

# Chapter 30

2023 Regular Session

**Subject** Workforce requirements at petroleum refineries

**Bill** H.F. 10

**Analyst** Anna Scholin

**Date** May 10, 2023

## Overview

Creates a new requirement that at least a certain percent of the employees of any contractor working at a petroleum refinery must have experience with a registered apprenticeship program in the applicable trade. Establishes fines to punish violators and allows the commissioner to issue compliance orders.

## Summary

Section	Description
1	<p><b>Compliance orders. [§ 177.27, subd. 4]</b></p> <p>Adds section 2 [§ 181.987] to the list of statutes the commissioner of labor and industry may issue a compliance order to an employer about, effective January 1, 2024.</p>
2	<p><b>Use of skilled and trained contractor workforces at petroleum refineries. [§ 181.987]</b></p> <p>Creates a new requirement that at least a certain percent of the employees of any contractor working at a petroleum refinery must have experience with a registered apprenticeship program in the applicable trade. Establishes fines to punish violators.</p> <p><b>Subd. 1. Definitions.</b> Provides definitions, including defining “skilled and trained workforce” as a minimum percent of the employees of a contractor or subcontractor working at the site of the petroleum refinery either currently or previously being registered apprentices in the applicable trade or having completed all requirements to graduate from a registered apprenticeship or a comparable combination of experience and training. The minimum percentage begins at 30 percent by January 1, 2024, and steps up annually by 15 percent until reaching 60 percent by January 1, 2026.</p> <p><b>Subd. 2. Use of contractors by owner, operator; requirement.</b> Requires the owner or operator of a petroleum refinery to require that all contractors and subcontractors performing certain types of work on site to use a skilled and trained workforce as defined in subdivision 1, unless hired to perform OEM work</p>

Section	Description
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	necessary to comply with equipment warranty requirements or unless subject to a project labor agreement or collectively bargained maintenance agreement involving a registered apprenticeship program or if there is an emergency or lack of workers that makes compliance impracticable.
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**Subd. 3. Penalties.** Directs the commissioner of labor and industry to fine owners, operators, contractors, or subcontractors at least \$5,000, but no more than \$10,000 for every shift where the skilled and trained workforce requirement is violated, in addition to other penalties. Allows the size of the penalty to be scaled to the size of the violator's business and the gravity of the violation.

**Effective date.** This section is effective January 1, 2024, and applies to contracts entered, extended, or renewed on or after that date. Requires existing contracts entered before that date to be renegotiated to comply with this section by January 1, 2025.



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