through licensed and registered individuals, to perform plumbing work in all areas
37.2 of the state. A restricted plumbing contractor license authorizes the contractor to offer
37.3 to perform and, through licensed and registered individuals, to perform plumbing work
37.4 in all areas of the state except in cities and towns with a population of more than 5,000
37.5 according to the last federal census.

37.6 (b) If the contractor is an individual or sole proprietorship, the responsible licensed
37.7 ~~plumber individual~~ must be the individual, proprietor, or managing employee. If the
37.8 contractor is a partnership, the responsible licensed ~~plumber individual~~ must be a general
37.9 partner or managing employee. If the contractor is a limited liability company, the
37.10 responsible licensed ~~plumber individual~~ must be a chief manager or managing employee.
37.11 If the contractor is a corporation, the responsible licensed ~~plumber individual~~ must be
37.12 an officer or managing employee. If the responsible licensed ~~plumber individual~~ is a
37.13 managing employee, the responsible licensed ~~plumber individual~~ must be actively engaged
37.14 in performing plumbing work on behalf of the contractor, and cannot be employed in any
37.15 capacity as a plumber for any other contractor. An individual may be the responsible
37.16 licensed ~~plumber individual~~ for only one contractor.

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

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

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

37.27 (b) Each person who performs or offers to perform plumbing work within the state
37.28 shall give and maintain bond to the state in the amount of at least \$25,000 for (1) all
37.29 plumbing work entered into within the state or (2) all plumbing work and subsurface
37.30 sewage treatment work entered into within the state. If the bond is for both plumbing work
37.31 and subsurface sewage treatment work, the bond must comply with the requirements of
37.32 this section and section 115.56, subdivision 2, paragraph (e). The bond shall be for the
37.33 benefit of persons injured or suffering financial loss by reason of failure to comply with the
37.34 requirements of the State Plumbing Code and, if the bond is for both plumbing work and
37.35 subsurface sewage treatment work, financial loss by reason of failure to comply with the

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

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

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

38.14 Subd. 3. **Bond and insurance exemption.** If a ~~master plumber or restricted master~~
38.15 ~~plumber~~ person who is in compliance with the bond and insurance requirements of
38.16 subdivision 2, employs a licensed plumber, ~~the~~ or an individual who has completed pipe
38.17 laying training as prescribed by the commissioner, that employee ~~plumber~~ shall not be
38.18 required to meet the bond and insurance requirements of subdivision 2. An individual who
38.19 is an employee working on the maintenance and repair of plumbing equipment, apparatus,
38.20 or facilities owned or leased by the individual's employer and which is within the limits of
38.21 property owned or leased, and operated or maintained by the individual's employer, shall
38.22 not be required to meet the bond and insurance requirements of subdivision 2.

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

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

38.27 (b) A plumber's apprentice or registered unlicensed individual is authorized to
38.28 assist in the installation of plumbing only while under the direct supervision of a master,
38.29 restricted master, journeyman, or restricted journeyman plumber. The master, restricted
38.30 master, journeyman, or restricted journeyman plumber is responsible for ensuring that all
38.31 plumbing work performed by the plumber's apprentice or registered unlicensed individual
38.32 complies with the plumbing code. The supervising master, restricted master, journeyman,
38.33 or restricted journeyman must be licensed and must be employed by the same employer
38.34 as the plumber's apprentice or registered unlicensed individual. Licensed individuals

39.1 shall not permit plumber's apprentices or registered unlicensed individuals to perform
39.2 plumbing work except under the direct supervision of an individual actually licensed to
39.3 perform such work. Plumber's apprentices and registered unlicensed individuals shall not
39.4 supervise the performance of plumbing work or make assignments of plumbing work
39.5 to unlicensed individuals.

39.6 (c) Contractors employing plumber's apprentices or registered unlicensed individuals
39.7 to perform plumbing work shall maintain records establishing compliance with this
39.8 subdivision that shall identify all plumber's apprentices and registered unlicensed
39.9 individuals performing plumbing work, and shall permit the department to examine and
39.10 copy all such records.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

40.27 (b) Each bond given to the state under this subdivision shall be in the total sum of
40.28 \$3,000 conditioned upon the faithful and lawful performance of all water conditioning
40.29 installation or servicing done within the state. The bond shall be for the benefit of
40.30 persons suffering injuries or damages due to the work. The bond shall be filed with the
40.31 commissioner and shall be written by a corporate surety licensed to do business in this
40.32 state. The bond must remain in effect at all times while the application is pending and
40.33 while the license is in effect.

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

41.1 **326B.58 FEES; RENEWAL.**

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

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

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

41.12 (d) For purposes of calculating license fees and renewal fees required under section
41.13 326B.092:

41.14 (1) a water conditioning journeyman license shall be considered a journeyman
41.15 license;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

43.19 (3) courses must be presented and attended in a suitable classroom or construction
43.20 setting, except for Internet education courses which must meet the requirements of
43.21 subdivision 5a. Courses presented via video recording, simultaneous broadcast, or
43.22 teleconference may be approved provided the sponsor is available at all times during the
43.23 presentation, except for Internet education courses which must meet the requirements
43.24 of subdivision 5a.

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

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

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

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

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

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

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

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

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

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

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

44.16 (1) specify the minimum computer system requirements;

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

44.20 (3) include technology to guarantee seat time;

44.21 (4) include a high level of interactivity;

44.22 (5) include graphics that reinforce the content;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 47.1 Sec. 36. Minnesota Statutes 2010, section 326B.821, subdivision 9, is amended to read:
- 47.2 Subd. 9. **Responsibilities.** A sponsor is responsible for:
- 47.3 (1) ensuring compliance with all laws and rules relating to continuing educational
- 47.4 offerings governed by the commissioner;
- 47.5 (2) ensuring that students are provided with current and accurate information relating
- 47.6 to the laws and rules governing ~~their licensed activity~~ the regulated industry;
- 47.7 (3) supervising and evaluating courses and instructors. Supervision includes
- 47.8 ensuring that all areas of the curriculum are addressed without redundancy and that
- 47.9 continuity is present throughout the entire course;
- 47.10 (4) ensuring that instructors are qualified to teach the course offering;
- 47.11 (5) furnishing the commissioner, upon request, with copies of course ~~and instructor~~
- 47.12 ~~evaluations and~~ Evaluations must be completed by students at the time the course is
- 47.13 offered;
- 47.14 ~~(6) furnishing the commissioner, upon request, with copies of the qualifications of~~
- 47.15 ~~instructors. Evaluations must be completed by students at the time the course is offered~~
- 47.16 ~~and by sponsors within five days after the course offering~~;
- 47.17 ~~(6)~~ (7) investigating complaints related to course offerings or instructors. A copy
- 47.18 of the written complaint must be sent to the commissioner within ten days of receipt of
- 47.19 the complaint and a copy of the complaint resolution must be sent not more than ten
- 47.20 days after resolution is reached;
- 47.21 ~~(7)~~ (8) maintaining accurate records relating to course offerings, instructors, tests
- 47.22 taken by students if required, and student attendance for a period of three years from the
- 47.23 date on which the course was completed. These records must be made available to the
- 47.24 commissioner upon request. In the event the sponsor ceases operations before termination
- 47.25 of the sponsor application, the sponsor must provide to the commissioner digital copies of
- 47.26 all course and attendance records of courses held for the previous three years;
- 47.27 ~~(8)~~ (9) attending workshops or instructional programs as reasonably required by
- 47.28 the commissioner;
- 47.29 ~~(9)~~ (10) providing course completion certificates within ten days of, but not before,
- 47.30 completion of the entire course. A sponsor may require payment of the course tuition as a
- 47.31 condition of receiving the course completion certificate. Course completion certificates
- 47.32 must be completed in their entirety. ~~Course completion certificates must and shall~~ contain
- 47.33 the following:
- 47.34 (i) the statement: "If you have any comments about this course offering, please mail
- 47.35 them to the Minnesota Department of Labor and Industry."

48.1 (ii) the current address of the department ~~must be included. A sponsor may require~~
48.2 ~~payment of the course tuition as a condition for receiving the course completion certificate,~~
48.3 name of the provider, date and location of the course, educational program identification
48.4 provided by the department, and hours of instruction or continuing education hours; and
48.5 (iii) the licensee's or attendee's name and license, certificate, or registration number
48.6 or the last four digits of the licensee's or attendee's Social Security number; and
48.7 ~~(10)~~ (11) notifying the commissioner in writing within ten days of any change in the
48.8 information in an application for approval on file with the commissioner.

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

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

48.16 (b) Qualified continuing education instructors must have one of the following
48.17 qualifications:

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

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

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

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

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

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

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

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

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

48.31 (5) providing assistance to students and responding to questions relating to course
48.32 materials; and

48.33 (6) attending the workshops or instructional programs that are required by the
48.34 commissioner.

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

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

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

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

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

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

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

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

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

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

49.20 (9) issue inaccurate course completion certificates.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

51.7 The commissioner reserves the right to audit a licensee's continuing education
51.8 records.

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

51.11 Subd. 19. **Waivers and extensions.** ~~If a licensee provides documentation to the~~
51.12 ~~commissioner that the licensee or its qualifying person is unable, and will continue to be~~
51.13 ~~unable, to attend actual classroom course work because of a physical disability, medical~~
51.14 ~~condition, or similar reason, attendance at continuing education courses shall be waived~~
51.15 ~~for a period not to exceed one year. The commissioner shall require that the licensee or~~
51.16 ~~its qualifying person satisfactorily complete a self-study program to include reading a~~
51.17 ~~sufficient number of textbooks, or listening to a sufficient number of tapes, related to the~~
51.18 ~~residential building contractor industry, as would be necessary for the licensee to satisfy~~
51.19 ~~continuing educational credit hour needs. The commissioner shall award the licensee~~
51.20 ~~credit hours for a self-study program by determining how many credit hours would~~
51.21 ~~be granted to a classroom course involving the same material and giving the licensee~~
51.22 ~~the same number of credit hours under this section. The licensee may apply each year~~
51.23 ~~for a new waiver upon the same terms and conditions as were necessary to secure the~~
51.24 ~~original waiver, and must demonstrate that in subsequent years, the licensee was unable to~~
51.25 ~~complete actual classroom course work. The commissioner may request documentation~~
51.26 ~~of the condition upon which the request for waiver is based as is necessary to satisfy~~
51.27 ~~the commissioner of the existence of the condition and that the condition does preclude~~
51.28 ~~attendance at continuing education courses.~~

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

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

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

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

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

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

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

52.15 (1) initial course approval, \$20 for each hour or fraction of one hour of continuing
52.16 education course approval sought. Initial course approval expires on the last day of the
52.17 ~~24th~~ 36th month after the course is approved;

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

52.20 ~~(3)~~ (2) initial sponsor approval, \$100. Initial sponsor approval expires on the last
52.21 day of the 24th month after the sponsor is approved; and

52.22 ~~(4)~~ (3) renewal of sponsor approval, ~~\$20~~ \$100. Renewal of sponsor approval expires
52.23 on the last day of the 24th month after the sponsor is renewed.

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

52.25 **326B.865 SIGN CONTRACTOR; BOND.**

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

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

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

53.8 (d) Each person giving bond under this section shall pay a biennial bond filing fee of
53.9 \$100 to the commissioner of labor and industry.

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

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

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

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

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

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

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

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

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

53.33 (7) the amount of the final judgment, any amount paid in satisfaction of the final
53.34 judgment, and the amount owing on the final judgment as of the date of the verified
53.35 application;

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

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

54.6 The verified application must include documents evidencing the amount of the
54.7 owner's or the lessee's actual and direct out-of-pocket loss. The owner's and the lessee's
54.8 actual and direct out-of-pocket loss shall not include any attorney fees, litigation costs
54.9 or fees, interest on the loss, and interest on the final judgment obtained as a result of the
54.10 loss or any costs not directly related to the value difference between what was contracted
54.11 for and what was provided. Any amount paid in satisfaction of the final judgment shall
54.12 be applied to the owner's or lessee's actual and direct out-of-pocket loss. An owner or
54.13 lessee may serve a verified application regardless of whether the final judgment has been
54.14 discharged by a bankruptcy court. A judgment issued by a court is final if all proceedings
54.15 on the judgment have either been pursued and concluded or been forgone, including all
54.16 reviews and appeals. For purposes of this section, owners who are joint tenants or tenants
54.17 in common are deemed to be a single owner. For purposes of this section, owners and
54.18 lessees eligible for payment of compensation from the fund shall not include government
54.19 agencies, political subdivisions, financial institutions, and any other entity that purchases,
54.20 guarantees, or insures a loan secured by real estate.

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

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

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

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

55.4 The administrative law judge shall issue findings of fact, conclusions of law, and
55.5 order. If the administrative law judge finds that compensation should be paid to the owner
55.6 or the lessee, the administrative law judge shall order the commissioner to make payment
55.7 from the fund of the amount it finds to be payable pursuant to the provisions of and in
55.8 accordance with the limitations contained in this section. The order of the administrative
55.9 law judge shall constitute the final decision of the agency in the contested case. The
55.10 commissioner or the owner or lessee may seek judicial review of the administrative law
55.11 judge's findings of fact, conclusions of law, and order ~~shall be~~ in accordance with sections
55.12 14.63 to 14.69.

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

55.14 Subd. 1a. **Requirement; used manufactured homes.** No person shall sell or
55.15 offer for sale in this state any used manufactured home manufactured after June 14,
55.16 1976, or install for occupancy any used manufactured home manufactured after June
55.17 14, 1976, unless the used manufactured home complies with the Notice of Compliance
55.18 Form as provided in this subdivision. If manufactured after June 14, 1976, the home
55.19 must bear a label as required by the secretary. The Notice of Compliance Form shall be
55.20 signed by the seller and purchaser indicating which party is responsible for either making
55.21 or paying for any necessary corrections prior to the sale and transferring ownership of
55.22 the manufactured home.

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

55.24 "Notice of Compliance Form as required in Minnesota Statutes,
55.25 section 327.32, subdivision 1

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

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

55.33 Complies Correction required
55.34 Initialed by Responsible Party: Buyer Seller

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

56.5 Complies Correction required
 56.6 Initialed by Responsible Party: Buyer Seller

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

56.10 Complies Correction required
 56.11 Initialed by Responsible Party: Buyer Seller

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

56.14 Complies Correction required
 56.15 Initialed by Responsible Party: Buyer Seller

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

56.18 Complies Correction required
 56.19 Initialed by Responsible Party: Buyer Seller

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

56.25 Complies Correction required
 56.26 Initialed by Responsible Party: Buyer Seller

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

56.30 Complies Correction required
 56.31 Initialed by Responsible Party: Buyer Seller

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

57.1 Complies Correction required

57.2 Initialed by Responsible Party: Buyer Seller

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

57.5 Complies Correction required

57.6 Initialed by Responsible Party: Buyer Seller

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

57.13 Signature of Purchaser(s) of Home

57.14date..... date.....

57.15date..... date.....

57.16 Print name as appears on purchase agreement Print name as appears on purchase
57.17 agreement agreement

57.18 Signature of Seller(s) of Home

57.19date..... date.....

57.20date..... date.....

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

57.23

57.24 (City/State/Zip).....

57.25 Name of manufacturer of home.....

57.26 Model and year.....

57.27 Serial number....."

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

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

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

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

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

58.3 Subd. 1e. **Reinstallation requirements for ~~single-section~~ used manufactured**
58.4 **homes.** (a) All ~~single-section~~ used manufactured homes reinstalled less than 24 months
58.5 from the date of installation by the first purchaser must be reinstalled in compliance with
58.6 subdivision 1c. All ~~single-section~~ used manufactured homes reinstalled more than 24
58.7 months from the date of installation by the first purchaser may be reinstalled without
58.8 a frost-protected foundation if the home is reinstalled in compliance with Minnesota
58.9 Rules, chapter 1350, for above frost-line installations and the notice requirement of
58.10 subdivision 1f is complied with by the seller and the purchaser of the ~~single-section~~ used
58.11 manufactured home.

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

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

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

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

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

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

59.4 WHICH MAY VOID WARRANTY

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

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

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

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

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

59.26 Plain language notice.

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

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

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

60.1 Signature of Purchaser(s)
 60.2date..... date.....
 60.3
 60.4 Print name Print name
 60.5 (Street address of location where
 60.6 manufactured home is being reinstalled)
 60.7
 60.8 (City/State/Zip).....
 60.9 Name of manufacturer of home.....
 60.10 Model and year.....
 60.11 Serial number.....
 60.12 Name of licensed installer and license number or homeowner responsible for the
 60.13 installation of the home as described above.
 60.14 Installer name:.....
 60.15 License number:....."

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

60.17 Sec. 54. Minnesota Statutes 2010, section 327.33, subdivision 1, is amended to read:

60.18 Subdivision 1. **Inspections.** The commissioner shall, through the department's
 60.19 inspectors or through a designated recognized inspection service acting as authorized
 60.20 representative of the commissioner perform sufficient inspections of manufacturing
 60.21 premises and manufactured homes to ensure compliance with sections 327.31 to 327.35,
 60.22 except that municipalities which have adopted the state building code may provide
 60.23 inspection and plan review services in noncode areas of the state. ~~The commissioner shall~~
 60.24 ~~have the exclusive right to conduct inspections, except for the inspections conducted or~~
 60.25 ~~authorized by the secretary.~~

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

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

60.28 Subd. 2. **Fees.** The commissioner shall by rule establish reasonable fees for seals,
 60.29 installation seals and inspections which are sufficient to cover all costs incurred in the
 60.30 administration of sections 327.31 to 327.35. The commissioner shall also establish by
 60.31 rule a monitoring inspection fee in an amount that will comply with the secretary's fee
 60.32 distribution program. This monitoring inspection fee shall be an amount paid by the
 60.33 manufacturer for each manufactured home produced in Minnesota. The monitoring
 60.34 inspection fee shall be paid by the manufacturer to the secretary. The rules of the
 60.35 fee distribution program require the secretary to distribute the fees collected from all

61.1 manufactured home manufacturers among states approved and conditionally approved
 61.2 based on the number of new manufactured homes whose first location after leaving the
 61.3 manufacturer is on the premises of a distributor, dealer or purchaser in that state. Fees
 61.4 for inspections in areas that have not adopted the State Building Code must be equal to
 61.5 the fees for inspections in code areas of the state. Third party vendors may charge their
 61.6 usual and normal charge for inspections.

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

61.8 Sec. 56. **REVISOR'S INSTRUCTION.**

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

61.12	<u>Column A</u>	<u>Column B</u>
61.13	<u>326B.82, subd. 2</u>	<u>326B.091, subd. 2a</u>
61.14	<u>326B.82, subd. 3</u>	<u>326B.091, subd. 2b</u>
61.15	<u>326b.82, subd. 5</u>	<u>326B.091, subd. 2c</u>
61.16	<u>326B.82, subd. 7</u>	<u>326B.091, subd. 4a</u>
61.17	<u>326B.82, subd. 8</u>	<u>326B.091, subd. 5a</u>
61.18	<u>326B.82, subd. 9</u>	<u>326B.091, subd. 5c</u>
61.19	<u>326B.82, subd. 10</u>	<u>326B.091, subd. 7</u>
61.20	<u>326B.821, subd. 4</u>	<u>326B.0981, subd. 17</u>
61.21	<u>326B.821, subd. 5</u>	<u>326B.0981, subd. 3</u>
61.22	<u>326B.821, subd. 5a</u>	<u>326B.0981, subd. 4</u>
61.23	<u>326B.821, subd. 6</u>	<u>326B.0981, subd. 5</u>
61.24	<u>326B.821, subd. 7</u>	<u>326B.0981, subd. 6</u>
61.25	<u>326B.821, subd. 8</u>	<u>326B.099, subd. 1</u>
61.26	<u>326B.821, subd. 9</u>	<u>326B.099, subd. 2</u>
61.27	<u>326B.821, subd. 10</u>	<u>326B.099, subd. 3</u>
61.28	<u>326B.821, subd. 11</u>	<u>326B.099, subd. 4</u>
61.29	<u>326B.821, subd. 12</u>	<u>326B.0981, subd. 7</u>
61.30	<u>326B.821, subd. 13</u>	<u>326B.0981, subd. 8</u>
61.31	<u>326B.821, subd. 14</u>	<u>326B.0981, subd. 9</u>
61.32	<u>326B.821, subd. 15</u>	<u>326B.0981, subd. 10</u>
61.33	<u>326B.821, subd. 16</u>	<u>326B.0981, subd. 11</u>
61.34	<u>326B.821, subd. 17</u>	<u>326B.099, subd. 5</u>
61.35	<u>326B.821, subd. 18</u>	<u>326B.0981, subd. 12</u>
61.36	<u>326B.821, subd. 19</u>	<u>326B.0981, subd. 13</u>
61.37	<u>326B.821, subd. 20</u>	<u>326B.0981, subd. 14</u>
61.38	<u>326B.821, subd. 22</u>	<u>326B.0981, subd. 2</u>

62.1 326B.821, subd. 23 326B.0981, subd. 15
62.2 326B.821, subd. 24 326B.0981, subd. 16

62.3 Sec. 57. **REPEALER.**

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

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

62.7 Amend the title accordingly