

1.1 CONFERENCE COMMITTEE REPORT ON S.F. No. 2510

1.2 A bill for an act

1.3 relating to economic development; amending the definition of green economy
1.4 to include the concept of green chemistry; creating a fast-action economic
1.5 response team; expanding the Minnesota investment fund; removing a grant
1.6 program restriction; expanding loan program to veteran-owned small businesses;
1.7 creating the Minnesota Science and Technology Authority; providing for a
1.8 comparative study of state laws affecting small business start-ups; modifying
1.9 certain unemployment insurance administrative, benefit, and tax provisions;
1.10 protecting customers from injuries resulting from use of inflatable play
1.11 equipment; modifying labor and industry licensing and certain license fee
1.12 provisions; modifying enforcement requirements of the State Building Code;
1.13 modifying the requirements of the Manufactured Home Building Code; allowing
1.14 expedited rulemaking; providing for licensing and regulation of individuals
1.15 engaged in mortgage loan origination or mortgage loan business; providing for
1.16 licensing and regulation of appraisal management companies; providing for
1.17 property acquisition from petroleum tank fund proceeds; clarifying requirements
1.18 for granting additional cable franchises; regulating cadmium in children's
1.19 jewelry; regulating the sale and termination of portable electronics insurance;
1.20 authorizing amendments to a municipal comprehensive plan for affordable
1.21 housing; amending Iron Range resources provisions; requiring certain reports;
1.22 appropriating money; amending Minnesota Statutes 2008, sections 58.04,
1.23 subdivision 1; 58.08, by adding a subdivision; 58.09; 58.10, subdivision 1;
1.24 58.11; 60K.36, subdivision 2; 60K.38, subdivision 1; 82B.05, subdivision 5, by
1.25 adding a subdivision; 82B.06; 115C.08, subdivision 1; 116J.437, subdivision
1.26 1; 116J.8731, subdivisions 1, 4; 116J.996; 181.723, subdivision 5; 238.08,
1.27 subdivision 1; 268.035, subdivision 20; 268.046, subdivision 1; 268.051,
1.28 subdivisions 2, 5, 7; 268.07, as amended; 268.085, subdivision 9; 326B.106,
1.29 subdivision 9; 326B.133, subdivisions 1, 3, 8, 11, by adding subdivisions;
1.30 326B.16; 326B.197; 326B.33, subdivisions 18, 20, 21; 326B.42, by adding
1.31 subdivisions; 326B.44; 326B.46, as amended; 326B.47; 326B.475, subdivision
1.32 2; 326B.50, by adding subdivisions; 326B.54; 326B.55, as amended if enacted;
1.33 326B.56, as amended; 326B.805, subdivision 6; 326B.83, subdivisions 1, 3, 6;
1.34 326B.865; 326B.921, subdivisions 2, 4, 7; 326B.922; 326B.978, subdivision
1.35 2, by adding a subdivision; 327.31, subdivision 17, by adding subdivisions;
1.36 327.32, subdivision 1, by adding subdivisions; 327B.04, subdivision 2; 462.355,
1.37 subdivision 3; Minnesota Statutes 2009 Supplement, sections 58.06, subdivision
1.38 2; 60K.55, subdivision 2; 82B.05, subdivision 1; 115C.08, subdivision 4;
1.39 116J.8731, subdivision 3; 116L.20, subdivision 1; 268.035, subdivision 19a;
1.40 268.052, subdivision 2; 268.053, subdivision 1; 268.085, subdivision 1; 268.136,
1.41 subdivision 1; 326B.33, subdivision 19; 326B.475, subdivision 4; 326B.49,
1.42 subdivision 1; 326B.58; 326B.815, subdivision 1; 326B.86, subdivision 1;
1.43 326B.94, subdivision 4; 326B.986, subdivision 5; 327B.04, subdivisions 7, 7a,

2.1 8; 327B.041; Laws 2009, chapter 78, article 1, section 3, subdivision 2; Laws
2.2 2010, chapter 216, section 58; proposing coding for new law in Minnesota
2.3 Statutes, chapters 60K; 116J; 184B; 325E; 326B; proposing coding for new law
2.4 as Minnesota Statutes, chapters 58A; 82C; 116W; repealing Minnesota Statutes
2.5 2008, sections 116J.657; 326B.133, subdivisions 9, 10; 326B.37, subdivision 13;
2.6 326B.475, subdivisions 5, 6; 326B.56, subdivision 3; 326B.885, subdivisions 3,
2.7 4; 326B.976; 327.32, subdivision 4; 327C.07, subdivisions 3, 3a, 8; Minnesota
2.8 Statutes 2009 Supplement, sections 58.126; 326B.56, subdivision 4; Laws 2010,
2.9 chapter 215, article 9, section 3; Minnesota Rules, parts 1301.0500; 1301.0900;
2.10 1301.1100, subparts 2, 3, 4; 1350.7200, subpart 3; 1350.8000, subpart 2.

2.11 May 8, 2010

2.12 The Honorable James P. Metzen
2.13 President of the Senate

2.14 The Honorable Margaret Anderson Kelliher
2.15 Speaker of the House of Representatives

2.16 We, the undersigned conferees for S.F. No. 2510 report that we have agreed upon
2.17 the items in dispute and recommend as follows:

2.18 That the House recede from its amendments and that S.F. No. 2510 be further
2.19 amended as follows:

2.20 Delete everything after the enacting clause and insert:

2.21 "ARTICLE 1

2.22 EMPLOYMENT AND ECONOMIC DEVELOPMENT

2.23 Section 1. Minnesota Statutes 2008, section 116J.437, subdivision 1, is amended to
2.24 read:

2.25 Subdivision 1. **Definitions.** (a) For the purpose of this section, the following terms
2.26 have the meanings given.

2.27 (b) "Green economy" means products, processes, methods, technologies, or services
2.28 intended to do one or more of the following:

2.29 (1) increase the use of energy from renewable sources, including through achieving
2.30 the renewable energy standard established in section 216B.1691;

2.31 (2) achieve the statewide energy-savings goal established in section 216B.2401,
2.32 including energy savings achieved by the conservation investment program under section
2.33 216B.241;

2.34 (3) achieve the greenhouse gas emission reduction goals of section 216H.02,
2.35 subdivision 1, including through reduction of greenhouse gas emissions, as defined in
2.36 section 216H.01, subdivision 2, or mitigation of the greenhouse gas emissions through,
2.37 but not limited to, carbon capture, storage, or sequestration;

2.38 (4) monitor, protect, restore, and preserve the quality of surface waters, including
2.39 actions to further the purposes of the Clean Water Legacy Act as provided in section
2.40 114D.10, subdivision 1; ~~or~~

3.1 (5) expand the use of biofuels, including by expanding the feasibility or reducing the
3.2 cost of producing biofuels or the types of equipment, machinery, and vehicles that can
3.3 use biofuels, including activities to achieve the biofuels 25 by 2025 initiative in sections
3.4 41A.10, subdivision 2, and 41A.11; or

3.5 (6) increase the use of green chemistry, as defined in section 116.9401.

3.6 For the purpose of clause (3), "green economy" includes strategies that reduce carbon
3.7 emissions, such as utilizing existing buildings and other infrastructure, and utilizing mass
3.8 transit or otherwise reducing commuting for employees.

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

3.10 Sec. 2. **[116J.872] RESPONSE TEAM.**

3.11 (a) The department shall operate a fast-action economic response team to contact
3.12 and work with businesses that are identified as being:

3.13 (1) at risk for relocating or expanding outside the state; or

3.14 (2) prospects for expansion or relocation within the state.

3.15 (b) The fast-action response team must contact identified businesses within 24 hours.

3.16 Sec. 3. Minnesota Statutes 2008, section 116J.8731, subdivision 1, is amended to read:

3.17 Subdivision 1. **Purpose.** The Minnesota investment fund is created to provide
3.18 financial and technical assistance, through partnership with communities, for the creation
3.19 of new employment or to maintain existing employment, and for business start-up,
3.20 expansions, and retention. It shall accomplish these goals by the following means:

3.21 (1) creation or retention of permanent private-sector jobs in order to create
3.22 above-average economic growth consistent with environmental protection, which includes
3.23 investments in technology and equipment that increase productivity and provide for a
3.24 higher wage;

3.25 (2) stimulation or leverage of private investment to ensure economic renewal and
3.26 competitiveness;

3.27 (3) increasing the local tax base, based on demonstrated measurable outcomes, to
3.28 guarantee a diversified industry mix;

3.29 (4) improving the quality of existing jobs, based on increases in wages or
3.30 improvements in the job duties, training, or education associated with those jobs;

3.31 (5) improvement of employment and economic opportunity for citizens in the region
3.32 to create a reasonable standard of living, consistent with federal and state guidelines
3.33 on low- to moderate-income persons; and

4.1 (6) stimulation of productivity growth through improved manufacturing or new
4.2 technologies, including cold weather testing.

4.3 Sec. 4. Minnesota Statutes 2009 Supplement, section 116J.8731, subdivision 3, is
4.4 amended to read:

4.5 Subd. 3. **Eligible expenditures.** The money appropriated for this section may be
4.6 used to ~~fund~~:

4.7 (1) fund grants for infrastructure, loans, loan guarantees, interest buy-downs, and
4.8 other forms of participation with private sources of financing, provided that a loan to a
4.9 private enterprise must be for a principal amount not to exceed one-half of the cost of the
4.10 project for which financing is sought; ~~and~~

4.11 (2) fund strategic investments in renewable energy market development, such as
4.12 low interest loans for renewable energy equipment manufacturing, training grants to
4.13 support renewable energy workforce, development of a renewable energy supply chain
4.14 that represents and strengthens the industry throughout the state, and external marketing
4.15 to garner more national and international investment into Minnesota's renewable sector.
4.16 Expenditures in external marketing for renewable energy market development are not
4.17 subject to the limitations in clause (1); and

4.18 (3) provide private entrepreneurs with training, other technical assistance, and
4.19 financial assistance, as provided in the small cities development block grant program.

4.20 Sec. 5. Minnesota Statutes 2008, section 116J.8731, subdivision 4, is amended to read:

4.21 Subd. 4. **Eligible projects.** Assistance must be evaluated on the existence of the
4.22 following conditions:

4.23 (1) creation of new jobs, retention of existing jobs, or improvements in the quality of
4.24 existing jobs as measured by the wages, skills, or education associated with those jobs;

4.25 (2) increase in the tax base;

4.26 (3) the project can demonstrate that investment of public dollars induces private
4.27 funds;

4.28 (4) the project can demonstrate an excessive public infrastructure or improvement
4.29 cost beyond the means of the affected community and private participants in the project;

4.30 (5) the project provides higher wage levels to the community or will add value to
4.31 current workforce skills;

4.32 (6) the project supports the development of microenterprises, as defined by federal
4.33 statutes, through financial assistance, technical assistance, advice, or business services;

4.34 (7) whether assistance is necessary to retain existing business;

5.1 ~~(7)~~(8) whether assistance is necessary to attract out-of-state business; and
5.2 ~~(8)~~(9) the project promotes or advances the green economy as defined in section
5.3 116J.437.

5.4 A grant or loan cannot be made based solely on a finding that the conditions in
5.5 clause ~~(6)~~(7) or ~~(7)~~(8) exist. A finding must be made that a condition in clause (1), (2),
5.6 (3), (4), ~~or~~ (5), or (6) also exists.

5.7 Applications recommended for funding shall be submitted to the commissioner.

5.8 Sec. 6. Minnesota Statutes 2008, section 116J.996, is amended to read:

5.9 **116J.996 MILITARY RESERVIST ECONOMIC INJURY AND**
5.10 **VETERAN-OWNED SMALL BUSINESS LOANS.**

5.11 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this
5.12 section.

5.13 (b) "Active service" has the meaning given in section 190.05.

5.14 (c) "Commissioner" means the commissioner of employment and economic
5.15 development.

5.16 (d) "Eligible business" means a small business, as defined in section 645.445, that
5.17 was operating in Minnesota on the date a military reservist received orders for active
5.18 service.

5.19 (e) "Essential employee" means a military reservist who is an owner or employee
5.20 of an eligible business and whose managerial or technical expertise is critical to the
5.21 day-to-day operation of the eligible business.

5.22 (f) "Military reservist" means a member of the reserve component of the armed
5.23 forces.

5.24 (g) "Reserve component of the armed forces" has the meaning given it in United
5.25 States Code, title 10, section 101(c).

5.26 (h) "Substantial economic injury" means an economic harm to an eligible business
5.27 that results in the inability of the eligible business to:

5.28 (1) meet its obligations as they mature;

5.29 (2) pay its ordinary and necessary operating expenses; or

5.30 (3) manufacture, produce, market, or provide a product or service ordinarily
5.31 manufactured, produced, marketed, or provided by the eligible business.

5.32 (i) "Veteran-owned small business" means a small business, as defined in section
5.33 645.445, that is majority-owned and operated by a recently separated veteran.

5.34 Subd. 2. **Loan program.** The commissioner may make onetime, interest-free
5.35 loans of up to \$20,000 per borrower to:

6.1 (1) eligible businesses that have sustained or are likely to sustain substantial
6.2 economic injury as a result of the call to active service for 180 days or more of an essential
6.3 employee; or

6.4 (2) recently separated veterans who are veterans as defined in section 197.447,
6.5 and have served in active military service, at any time on or after September 11, 2001,
6.6 to start a veteran-owned small business.

6.7 Loans for economic injury must be made for the purpose of preventing, remedying, or
6.8 ameliorating the substantial economic injury.

6.9 Subd. 3. **Revolving loan account.** The commissioner shall use money appropriated
6.10 for the purpose to establish a revolving loan account. All repayments of loans made
6.11 under this section must be deposited into this account. Interest earned on money in the
6.12 account accrues to the account. Money in the account is appropriated to the commissioner
6.13 for purposes of the loan program created in this section, including costs incurred by the
6.14 commissioner to establish and administer the program.

6.15 Subd. 4. **Rules.** Using the expedited rulemaking procedures of section 14.389, the
6.16 commissioner shall develop and publish expedited rules for loan applications, use of
6.17 funds, needed collateral, terms of loans, and other details of military reservist economic
6.18 injury and veteran-owned small business loans.

6.19 Sec. 7. Minnesota Statutes 2008, section 116L.665, subdivision 3, is amended to read:

6.20 Subd. 3. **Purpose; duties.** The governor's Workforce Development Council shall
6.21 replace the governor's Job Training Council and assume all of its requirements, duties,
6.22 and responsibilities under the Workforce Investment Act. Additionally, the Workforce
6.23 Development Council shall assume the following duties and responsibilities:

6.24 (a) Review the provision of services and the use of funds and resources under
6.25 applicable federal human resource programs and advise the governor on methods of
6.26 coordinating the provision of services and the use of funds and resources consistent with
6.27 the laws and regulations governing the programs. For purposes of this section, applicable
6.28 federal and state human resource programs mean the:

6.29 (1) Workforce Investment Act, United States Code, title 29, section 2911, et seq.;

6.30 (2) Carl D. Perkins Vocational and Applied Technology Education Act, United
6.31 States Code, title 20, section 2301, et seq.;

6.32 (3) Adult Education Act, United States Code, title 20, section 1201, et seq.;

6.33 (4) Wagner-Peyser Act, United States Code, title 29, section 49;

6.34 (5) Personal Responsibility and Work Opportunities Act of 1996 (TANF);

7.1 (6) Food Stamp Act of 1977, United States Code, title 7, section 6(d)(4), Food Stamp
7.2 Employment and Training Program, United States Code, title 7, section 2015(d)(4); and
7.3 (7) programs defined in section 116L.19, subdivision 5.

7.4 Additional federal and state programs and resources can be included within the scope
7.5 of the council's duties if recommended by the governor after consultation with the council.

7.6 (b) Review federal, state, and local education, postsecondary, job skills training,
7.7 and youth employment programs, and make recommendations to the governor and the
7.8 legislature for establishing an integrated seamless system for providing education and
7.9 work skills development services to learners and workers of all ages.

7.10 (c) Advise the governor on the development and implementation of statewide and
7.11 local performance standards and measures relating to applicable federal human resource
7.12 programs and the coordination of performance standards and measures among programs.

7.13 (d) Promote education and employment transitions programs and knowledge and
7.14 skills of entrepreneurship among employers, workers, youth, and educators, and encourage
7.15 employers to provide meaningful work-based learning opportunities;

7.16 (e) Evaluate and identify exemplary education and employment transitions programs
7.17 and provide technical assistance to local partnerships to replicate the programs throughout
7.18 the state.

7.19 (f) Advise the governor on methods to evaluate applicable federal human resource
7.20 programs.

7.21 (g) Sponsor appropriate studies to identify human investment needs in Minnesota
7.22 and recommend to the governor goals and methods for meeting those needs.

7.23 (h) Recommend to the governor goals and methods for the development and
7.24 coordination of a human resource system in Minnesota.

7.25 (i) Examine federal and state laws, rules, and regulations to assess whether they
7.26 present barriers to achieving the development of a coordinated human resource system.

7.27 (j) Recommend to the governor and to the federal government changes in state or
7.28 federal laws, rules, or regulations concerning employment and training programs that
7.29 present barriers to achieving the development of a coordinated human resource system.

7.30 (k) Recommend to the governor and to the federal government waivers of laws and
7.31 regulations to promote coordinated service delivery.

7.32 (l) Sponsor appropriate studies and prepare and recommend to the governor a
7.33 strategic plan which details methods for meeting Minnesota's human investment needs
7.34 and for developing and coordinating a state human resource system.

8.1 (m) Provide the commissioner of employment and economic development and
8.2 the committees of the legislature with responsibility for economic development with
8.3 recommendations provided to the governor under this subdivision.

8.4 (n) In consultation with local workforce councils and the Department of Employment
8.5 and Economic Development, develop an ongoing process to identify and address local
8.6 gaps in workforce services.

8.7 Sec. 8. Minnesota Statutes 2008, section 116L.665, subdivision 6, is amended to read:

8.8 Subd. 6. **Staffing.** The Department of Employment and Economic Development
8.9 must provide staff support, including but not limited to professional, technical, and clerical
8.10 staff necessary to perform the duties assigned to the Minnesota Workforce Development
8.11 Council. ~~The support includes professional, technical, and clerical staff necessary to~~
8.12 ~~perform the duties assigned to the Workforce Development Council.~~ All staff report to the
8.13 commissioner. The council may ask for assistance from other units of state government as
8.14 it requires in order to fulfill its duties and responsibilities.

8.15 Sec. 9. Minnesota Statutes 2008, section 116L.665, is amended by adding a subdivision
8.16 to read:

8.17 Subd. 8. **Funding.** The commissioner shall develop recommendations on a funding
8.18 formula for allocating Workforce Investment Act funds to the council with a minimum
8.19 allocation of \$350,000 per year. The commissioner shall report the funding formula
8.20 recommendations to the legislature by January 15, 2011.

8.21 Sec. 10. **[116L.98] WORKFORCE PROGRAM OUTCOMES.**

8.22 The commissioner shall develop and implement a set of standard approaches
8.23 for assessing the outcomes of workforce programs under this chapter. The outcomes
8.24 assessed must include, but are not limited to, periodic comparisons of workforce program
8.25 participants and nonparticipants.

8.26 The commissioner shall also monitor the activities and outcomes of programs and
8.27 services funded by legislative appropriations and administered by the department on a
8.28 pass-through basis and develop a consistent and equitable method of assessing recipients
8.29 for the costs of its monitoring activities.

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

8.31 Sec. 11. **[116W.01] MINNESOTA SCIENCE AND TECHNOLOGY AUTHORITY**
8.32 **ACT.**

9.1 This chapter may be cited as the "Minnesota Science and Technology Authority Act."

9.2 Sec. 12. **[116W.02] DEFINITIONS.**

9.3 Subdivision 1. **Applicability.** For the purposes of this chapter, the terms in this
9.4 section have the meanings given them.

9.5 Subd. 2. **Authority.** "Authority" means the Minnesota Science and Technology
9.6 Authority.

9.7 Subd. 3. **Eligible recipient.** "Eligible recipient" means an entity primarily operating
9.8 to create and retain jobs in the state's industrial base and maximize the economic growth
9.9 of the state through:

9.10 (1) high-technology research and development capabilities;

9.11 (2) product and process innovation and commercialization;

9.12 (3) high-technology manufacturing capabilities;

9.13 (4) science and technology business environment; or

9.14 (5) science and technology workforce preparation.

9.15 Subd. 4. **Advisory commission.** "Advisory commission" means the advisory
9.16 commission under section 116W.051.

9.17 Sec. 13. **[116W.03] MINNESOTA SCIENCE AND TECHNOLOGY**
9.18 **AUTHORITY.**

9.19 Subdivision 1. **Membership.** The Minnesota Science and Technology Authority
9.20 consists of the commissioner of employment and economic development, the
9.21 commissioner of management and budget, the commissioner of revenue, the commissioner
9.22 of commerce, and the commissioner of agriculture.

9.23 Subd. 2. **Chair; other officers.** The commissioner of employment and economic
9.24 development shall serve as the chair and chief executive officer of the authority. The
9.25 authority shall rotate the position of vice chair annually among its members. The
9.26 commissioner of employment and economic development shall convene the first meeting
9.27 of the authority no later than July 1, 2010. In the absence of the chair or vice chair at
9.28 meetings of the authority members may elect a chair for the meeting, and may elect other
9.29 officers as necessary from its members.

9.30 Subd. 3. **Delegation.** In addition to any powers to delegate that members of the
9.31 authority have as commissioners, they may delegate to the chair, vice chair, or executive
9.32 director their responsibilities as members of the authority for reviewing and approving
9.33 financing of eligible projects, projects that have been authorized by law, or programs
9.34 specifically authorized by resolution of the authority.

10.1 Subd. 4. **Actions.** (a) A majority of the authority, excluding vacancies, constitutes a
10.2 quorum to conduct its business, to exercise its powers, and for all other purposes.

10.3 (b) The authority may conduct its business by any technological means available,
10.4 including teleconference calls or interactive video, that allows for an interaction between
10.5 members. If a meeting is conducted under this paragraph, a specific location must be
10.6 available for the public to attend the meeting and at least one member must be present at
10.7 that location.

10.8 Subd. 5. **Executive director; staffing.** The authority shall employ an executive
10.9 director in the unclassified service. The initial executive director must be the individual in
10.10 the position of director of the Office of Science and Technology as of January 1, 2010,
10.11 under section 116J.657. The executive director is responsible for hiring staff necessary to
10.12 assist the executive director to carry out the duties and responsibilities of the authority.
10.13 The executive director shall perform duties that the authority may require in carrying out
10.14 its responsibilities to manage and implement the funds and programs in this chapter, and
10.15 comply with all state and federal program requirements, and state and federal securities
10.16 and tax laws and regulations. The executive director shall assist the advisory board in
10.17 fulfilling its duties under this chapter.

10.18 Subd. 6. **Administrative services.** The authority shall enter into agreements for
10.19 administrative and professional services and technical support.

10.20 Subd. 7. **Expiration.** This section expires June 30, 2018. Section 15.059,
10.21 subdivision 5, does not apply to the authority.

10.22 Sec. 14. **[116W.04] POWERS AND DUTIES.**

10.23 Subdivision 1. **Duties.** The Science and Technology Authority shall:

10.24 (1) coordinate public and private efforts to procure federal funding for collaborative
10.25 research and development projects of primary benefit to small-sized and medium-sized
10.26 businesses;

10.27 (2) promote contractual relationships between Minnesota businesses that are
10.28 recipients of federal grants and prime contractors, and Minnesota-based subcontractors;

10.29 (3) work with Minnesota nonprofit institutions including the University of
10.30 Minnesota, Minnesota State Colleges and Universities, and the Mayo Clinic in promoting
10.31 collaborative efforts to respond to federal funding opportunities;

10.32 (4) develop a framework for Minnesota companies to establish sole-source
10.33 relationships with federal agencies;

10.34 (5) provide grants or other forms of financial assistance to eligible recipients for
10.35 purposes of this chapter;

11.1 (6) coordinate workshops, assistance with business proposals, licensing, intellectual
11.2 property protection, commercialization, and government auditing with the University of
11.3 Minnesota and Minnesota State Colleges and Universities; and

11.4 (7) develop and implement a comprehensive science and technology economic
11.5 development strategy for the state.

11.6 Subd. 2. **Technology matchmaking.** The authority must assist businesses in
11.7 identifying qualified suppliers and vendors through a program to serve as a conduit for
11.8 Minnesota-based companies to network with firms able to support their success. Firms
11.9 outside Minnesota can participate in the technology matchmaking network if one of the
11.10 participating companies is located in Minnesota.

11.11 Subd. 3. **Commercialization assistance.** The authority must provide
11.12 commercialization assistance to Minnesota firms that have received a Phase I Small
11.13 Business Innovation Research (SBIR) or a Phase I Small Business Technology Transfer
11.14 (STTR) award and are submitting a Phase II proposal. Local service providers must assist
11.15 the applicant with developing and reviewing the required commercialization plan prior to
11.16 Phase II submission. The authority may provide SBIR Phase I proposal technical review.

11.17 Subd. 4. **Power to sue; enter contracts.** The authority may sue and be sued. The
11.18 authority may make and enter into contracts, leases, and agreements necessary to perform
11.19 its duties and exercise its powers.

11.20 Subd. 5. **Gifts; grants.** The authority may apply for, accept, and disburse gifts,
11.21 grants, loans, or other property from the United States, the state, private sources, or
11.22 any other source for any of its purposes. Money received by the authority under this
11.23 subdivision must be deposited in the state treasury and is appropriated to the authority to
11.24 carry out its duties.

11.25 Subd. 6. **Contract for services.** The authority may retain or contract for the
11.26 services of accountants, financial advisors, and other consultants or agents needed to
11.27 perform its duties and exercise its powers.

11.28 Subd. 7. **Fees.** The authority may set and collect fees for costs incurred by the
11.29 authority, the Department of Employment and Economic Development, the Department of
11.30 Management and Budget, the Department of Revenue, the Department of Commerce, the
11.31 Department of Labor and Industry, and the Department of Agriculture, including costs
11.32 for personnel, professional, and administrative services.

11.33 Subd. 8. **Reports.** (a) The authority shall report by February 1 each year to the
11.34 chairs and ranking minority members of the legislative committees and divisions with
11.35 jurisdiction over finance and economic development on its progress to design, coordinate,
11.36 and administer a strategic science and technology program for the state to promote the

12.1 welfare of the people of the state, maximize the economic growth of the state, and create
12.2 and retain jobs in the state's industrial base through enhancement of Minnesota's:

12.3 (1) high-technology research and development capabilities;

12.4 (2) product and process innovation and commercialization;

12.5 (3) high-technology manufacturing capabilities;

12.6 (4) science and technology business environment; and

12.7 (5) science and technology workforce preparation.

12.8 (b) The report must include a complete operating and financial statement covering
12.9 the authority's operations during the year, including amounts of income from all sources.

12.10 Books and records of the authority are subject to audit by the legislative auditor in the
12.11 manner prescribed for state agencies.

12.12 Subd. 9. **Consultative and technical services.** The authority may provide general
12.13 consultative and technical services to assist eligible projects and enter into agreements or
12.14 other transactions concerning the receipt or provision of those services.

12.15 Subd. 10. **Financial information.** Financial information, including credit reports,
12.16 financial statements, and net worth calculations, received or prepared by the authority
12.17 regarding financial assistance, is private data with regard to data on individuals as defined
12.18 in section 13.02, subdivision 12, and nonpublic data with regard to data not on individuals
12.19 as defined in section 13.02, subdivision 9.

12.20 Subd. 11. **General.** The authority shall have all powers necessary and appropriate to
12.21 fulfill its responsibilities under this chapter.

12.22 Sec. 15. **[116W.05] PROJECT FINANCIAL ASSISTANCE.**

12.23 Subdivision 1. **Determination of financial assistance.** The authority shall assist
12.24 eligible recipients in identifying grants or other sources of financial assistance available to
12.25 finance projects and may assist eligible recipients in applying for and obtaining grants and
12.26 other forms of assistance.

12.27 Subd. 2. **Financial feasibility review.** (a) The authority shall review the proposed
12.28 financing for each project submitted to the authority to determine whether: (1) the
12.29 proposed project and financing plan is an eligible use of the money; and (2) the proposal is
12.30 in compliance with applicable state and federal tax and securities laws and regulations.
12.31 Grants in excess of \$50,000 must be approved by the authority. Grants of \$50,000 or less
12.32 may be authorized by the executive director. All grant approvals or disapprovals must
12.33 be completed within 30 days of submission to the authority. Grants approved by the
12.34 executive director must be reviewed by the authority each month.

13.1 (b) Unless a project is specifically authorized by law, the authority may reject the
13.2 proposed financing for a project meeting the requirements in paragraph (a) if there are not
13.3 sufficient funds available or if a majority of members believe the financing of the project
13.4 would not be in the best interests of the state or would be detrimental to the authority's
13.5 funds or programs. A determination to reject a proposed project must not be made in
13.6 an arbitrary and capricious manner and must be supported by substantive evidence and
13.7 documented by a resolution of the authority stating its findings.

13.8 Sec. 16. **[116W.051] ADVISORY COMMISSION.**

13.9 Subdivision 1. **Advisory commission membership.** A Science and Technology
13.10 Initiative Advisory Commission of 18 members is established and is comprised of:

13.11 (1) two representatives of the University of Minnesota, selected by the president of
13.12 the university, including a faculty member actively involved in science and technology
13.13 research;

13.14 (2) two representatives of the Minnesota State Colleges and Universities, selected by
13.15 the chancellor, including a faculty member actively involved in science and technology
13.16 research;

13.17 (3) the chief executive officer of Mayo Clinic or a designee;

13.18 (4) six chief executive officers or designees from science-oriented or
13.19 technology-oriented companies;

13.20 (5) four representatives from science-oriented and technology-oriented
13.21 organizations;

13.22 (6) one representative of organized labor;

13.23 (7) a venture capital representative; and

13.24 (8) a representative of angel investors.

13.25 A member must have experience in science or technology in order to serve on
13.26 the commission.

13.27 Members of the commission listed in clauses (4) to (8) shall be appointed by the
13.28 authority.

13.29 Subd. 2. **Advisory commission duties.** The advisory commission must assist the
13.30 authority in developing a comprehensive science and technology economic development
13.31 plan to be presented to the chairs and ranking minority members of the legislative
13.32 committees and divisions with jurisdiction over economic development and higher
13.33 education by January 15, 2011. The plan must include recommendations in strategic
13.34 areas for science and technology investments, recommendations on additional programs
13.35 to support science and technology focused economic development activities in the state,

14.1 selection of specific programs and grantees for support from program funds authorized by
14.2 the advisory commission and ongoing assessment of the effectiveness of programmatic
14.3 elements according to metrics to be developed by the authority in consultation with the
14.4 advisory commission. The advisory commission may also advise and assist the authority
14.5 in fulfilling its duties under section 116W.04.

14.6 Subd. 3. **Membership terms; vacancies; compensation.** The membership terms,
14.7 removal of members, and filling of vacancies are as provided under section 15.059. The
14.8 executive director may provide compensation to members if funds are available.

14.9 Subd. 4. **Expiration.** The advisory commission expires June 30, 2013.

14.10 Subd. 5. **Convening of meetings; staffing.** The executive director of the authority
14.11 must convene the first meeting of the commission by August 1, 2010. The executive
14.12 director must provide administrative support and staff to the commission.

14.13 Sec. 17. **[116W.20] MONEY OF THE AUTHORITY.**

14.14 Subdivision 1. **Functions of commissioner of management and budget.** Except
14.15 as otherwise provided in this section, money of the authority must be paid to the
14.16 commissioner of management and budget as agent of the authority and the commissioner
14.17 shall not commingle the money with other money. The money in the accounts of the
14.18 authority must be paid out only on warrants drawn by the commissioner of management
14.19 and budget on requisition of the executive director of the authority or of another officer or
14.20 employee as the authority authorizes. Deposits of the authority's money must, if required
14.21 by the commissioner or the authority, be secured by obligations of the United States or of
14.22 the state of a market value equal at all times to the amount of the deposit and all banks and
14.23 trust companies are authorized to give security for the deposits. All money paid to the
14.24 commissioner as agent of the authority is appropriated to the authority. The commissioner
14.25 must annually report to the committees of the legislature with responsibility for economic
14.26 development and management and budget on the use of appropriations under this section.

14.27 Subd. 2. **System of accounts.** The commissioner of management and budget shall
14.28 prescribe a system of accounts.

14.29 Sec. 18. **[116W.21] NONLIABILITY.**

14.30 Subdivision 1. **Nonliability of individuals.** No member of the authority, staff of
14.31 the authority, or other person executing other agreements or contracts of the authority is
14.32 liable personally or is subject to any personal liability or accountability by reason of their
14.33 issuance, execution, delivery, or performance.

15.1 Subd. 2. **Nonliability of state.** The state is not liable on loans or other agreements
15.2 or contracts of the authority issued or entered into under this chapter and the loans or
15.3 other agreements or contracts of the authority are not a debt of the state. The loans or
15.4 other agreements or contracts of the authority must contain on their face a statement
15.5 to that effect.

15.6 Sec. 19. **[116W.23] STATE PLEDGE AGAINST IMPAIRMENT OF**
15.7 **CONTRACTS.**

15.8 The state pledges and agrees with parties to any loans or other agreements or
15.9 contracts of the authority that the state will not: (1) limit or alter the rights vested in the
15.10 authority to fulfill the terms of any agreements made with the parties to any loans or other
15.11 agreements or contracts of the authority; or (2) in any way impair the rights and remedies
15.12 of the parties to any loans or other agreements or contracts of the authority. The authority
15.13 may include this pledge and agreement of the state in any agreement with the parties in
15.14 any loans or other agreements or contracts of the authority.

15.15 Sec. 20. **[116W.24] RESERVES; FUNDS; ACCOUNTS.**

15.16 The authority may establish reserves, funds, or accounts necessary to carry out the
15.17 purposes of the authority or to comply with any agreement made by or any resolution
15.18 passed by the authority.

15.19 Sec. 21. Minnesota Statutes 2008, section 136F.06, is amended by adding a subdivision
15.20 to read:

15.21 Subd. 4. **Workforce focus.** The board must identify colleges offering flexible
15.22 academic programs that accommodate the needs of laid-off workers and assist its other
15.23 institutions in determining whether to offer similar programs. Colleges must increase the
15.24 number of certificate programs available to meet the needs of unemployed Minnesotans.

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

15.26 Sec. 22. Minnesota Statutes 2008, section 363A.42, as added by Laws 2010, chapter
15.27 271, section 2, is amended to read:

15.28 **363A.42 PUBLIC RECORDS; ACCESSIBILITY.**

15.29 Subdivision 1. **Definitions.** For purposes of this section, "records" means any
15.30 publicly available recorded information that is collected, created, received, maintained or
15.31 disseminated by the executive, judicial or legislative branches of the state, the Minnesota

16.1 State Colleges and Universities, the University of Minnesota, cities, towns, counties,
16.2 school districts and all other political subdivisions of the state, regardless of physical
16.3 form or method of storage.

16.4 Subd. 2. **Accessibility.** ~~At~~ Upon request by an individual, records must be made
16.5 available within a reasonable time period to persons with disabilities in a manner consistent
16.6 with state and federal laws prohibiting discrimination against persons with disabilities.
16.7 Reasonable modifications must be made in any policies, practices and procedures that
16.8 might otherwise deny equal access to records to individuals with disabilities.

16.9 Subd. 2a. **Exemptions.** Notwithstanding any law to the contrary except Laws 2009,
16.10 chapter 131, this section does not apply to: (1) technology procured or developed prior to
16.11 January 1, 2013, unless substantially modified or substantially enhanced after January 1,
16.12 2013; or (2) records that cannot be reasonably modified to be accessible without an undue
16.13 burden as defined in section 16E.015, subdivision 4, to the public entity.

16.14 Subd. 3. **Penalties.** Violation of this section is subject to a penalty of \$500 per
16.15 violation, plus reasonable attorney fees, costs and disbursements, payable to a qualified
16.16 disabled person under section 363A.03, subdivision 36, who sought the accessible record
16.17 under subdivision 2, by the public entity in violation of this section. The total amount
16.18 of penalties payable to any individual or class regardless of the number of violations
16.19 is limited to \$15,000. In any class action or series of class actions which arise from a
16.20 violation of this section, the amount of attorney fees awarded against the violating public
16.21 entity may not exceed \$15,000. Any action must be commenced within one year of the
16.22 occurrence of the alleged violation.

16.23 Sec. 23. Minnesota Statutes 2008, section 363A.43, as added by Laws 2010, chapter
16.24 271, section 3, is amended to read:

16.25 **363A.43 CONTINUING EDUCATION; ACCESSIBILITY.**

16.26 Subdivision 1. **Accessibility.** ~~Any~~ Upon request by an individual, any continuing
16.27 education or professional development course, offering, material or activity approved or
16.28 administered by the state, political subdivisions of the state, the University of Minnesota or
16.29 the Minnesota State Colleges and Universities, must be made available within a reasonable
16.30 time period to persons with disabilities in a manner consistent with state and federal laws
16.31 prohibiting discrimination against persons with disabilities. Reasonable modifications
16.32 must be made in any policies, practices and procedures that might otherwise deny equal
16.33 access to continuing education or professional development to individuals with disabilities.

16.34 Subd. 2. **Penalties.** Violation of this section is subject to a penalty of \$500 per
16.35 violation, plus reasonable attorney fees, costs and disbursements, payable to a qualified

17.1 disabled person under section 363A.03, subdivision 36, who sought the accessible format
17.2 under subdivision 1, by the public entity or the entity offering the course, material, or
17.3 activity under a contract with a public entity. The total amount of penalties payable to any
17.4 individual or class regardless of the number of violations is limited to \$15,000. In any class
17.5 action or series of class actions which arise from a violation of this section, the amount of
17.6 attorney fees awarded against the violating public entity may not exceed \$15,000. Any
17.7 action must be commenced within one year of the occurrence of the alleged violation.

17.8 Sec. 24. Minnesota Statutes 2008, section 462.355, subdivision 3, is amended to read:

17.9 Subd. 3. **Adoption by governing body.** A proposed comprehensive plan or an
17.10 amendment to it may not be acted upon by the governing body until it has received the
17.11 recommendation of the planning agency or until 60 days have elapsed from the date an
17.12 amendment proposed by the governing body has been submitted to the planning agency
17.13 for its recommendation. Unless otherwise provided by charter, the governing body may by
17.14 resolution ~~by a two-thirds vote of all of its members~~ adopt and amend the comprehensive
17.15 plan or portion thereof as the official municipal plan upon such notice and hearing as
17.16 may be prescribed by ordinance. Except for amendments to permit affordable housing
17.17 development, a resolution to amend or adopt a comprehensive plan must be approved by
17.18 a two-thirds vote of all of the members. Amendments to permit an affordable housing
17.19 development are approved by a simple majority of all of the members. For purposes of
17.20 this subdivision, "affordable housing development" means a development in which at
17.21 least 20 percent of the residential units are restricted to occupancy for at least ten years
17.22 by residents whose household income at the time of initial occupancy does not exceed
17.23 60 percent of area median income, adjusted for household size, as determined by the
17.24 United States Department of Housing and Urban Development, and with respect to
17.25 rental units, the rents for affordable units do not exceed 30 percent of 60 percent of area
17.26 median income, adjusted for household size, as determined annually by the United States
17.27 Department of Housing and Urban Development.

17.28 Sec. 25. Minnesota Statutes 2008, section 469.1082, subdivision 5, is amended to read:

17.29 Subd. 5. **Area of operation.** The area of operation of a county economic
17.30 development service provider created under this section shall include all cities and
17.31 townships within a county that have adopted resolutions electing to participate. A city
17.32 or township may adopt a resolution electing to withdraw participation. The withdrawal
17.33 election may be made every fifth year following adoption of the resolution electing
17.34 participation. The withdrawal election is effective on the anniversary date of the original

18.1 resolution provided notice is given to the county economic development authority not less
 18.2 than 90 nor more than 180 days prior to that anniversary date. The city or township
 18.3 electing to withdraw retains any rights, obligations, and liabilities it obtained or incurred
 18.4 during its participation. Any city or township within the county shall have the option to
 18.5 adopt a resolution to prohibit the county economic development service provider created
 18.6 under this section from operating within its boundaries and (1) within an agreed upon
 18.7 urban service area, or (2) within the distance approved in the committee report referenced
 18.8 in subdivision 3. If a city or township prohibits a county economic development service
 18.9 provider created under this section from operating within its boundaries, the city's or
 18.10 township's property taxpayers shall not be subject to the property tax levied for the county
 18.11 economic development service provider.

18.12 Sec. 26. Minnesota Statutes 2008, section 471.59, subdivision 10, is amended to read:

18.13 Subd. 10. **Services performed by governmental units; commonality of powers.**

18.14 Notwithstanding the provisions of subdivision 1 requiring commonality of powers
 18.15 between parties to any agreement, the governing body of any governmental unit as
 18.16 defined in subdivision 1 may enter into agreements with any other governmental unit
 18.17 to perform on behalf of that unit any service or function which the governmental unit
 18.18 providing the service or function is authorized to provide for itself. If the agreement
 18.19 has the effect of eliminating or replacing a public employee who is part of a collective
 18.20 bargaining agreement represented by an exclusive representative, and there is no provision
 18.21 in the collective bargaining agreement detailing the effect of the action on the affected
 18.22 public employee, negotiations on the effects to the employee of the job elimination or
 18.23 restructuring must be conducted between the exclusive representative and the employer.

18.24 Sec. 27. Laws 2009, chapter 78, article 1, section 3, subdivision 2, is amended to read:

18.25 Subd. 2. **Business and Community**

18.26 **Development** 8,980,000 8,980,000

18.27	Appropriations by Fund		
18.28	General	7,941,000	7,941,000
18.29	Remediation	700,000	700,000
18.30	Workforce		
18.31	Development	339,000	339,000

18.32 (a) \$700,000 the first year and \$700,000 the
 18.33 second year are from the remediation fund for
 18.34 contaminated site cleanup and development
 18.35 grants under Minnesota Statutes, section

19.1 116J.554. This appropriation is available
19.2 until expended.

19.3 (b) \$200,000 each year is from the general
19.4 fund for a grant to WomenVenture for
19.5 women's business development programs
19.6 and for programs that encourage and assist
19.7 women to enter nontraditional careers in the
19.8 trades; manual and technical occupations;
19.9 science, technology, engineering, and
19.10 mathematics-related occupations; and green
19.11 jobs. This appropriation may be matched
19.12 dollar for dollar with any resources available
19.13 from the federal government for these
19.14 purposes with priority given to initiatives
19.15 that have a goal of increasing by at least ten
19.16 percent the number of women in occupations
19.17 where women currently comprise less than 25
19.18 percent of the workforce. The appropriation
19.19 is available until expended.

19.20 (c) \$105,000 each year is from the general
19.21 fund and \$50,000 each year is from the
19.22 workforce development fund for a grant to
19.23 the Metropolitan Economic Development
19.24 Association for continuing minority business
19.25 development programs in the metropolitan
19.26 area. This appropriation must be used for the
19.27 sole purpose of providing free or reduced
19.28 fee business consulting services to minority
19.29 entrepreneurs and contractors.

19.30 (d)(1) \$500,000 each year is from the
19.31 general fund for a grant to BioBusiness
19.32 Alliance of Minnesota for bioscience
19.33 business development programs to promote
19.34 and position the state as a global leader
19.35 in bioscience business activities. This

20.1 appropriation is added to the department's
20.2 base. These funds may be used to create,
20.3 recruit, retain, and expand biobusiness
20.4 activity in Minnesota; implement the
20.5 destination 2025 statewide plan; update
20.6 a statewide assessment of the bioscience
20.7 industry and the competitive position of
20.8 Minnesota-based bioscience businesses
20.9 relative to other states and other nations;
20.10 and develop and implement business and
20.11 scenario-planning models to create, recruit,
20.12 retain, and expand biobusiness activity in
20.13 Minnesota.

20.14 (2) The BioBusiness Alliance must report
20.15 each year by February 15 to the committees
20.16 of the house of representatives and the senate
20.17 having jurisdiction over bioscience industry
20.18 activity in Minnesota on the use of funds;
20.19 the number of bioscience businesses and
20.20 jobs created, recruited, retained, or expanded
20.21 in the state since the last reporting period;
20.22 the competitive position of the biobusiness
20.23 industry; and utilization rates and results of
20.24 the business and scenario-planning models
20.25 and outcomes resulting from utilization of
20.26 the business and scenario-planning models.

20.27 (e)(1) Of the money available in the
20.28 Minnesota Investment Fund, Minnesota
20.29 Statutes, section 116J.8731, to the
20.30 commissioner of the Department of
20.31 Employment and Economic Development,
20.32 up to \$3,000,000 is appropriated in fiscal year
20.33 2010 for a loan to an aircraft manufacturing
20.34 and assembly company, associated with the
20.35 aerospace industry, for equipment utilized
20.36 to establish an aircraft completion center

21.1 at the Minneapolis-St. Paul International
21.2 Airport. The finishing center must use the
21.3 state's vocational training programs designed
21.4 specifically for aircraft maintenance training,
21.5 and to the extent possible, work to recruit
21.6 employees from these programs. The center
21.7 must create at least 200 new manufacturing
21.8 jobs within 24 months of receiving the
21.9 loan, and create not less than 500 new
21.10 manufacturing jobs over a five-year period
21.11 in Minnesota.

21.12 (2) This loan is not subject to loan limitations
21.13 under Minnesota Statutes, section 116J.8731,
21.14 subdivision 5. Any match requirements
21.15 under Minnesota Statutes, section 116J.8731,
21.16 subdivision 3, may be made from current
21.17 resources. This is a onetime appropriation
21.18 and is effective the day following final
21.19 enactment.

21.20 (f) \$65,000 each year is from the general
21.21 fund for a grant to the Minnesota Inventors
21.22 Congress, of which at least \$6,500 must be
21.23 used for youth inventors.

21.24 (g) \$200,000 the first year and \$200,000 the
21.25 second year are for the Office of Science and
21.26 Technology. This is a onetime appropriation.

21.27 (h) \$500,000 the first year and \$500,000 the
21.28 second year are for a grant to Enterprise
21.29 Minnesota, Inc., for the small business
21.30 growth acceleration program under
21.31 Minnesota Statutes, section 116O.115. This
21.32 is a onetime appropriation and is available
21.33 until expended.

21.34 (i)(1) \$100,000 each year is from the
21.35 workforce development fund for a grant

22.1 under Minnesota Statutes, section 116J.421,
22.2 to the Rural Policy and Development
22.3 Center at St. Peter, Minnesota. The grant
22.4 shall be used for research and policy
22.5 analysis on emerging economic and social
22.6 issues in rural Minnesota, to serve as a
22.7 policy resource center for rural Minnesota
22.8 communities, to encourage collaboration
22.9 across higher education institutions, to
22.10 provide interdisciplinary team approaches
22.11 to research and problem-solving in rural
22.12 communities, and to administer overall
22.13 operations of the center.

22.14 (2) The grant shall be provided upon the
22.15 condition that each state-appropriated
22.16 dollar be matched with a nonstate dollar.
22.17 Acceptable matching funds are nonstate
22.18 contributions that the center has received and
22.19 have not been used to match previous state
22.20 grants. Any funds not spent the first year are
22.21 available the second year.

22.22 (j) Notwithstanding Minnesota Statutes,
22.23 section 268.18, subdivision 2, \$414,000 of
22.24 funds collected for unemployment insurance
22.25 administration under this subdivision is
22.26 appropriated as follows: \$250,000 to Lake
22.27 County for ice storm damage; \$64,000 is for
22.28 the city of Green Isle for reimbursement of
22.29 fire relief efforts and other expenses incurred
22.30 as a result of the fire in the city of Green Isle;
22.31 and \$100,000 is to develop the construction
22.32 mitigation pilot program to make grants ~~for~~
22.33 ~~up to five projects statewide available~~ to local
22.34 government units to mitigate the impacts of
22.35 transportation construction on local small

23.1 business. These are onetime appropriations
23.2 and are available until expended.

23.3 (k) Up to \$10,000,000 is appropriated
23.4 from the Minnesota minerals 21st century
23.5 fund to the commissioner of Iron Range
23.6 resources and rehabilitation to make a grant
23.7 or forgivable loan to a manufacturer of
23.8 windmill blades at a facility to be located
23.9 within the taconite tax relief area defined
23.10 in Minnesota Statutes, section 273.134. Of
23.11 this amount, \$2,000,000 is for a grant to
23.12 the Mountain Iron Economic Development
23.13 Authority for renewable energy projects.

23.14 (l) \$1,000,000 is appropriated from the
23.15 Minnesota minerals 21st century fund to
23.16 the Board of Trustees of the Minnesota
23.17 State Colleges and Universities for a grant
23.18 to the Northeast Higher Education District
23.19 for planning, design, and construction of
23.20 classrooms and housing facilities for upper
23.21 division students in the engineering program.

23.22 (m)(1) \$189,000 each year is appropriated
23.23 from the workforce development fund for
23.24 grants of \$63,000 to eligible organizations
23.25 each year to assist in the development of
23.26 entrepreneurs and small businesses. Each
23.27 state grant dollar must be matched with \$1
23.28 of nonstate funds. Any balance in the first
23.29 year does not cancel but is available in the
23.30 second year.

23.31 (2) Three grants must be awarded to
23.32 continue or to develop a program. One
23.33 grant must be awarded to the Riverbend
23.34 Center for Entrepreneurial Facilitation
23.35 in Blue Earth County, and two to other

24.1 organizations serving Faribault and Martin
24.2 Counties. Grant recipients must report to the
24.3 commissioner by February 1 of each year
24.4 that the organization receives a grant with the
24.5 number of customers served; the number of
24.6 businesses started, stabilized, or expanded;
24.7 the number of jobs created and retained; and
24.8 business success rates. The commissioner
24.9 must report to the house of representatives
24.10 and senate committees with jurisdiction
24.11 over economic development finance on the
24.12 effectiveness of these programs for assisting
24.13 in the development of entrepreneurs and
24.14 small businesses.

24.15 Sec. 28. **REPORT ON AT-RISK BUSINESSES; CREATION OF FAST-ACTION**
24.16 **ECONOMIC RESPONSE TEAM.**

24.17 Not later than 30 days after the effective date of this section, the commissioner of
24.18 employment and economic development shall submit to the chairs and ranking minority
24.19 members of the senate and house of representatives committees with primary jurisdiction
24.20 over jobs and employment and economic development a report that identifies retention
24.21 methods the department currently uses, and retention methods the department could use
24.22 in the future, to identify businesses at risk for relocation or expansion outside of this
24.23 state. The report must also include a proactive plan to identify businesses outside of
24.24 this state that are seeking to relocate or expand, or that could be encouraged to relocate
24.25 or expand through the use of incentives. In developing the plan, the commissioner shall
24.26 collaborate with economic development stakeholders from state government, business,
24.27 and nongovernmental organizations.

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

24.29 Sec. 29. **CUSTOMER SERVICE.**

24.30 (a) The commissioner of employment and economic development, in consultation
24.31 with workforce service area staff, must, as soon as practical, develop and implement
24.32 processes and procedures to ensure that unemployed Minnesotans who go to a workforce
24.33 center are provided, to the fullest extent possible, seamless assistance in applying for
24.34 unemployment benefits, accessing resource room resources, searching for jobs, accessing

25.1 training and other services available to unemployed workers, and receiving answers to
25.2 questions about unemployment insurance.

25.3 (b) The actions taken to comply with paragraph (a) must include, at a minimum,
25.4 the implementation of a procedure by which unemployed Minnesotans may receive, at
25.5 their option, face-to-face consultation and assistance in their local workforce center on
25.6 applying for unemployment benefits, accessing resource room resources, searching for
25.7 jobs, accessing training and other services available to unemployed workers, and receiving
25.8 answers to questions about unemployment insurance.

25.9 (c) The commissioner is authorized and encouraged to maximize the use of existing
25.10 employees and federal dollars to accomplish paragraph (a), including, but not limited to,
25.11 paying portions of existing employees' salaries from more than one source of funding,
25.12 ensuring that employees are cross-trained to perform functions beyond that required by
25.13 paragraph (b) when such employees are stationed in workforce centers, and implementing
25.14 need-based scheduling of employees to ensure that each workforce center is adequately
25.15 staffed during peak demand hours for the services contemplated by paragraph (a).

25.16 (d) By September 1, 2010, the commissioner must provide an initial written report to
25.17 the chairs and ranking minority members of the standing committees of the senate and
25.18 house of representatives having jurisdiction over economic and workforce development
25.19 issues on the actions taken under paragraph (a) and the result of those actions. The report
25.20 must include detailed information on new additional resources provided by the department
25.21 to ensure that the issues in paragraph (a) are addressed. A second report with updated
25.22 information must be provided to the chairs and ranking minority members of the standing
25.23 committees of the senate and house of representatives having jurisdiction over economic
25.24 and workforce development issues by January 15, 2011.

25.25 **EFFECTIVE DATE.** This section is effective the day following final enactment
25.26 and expires August 31, 2011.

25.27 **Sec. 30. WORKFORCE SERVICES REPORT AND RECOMMENDATIONS.**

25.28 By January 15, 2011, the governor's Workforce Development Council executive
25.29 committee shall submit a report to the senate and house of representatives committees
25.30 with jurisdiction over workforce development programs on the performance and outcomes
25.31 of the workforce centers, as required by Minnesota Statutes, section 116L.665, subdivision
25.32 4. This report must contain recommendations for an ongoing process to identify local gaps
25.33 in workforce services and ways to fill the gaps. The Department of Employment and
25.34 Economic Development and the workforce councils should be included in the process
25.35 for identifying service gaps. The governor's Workforce Development Council executive

26.1 committee must submit draft-guiding principles to the legislature for review and feedback
26.2 by August 12, 2010.

26.3 Sec. 31. **DEPARTMENT OF EMPLOYMENT AND ECONOMIC**
26.4 **DEVELOPMENT BLOCK GRANT REPORT.**

26.5 The commissioner of employment and economic development shall study and
26.6 report to the chairs and ranking minority members of the house of representatives and
26.7 senate committees having jurisdiction over economic development and workforce issues
26.8 on the use of block grant funding to be administered by the Workforce Development
26.9 Division and the Business and Community Development Division. The report must
26.10 include recommendations for the use of block grant funding including goals, grant award
26.11 criteria, RFP procedures, priorities for target populations and the services to be provided,
26.12 and inclusion of all pass-through grants administered by the department including those
26.13 receiving direct state appropriations. The recommendations must contain specific
26.14 proposals on providing grant oversight, evaluation, and administration of allocated funds
26.15 in order to maximize services to target populations.

26.16 Sec. 32. **STUDY OF DIVISION OF STATE DEPOSITORY ACCOUNTS AND**
26.17 **GENERAL FUND REVENUE ACCOUNT.**

26.18 (a) The Carlson School of Management at the University of Minnesota is requested
26.19 to study:

26.20 (1) the feasibility of dividing the state's general fund revenue account among
26.21 community financial institutions and transferring the state's major and minor accounts to
26.22 community financial institutions in order to ensure that state money benefits Minnesota
26.23 residents;

26.24 (2) the potential economic benefit and cost of transferring all major and minor
26.25 accounts to community financial institutions; and

26.26 (3) the potential economic benefit and cost to governmental entities as defined
26.27 by Minnesota Statutes, section 118A.01, subdivision 2, from an increase in their use of
26.28 community financial institutions as defined in clause (1).

26.29 (b) The results of the study must be reported to the legislature by December 1, 2010.

26.30 For purposes of this section, "community financial institution" means a federally
26.31 insured bank or credit union, chartered as a bank or credit union by the state of
26.32 Minnesota or the United States, that is headquartered in Minnesota and has no more than
26.33 \$2,500,000,000 in assets.

27.1 Sec. 33. **COMPARATIVE STUDY OF STATE REGULATION AFFECTING**
27.2 **SMALL BUSINESS START-UPS.**

27.3 (a) \$65,000 is appropriated for fiscal year 2011 from the general fund to the
27.4 Legislative Coordinating Commission to fund a comparative study of the effects of
27.5 state regulation on the cost and delay associated with starting a typical small business
27.6 in Minnesota, Iowa, North Dakota, South Dakota, and Wisconsin. The Legislative
27.7 Coordinating Commission must also apply for a grant to fund the study. This is a onetime
27.8 appropriation.

27.9 (b) The study, to be conducted by a higher education institution, must examine the
27.10 typical cost and delay required by state regulation in the five states to start a typical small
27.11 services business, small retail business, and small manufacturing business. Within each
27.12 of those three categories, the study must choose to study similar types of businesses and
27.13 follow the start-up process in the five states from beginning to end, including formation,
27.14 financing, licensing, permits, reporting requirements, employment laws, and state and
27.15 local taxes. The study must result in a written report submitted to the Legislative
27.16 Coordinating Commission no later than December 1, 2011.

27.17 (c) The Legislative Coordinating Commission shall request proposals and choose
27.18 the recipient of the grant from among higher education institutions that have a graduate
27.19 program in business, business administration, or a similar field. The Legislative
27.20 Coordinating Commission shall periodically monitor the recipient's progress on the study
27.21 and written report. The Legislative Coordinating Commission shall submit the written
27.22 report as a report to the legislature in compliance with Minnesota Statutes, sections 3.195
27.23 and 3.197.

27.24 (d) If the funds appropriated in this section are unexpended, the remaining balance
27.25 must be transferred to the Science and Technology Authority.

27.26 Sec. 34. **APPROPRIATION.**

27.27 (a) \$107,000 is appropriated from the general fund in fiscal year 2011 to the
27.28 Minnesota Science and Technology Authority for the purposes of Minnesota Statutes,
27.29 chapter 116W.

27.30 (b) The general fund appropriation in Laws 2009, chapter 78, article 1, section 3,
27.31 subdivision 2, is reduced by \$107,000 beginning in fiscal year 2011.

27.32 (c) Of the appropriation to the commissioner of employment and economic
27.33 development under section 115C.08, subdivision 4, paragraph (c), in fiscal year 2011 only,
27.34 \$300,000 is for a grant to the Minneapolis Park and Recreation Board for cleanup of

28.1 contaminated soils related to construction of the East Phillips Cultural and Community
28.2 Center. This is a onetime appropriation and is available until expended.

28.3 Sec. 35. **TRANSFER.**

28.4 The commissioner of management and budget must transfer any remaining balance
28.5 of the appropriation made in Laws 2009, chapter 78, article 1, section 3, subdivision 2,
28.6 paragraph (g), to the Minnesota Science and Technology Authority.

28.7 Sec. 36. **REPEALER.**

28.8 Minnesota Statutes 2008, section 116J.657, is repealed.

28.9 **ARTICLE 2**

28.10 **UNEMPLOYMENT INSURANCE**

28.11 Section 1. Minnesota Statutes 2009 Supplement, section 268.035, subdivision 19a,
28.12 is amended to read:

28.13 Subd. 19a. **Immediate family member.** "Immediate family member" means
28.14 ~~the applicant's~~ an individual's spouse, parent, stepparent, son or daughter, stepson or
28.15 stepdaughter, or grandson or granddaughter.

28.16 Sec. 2. Minnesota Statutes 2008, section 268.035, subdivision 20, is amended to read:

28.17 Subd. 20. **Noncovered employment.** "Noncovered employment" means:

28.18 (1) employment for the United States government or an instrumentality thereof,
28.19 including military service;

28.20 (2) employment for a state, other than Minnesota, or a political subdivision or
28.21 instrumentality thereof;

28.22 (3) employment for a foreign government;

28.23 (4) employment for an instrumentality wholly owned by a foreign government,
28.24 if the employment is of a character similar to that performed in foreign countries by
28.25 employees of the United States government or an instrumentality thereof and the United
28.26 States Secretary of State has certified that the foreign government grants an equivalent
28.27 exemption to similar employment performed in the foreign country by employees of the
28.28 United States government and instrumentalities thereof;

28.29 (5) employment covered under United States Code, title 45, section 351, the
28.30 Railroad Unemployment Insurance Act;

28.31 (6) employment covered by a reciprocal arrangement between the commissioner and
28.32 another state or the federal government that provides that all employment performed by an

29.1 individual for an employer during the period covered by the reciprocal arrangement is
29.2 considered performed entirely within another state;

29.3 (7) employment for a church or convention or association of churches, or an
29.4 organization operated primarily for religious purposes that is operated, supervised,
29.5 controlled, or principally supported by a church or convention or association of churches
29.6 described in United States Code, title 26, section 501(c)(3) of the federal Internal Revenue
29.7 Code and exempt from income tax under section 501(a);

29.8 (8) employment of a duly ordained or licensed minister of a church in the exercise of
29.9 a ministry or by a member of a religious order in the exercise of duties required by the
29.10 order, for Minnesota or a political subdivision or an organization described in United
29.11 States Code, title 26, section 501(c)(3) of the federal Internal Revenue Code and exempt
29.12 from income tax under section 501(a);

29.13 (9) employment of an individual receiving rehabilitation of "sheltered" work in
29.14 a facility conducted for the purpose of carrying out a program of rehabilitation for
29.15 individuals whose earning capacity is impaired by age or physical or mental deficiency
29.16 or injury or a program providing "sheltered" work for individuals who because of an
29.17 impaired physical or mental capacity cannot be readily absorbed in the competitive labor
29.18 market. This clause applies only to services performed for Minnesota or a political
29.19 subdivision or an organization described in United States Code, title 26, section 501(c)(3)
29.20 of the federal Internal Revenue Code and exempt from income tax under section 501(a)
29.21 in a facility certified by the Rehabilitation Services Branch of the department or in a day
29.22 training or habilitation program licensed by the Department of Human Services;

29.23 (10) employment of an individual receiving work relief or work training as part of
29.24 an unemployment work relief or work training program assisted or financed in whole or
29.25 in part by any federal agency or an agency of a state or political subdivision thereof.
29.26 This clause applies only to employment for Minnesota or a political subdivision or an
29.27 organization described in United States Code, title 26, section 501(c)(3) of the federal
29.28 Internal Revenue Code and exempt from income tax under section 501(a). This clause does
29.29 not apply to programs that require unemployment benefit coverage for the participants;

29.30 (11) employment for Minnesota or a political subdivision as an elected official, a
29.31 member of a legislative body, or a member of the judiciary;

29.32 (12) employment as a member of the Minnesota National Guard or Air National
29.33 Guard;

29.34 (13) employment for Minnesota, a political subdivision, or instrumentality thereof,
29.35 as an employee serving only on a temporary basis in case of fire, flood, tornado, or
29.36 similar emergency;

30.1 (14) employment as an election official or election worker for Minnesota or a
30.2 political subdivision, but only if the compensation for that employment was less than
30.3 \$1,000 in a calendar year;

30.4 (15) employment for Minnesota that is a major policy-making or advisory position
30.5 in the unclassified service, including those positions established under section 43A.08,
30.6 subdivision 1a;

30.7 (16) employment for a political subdivision of Minnesota that is a nontenured major
30.8 policy making or advisory position;

30.9 (17) domestic employment in a private household, local college club, or local
30.10 chapter of a college fraternity or sorority performed for a person, only if the wages paid
30.11 in any calendar quarter in either the current or prior calendar year to all individuals in
30.12 domestic employment totaled less than \$1,000.

30.13 "Domestic employment" includes all service in the operation and maintenance of a
30.14 private household, for a local college club, or local chapter of a college fraternity or
30.15 sorority as distinguished from service as an employee in the pursuit of an employer's
30.16 trade or business;

30.17 (18) employment of an individual by a son, daughter, or spouse, and employment of
30.18 a child under the age of 18 by the child's father or mother;

30.19 (19) employment for a personal care assistance provider agency by an immediate
30.20 family member of a recipient who provides the direct care to the recipient through the
30.21 personal care assistance program under section 256B.0659;

30.22 (20) employment of an inmate of a custodial or penal institution;

30.23 ~~(20)~~ (21) employment for a school, college, or university by a student who is
30.24 enrolled and is regularly attending classes at the school, college, or university;

30.25 ~~(21)~~ (22) employment of an individual who is enrolled as a student in a full-time
30.26 program at a nonprofit or public educational institution that maintains a regular faculty
30.27 and curriculum and has a regularly organized body of students in attendance at the place
30.28 where its educational activities are carried on, taken for credit at the institution, that
30.29 combines academic instruction with work experience, if the employment is an integral
30.30 part of the program, and the institution has so certified to the employer, except that this
30.31 clause does not apply to employment in a program established for or on behalf of an
30.32 employer or group of employers;

30.33 ~~(22)~~ (23) employment of university, college, or professional school students in an
30.34 internship or other training program with the city of St. Paul or the city of Minneapolis
30.35 under Laws 1990, chapter 570, article 6, section 3;

31.1 ~~(23)~~ (24) employment for a hospital by a patient of the hospital. "Hospital" means
31.2 an institution that has been licensed by the Department of Health as a hospital;
31.3 ~~(24)~~ (25) employment as a student nurse for a hospital or a nurses' training school by
31.4 an individual who is enrolled and is regularly attending classes in an accredited nurses'
31.5 training school;
31.6 ~~(25)~~ (26) employment as an intern for a hospital by an individual who has completed
31.7 a four-year course in an accredited medical school;
31.8 ~~(26)~~ (27) employment as an insurance salesperson, by other than a corporate
31.9 officer, if all the wages from the employment is solely by way of commission. The word
31.10 "insurance" includes an annuity and an optional annuity;
31.11 ~~(27)~~ (28) employment as an officer of a township mutual insurance company or
31.12 farmer's mutual insurance company operating under chapter 67A;
31.13 ~~(28)~~ (29) employment of a corporate officer, if the officer owns 25 percent or more
31.14 of the employer corporation, and employment of a member of a limited liability company,
31.15 if the member owns 25 percent or more of the employer limited liability company;
31.16 ~~(29)~~ (30) employment as a real estate salesperson, by other than a corporate officer,
31.17 if all the wages from the employment is solely by way of commission;
31.18 ~~(30)~~ (31) employment as a direct seller as defined in United States Code, title 26,
31.19 section 3508;
31.20 ~~(31)~~ (32) employment of an individual under the age of 18 in the delivery or
31.21 distribution of newspapers or shopping news, not including delivery or distribution to any
31.22 point for subsequent delivery or distribution;
31.23 ~~(32)~~ (33) casual employment performed for an individual, other than domestic
31.24 employment under clause (17), that does not promote or advance that employer's trade or
31.25 business;
31.26 ~~(33)~~ (34) employment in "agricultural employment" unless considered "covered
31.27 agricultural employment" under subdivision 11; or
31.28 ~~(34)~~ (35) if employment during one-half or more of any pay period was covered
31.29 employment, all the employment for the pay period is considered covered employment;
31.30 but if during more than one-half of any pay period the employment was noncovered
31.31 employment, then all of the employment for the pay period is considered noncovered
31.32 employment. "Pay period" means a period of not more than a calendar month for which a
31.33 payment or compensation is ordinarily made to the employee by the employer.

31.34 Sec. 3. Minnesota Statutes 2008, section 268.035, is amended by adding a subdivision
31.35 to read:

32.1 Subd. 21d. **Staffing service.** A "staffing service" is an employer whose business
32.2 involves employing individuals directly for the purpose of furnishing temporary
32.3 assignment workers to clients of the staffing service.

32.4 Sec. 4. Minnesota Statutes 2009 Supplement, section 268.035, subdivision 23a,
32.5 is amended to read:

32.6 Subd. 23a. **Suitable employment.** (a) Suitable employment means employment in
32.7 the applicant's labor market area that is reasonably related to the applicant's qualifications.
32.8 In determining whether any employment is suitable for an applicant, the degree of risk
32.9 involved to the health and safety, physical fitness, prior training, experience, length
32.10 of unemployment, prospects for securing employment in the applicant's customary
32.11 occupation, and the distance of the employment from the applicant's residence is
32.12 considered.

32.13 (b) In determining what is suitable employment, primary consideration is given to the
32.14 temporary or permanent nature of the applicant's separation from employment and whether
32.15 the applicant has favorable prospects of finding employment in the applicant's usual or
32.16 customary occupation at the applicant's past wage level within a reasonable period of time.

32.17 If prospects are unfavorable, employment at lower skill or wage levels is suitable
32.18 if the applicant is reasonably suited for the employment considering the applicant's
32.19 education, training, work experience, and current physical and mental ability.

32.20 The total compensation must be considered, including the wage rate, hours of
32.21 employment, method of payment, overtime practices, bonuses, incentive payments, and
32.22 fringe benefits.

32.23 (c) When potential employment is at a rate of pay lower than the applicant's former
32.24 rate, consideration must be given to the length of the applicant's unemployment and the
32.25 proportion of difference in the rates. Employment that may not be suitable because of
32.26 lower wages during the early weeks of the applicant's unemployment may become suitable
32.27 as the duration of unemployment lengthens.

32.28 (d) For an applicant seasonally unemployed, suitable employment includes
32.29 temporary work in a lower skilled occupation that pays average gross weekly wages equal
32.30 to or more than 150 percent of the applicant's weekly unemployment benefit amount.

32.31 (e) If a majority of the applicant's weeks of employment in the base period includes
32.32 part-time employment, part-time employment in a position with comparable skills and
32.33 comparable hours that pays comparable wages is considered suitable employment.

33.1 Full-time employment is not considered suitable employment for an applicant if a
33.2 majority of the applicant's weeks of employment in the base period includes part-time
33.3 employment.

33.4 (f) To determine suitability of employment in terms of shifts, the arrangement of
33.5 hours in addition to the total number of hours is to be considered. Employment on a
33.6 second, third, rotating, or split shift is suitable employment if it is customary in the
33.7 occupation in the labor market area.

33.8 (g) Employment is not considered suitable if:

33.9 (1) the position offered is vacant because of a labor dispute;

33.10 (2) the wages, hours, or other conditions of employment are substantially less
33.11 favorable than those prevailing for similar employment in the labor market area; ~~or~~

33.12 (3) as a condition of becoming employed, the applicant would be required to join a
33.13 company union or to resign from or refrain from joining any bona fide labor organization;
33.14 or

33.15 (4) the employment is with a staffing service and less than 45 percent of the
33.16 applicant's wage credits are from a job assignment with the client of a staffing service.

33.17 (h) A job assignment with a staffing service is considered suitable only if 45
33.18 percent or more of the applicant's wage credits are from job assignments with clients of
33.19 a staffing service and the job assignment meets the definition of suitable employment
33.20 under paragraph (a).

33.21 Sec. 5. Minnesota Statutes 2008, section 268.046, subdivision 1, is amended to read:

33.22 Subdivision 1. **Tax accounts assigned.** (a) Any person that contracts with a
33.23 taxpaying employer to have that person obtain the taxpaying employer's workforce and
33.24 provide workers to the taxpaying employer for a fee is, as of the effective date of the
33.25 contract, assigned for the duration of the contract the taxpaying employer's account under
33.26 section 268.045. That tax account must be maintained by the person separate and distinct
33.27 from every other tax account held by the person and identified in a manner prescribed by
33.28 the commissioner. The tax account is, for the duration of the contract, considered that
33.29 person's account for all purposes of this chapter. The workers obtained from the taxpaying
33.30 employer and any other workers provided by that person to the taxpaying employer,
33.31 including officers of the taxpaying employer as defined in section 268.035, subdivision 20,
33.32 clause (28), whose wages paid by the person are considered paid in covered employment
33.33 under section 268.035, subdivision 24, for the duration of the contract between the
33.34 taxpaying employer and the person, must, under section 268.044, be reported on the wage

34.1 detail report under that tax account, and that person must pay any taxes due at the tax rate
34.2 computed for that account under section 268.051, subdivision 2.

34.3 (b) Any workers of the taxpaying employer who are not covered by the contract
34.4 under paragraph (a) must be reported by the taxpaying employer as a separate unit on the
34.5 wage detail report under the tax account assigned under paragraph (a). Taxes and any
34.6 other amounts due on the wages reported by the taxpaying employer under this paragraph
34.7 may be paid directly by the taxpaying employer.

34.8 (c) If the taxpaying employer that contracts with a person under paragraph (a) does
34.9 not have a tax account at the time of the execution of the contract, an account must be
34.10 registered for the taxpaying employer under section 268.042 and the new employer tax
34.11 rate under section 268.051, subdivision 5, must be assigned. The tax account is then
34.12 assigned to the person as provided for in paragraph (a).

34.13 (d) A person that contracts with a taxpaying employer under paragraph (a)
34.14 must, within 30 calendar days of the execution or termination of a contract, notify the
34.15 commissioner by electronic transmission, in a format prescribed by the commissioner,
34.16 of that execution or termination. The taxpaying employer's name, the account number
34.17 assigned, and any other information required by the commissioner must be provided
34.18 by that person.

34.19 (e) Any contract subject to paragraph (a) must specifically inform the taxpaying
34.20 employer of the assignment of the tax account under this section and the taxpaying
34.21 employer's obligation under paragraph (b). If there is a termination of the contract, the tax
34.22 account is, as of the date of termination, immediately assigned to the taxpaying employer.

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

34.24 Sec. 6. Minnesota Statutes 2008, section 268.051, subdivision 2, is amended to read:

34.25 Subd. 2. **Computation of tax rates; additional assessments.** (a) For each calendar
34.26 year the commissioner ~~shall~~ must compute the tax rate of each taxpaying employer that
34.27 qualifies for an experience rating by adding the base tax rate to the employer's experience
34.28 rating along with assigning any appropriate additional assessment under paragraph ~~(d)~~ (c).

34.29 (b) The base tax rate for the calendar year and any additional assessments under this
34.30 subdivision are determined based upon the amount in the trust fund on March 31 of the
34.31 prior year as a percentage of total wages paid in covered employment. The base tax rate is:

34.32 (1) one-tenth of one percent if the trust fund is equal to or more than 0.75 percent;

34.33 (2) two-tenths of one percent if the trust fund is less than 0.75 percent but equal to or
34.34 more than 0.65 percent;

35.1 (3) three-tenths of one percent if the trust fund is less than 0.65 percent but equal
35.2 to or more than 0.55 percent; ~~or~~

35.3 (4) four-tenths of one percent if the trust fund is less than 0.55 percent, but has a
35.4 positive balance; or

35.5 (5) five-tenths of one percent if the trust fund has a negative balance and is
35.6 borrowing from the federal unemployment trust fund in order to pay unemployment
35.7 benefits as provided for under section 268.194, subdivision 6.

35.8 (c) ~~There is a "falling trust fund adjustment" to the base tax rate for the calendar year~~
35.9 ~~if the amount in the trust fund on March 31 of the prior year is less than 0.75 percent of~~
35.10 ~~total wages paid in covered employment and:~~

35.11 (1) ~~the amount in the trust fund on March 31 of the prior year is ten percent or more~~
35.12 ~~below the amount in the trust fund on March 31 of the year before that; or~~

35.13 (2) ~~the amount in the trust fund on March 31 of the prior year is greater than the~~
35.14 ~~amount in the trust fund on June 30 of that same year.~~

35.15 ~~If a "falling trust fund adjustment" is applicable, then the base tax rate is one-tenth of one~~
35.16 ~~percent greater than otherwise provided for under paragraph (b).~~

35.17 (d) ~~In addition to the base tax rate, there is an additional assessment for the calendar~~
35.18 ~~year on the quarterly unemployment taxes due from every taxpaying employer if the~~
35.19 ~~amount in the trust fund on March 31 of the prior year is less than 0.55 percent of total~~
35.20 ~~wages paid in covered employment. The assessment is as follows:~~

35.21 (1) a five percent assessment if the trust fund is less than 0.55 percent but equal to or
35.22 more than 0.45 percent;

35.23 (2) a ten percent assessment if the trust fund is less than 0.45 percent but equal
35.24 to or more than 0.35 percent; or

35.25 (3) a 14 percent assessment if the trust fund is less than 0.35 percent.

35.26 (e) ~~(d)~~ For the purposes of this subdivision, the trust fund does not include any
35.27 money borrowed from the federal unemployment trust fund provided for in section
35.28 268.194, subdivision 6.

35.29 (f) ~~(e)~~ For the purposes of this subdivision, total wages paid in covered employment
35.30 are those wages paid to all employees in covered employment during the calendar year
35.31 before the March 31 date used in paragraph (b).

35.32 (g) ~~(f)~~ The base tax rate and any additional assessments are assessed on all taxpaying
35.33 employers to cover a portion of the costs to the trust fund for unemployment benefits paid
35.34 that do not affect any single employer's future experience rating because:

35.35 (1) the employer's experience rating is limited by the maximum under subdivision 3,
35.36 paragraph (b);

- 36.1 (2) the employer has ceased doing business; or
36.2 (3) the unemployment benefits paid have been determined not to be used in
36.3 computing the employer's experience rating under section 268.047, subdivision 2 or 3.

36.4 Sec. 7. Minnesota Statutes 2008, section 268.051, subdivision 5, is amended to read:

36.5 Subd. 5. **Tax rate for new employers.** (a) Each new taxpaying employer that does
36.6 not qualify for an experience rating under subdivision 3, except new employers in a high
36.7 experience rating industry, must be assigned, for a calendar year, a tax rate the higher of
36.8 (1) one percent, or (2) the tax rate computed, to the nearest ~~one-hundredth~~ 1/100 of a
36.9 percent, by dividing the total amount of unemployment benefits paid all applicants during
36.10 the 48 calendar months ending on June 30 of the prior calendar year by the total taxable
36.11 wages of all taxpaying employers during the same period, plus the applicable base tax rate
36.12 and any additional assessments under subdivision 2, paragraph (d).

36.13 (b) Each new taxpaying employer in a high experience rating industry that does not
36.14 qualify for an experience rating under subdivision 3, must be assigned, for a calendar
36.15 year, a tax rate the higher of 8.00 percent, (1) that assigned under paragraph (a), or (2)
36.16 the tax rate, computed to the nearest 1/100 of a percent, by dividing the total amount
36.17 of unemployment benefits paid to all applicants from high experience rating industry
36.18 employers during the 48 calendar months ending on June 30 of the prior calendar year by
36.19 the total taxable wages of all high experience rating industry employers during the same
36.20 period, to a maximum provided for under subdivision 3, paragraph (b), plus the applicable
36.21 base tax rate and any additional assessments under subdivision 2, paragraph (d).

36.22 (c) An employer is considered to be in a high experience rating industry if:

36.23 (1) the employer is engaged in residential, commercial, or industrial construction,
36.24 including general contractors;

36.25 (2) the employer is engaged in sand, gravel, or limestone mining;

36.26 (3) the employer is engaged in the manufacturing of concrete, concrete products,
36.27 or asphalt; or

36.28 (4) the employer is engaged in road building, repair, or resurfacing, including bridge
36.29 and tunnels and residential and commercial driveways and parking lots.

36.30 ~~(e)~~ (d) The commissioner ~~shall~~ must send to the new employer, by mail or electronic
36.31 transmission, notice of the tax rate assigned. An employer may appeal the assignment of a
36.32 tax rate in accordance with the procedures in subdivision 6, paragraph (c).

36.33 Sec. 8. Minnesota Statutes 2008, section 268.051, subdivision 7, is amended to read:

37.1 Subd. 7. **Tax rate buydown.** (a) Any taxpaying employer that has been assigned
37.2 a tax rate based upon an experience rating, and has no amounts past due under this
37.3 chapter, may, upon the payment of an amount equivalent to any portion or all of the
37.4 unemployment benefits used in computing the experience rating plus a surcharge of 25
37.5 percent, obtain a cancellation of unemployment benefits used equal to the payment made,
37.6 less the surcharge. The payment is applied to the most recent unemployment benefits paid
37.7 that are used in computing the experience rating. Upon the payment, the commissioner
37.8 ~~shall~~ must compute a new experience rating for the employer, and compute a new tax rate.

37.9 (b) Payments for a tax rate buydown may be made only by electronic payment
37.10 and must be received within 120 calendar days from the beginning of the calendar year
37.11 for which the tax rate is effective.

37.12 (c) For calendar years 2011, 2012, and 2013, the surcharge of 25 percent provided
37.13 for in paragraph (a) does not apply.

37.14 Sec. 9. Minnesota Statutes 2009 Supplement, section 268.052, subdivision 2, is
37.15 amended to read:

37.16 Subd. 2. **Election by state or political subdivision to be taxpaying employer.** (a)
37.17 The state or political subdivision may elect to be a taxpaying employer ~~for any calendar~~
37.18 ~~year~~ if a notice of election is filed ~~within 30 calendar days following January 1 of that~~
37.19 ~~calendar year.~~ The election is effective at the beginning of the next calendar quarter. Upon
37.20 election, the state or political subdivision must be assigned the new employer tax rate
37.21 under section 268.051, subdivision 5, for the calendar year of the election and unless or
37.22 until it qualifies for an experience rating under section 268.051, subdivision 3.

37.23 ~~(b)~~ An election is for a minimum period of ~~two~~ 24 calendar ~~years~~ months following
37.24 the effective date of the election and continue unless a notice terminating the election
37.25 is filed ~~not later than 30 calendar days before the beginning of the calendar year.~~ The
37.26 termination is effective at the beginning of the next calendar ~~year~~ quarter.

37.27 ~~(c)~~ (b) The method of payments to the trust fund under subdivisions 3 and 4 applies
37.28 to all taxes paid by or due from the state or political subdivision that elects to be taxpaying
37.29 employers under this subdivision.

37.30 ~~(d)~~ (c) A notice of election or a notice terminating election must be filed by
37.31 electronic transmission in a format prescribed by the commissioner.

37.32 **EFFECTIVE DATE.** This section is effective November 30, 2010.

37.33 Sec. 10. Minnesota Statutes 2009 Supplement, section 268.053, subdivision 1, is
37.34 amended to read:

38.1 Subdivision 1. **Election.** (a) Any nonprofit organization that has employees in
38.2 covered employment must pay taxes on a quarterly basis in accordance with section
38.3 268.051 unless it elects to make reimbursements to the trust fund the amount of
38.4 unemployment benefits charged to its reimbursable account under section 268.047.

38.5 The organization may elect to make reimbursements for a period of not less than ~~two~~
38.6 24 calendar ~~years~~ months beginning with the date that the organization was determined to
38.7 be an employer with covered employment by filing a notice of election not later than 30
38.8 calendar days after the date of the determination.

38.9 (b) Any nonprofit organization that makes an election will continue to be liable for
38.10 reimbursements until it files a notice terminating its election ~~not later than 30 calendar~~
38.11 ~~days~~ before the beginning of the calendar ~~year~~ quarter the termination is to be effective.

38.12 ~~(c)~~ A nonprofit organization that has been making reimbursements that files a notice
38.13 of termination of election must be assigned the new employer tax rate under section
38.14 268.051, subdivision 5, ~~for the calendar year of the termination of election and unless or~~
38.15 until it qualifies for an experience rating under section 268.051, subdivision 3.

38.16 ~~(d)~~ (c) Any nonprofit organization that has been paying taxes may elect to make
38.17 reimbursements by filing ~~no less than 30 calendar days before January 1 of any calendar~~
38.18 ~~year~~ a notice of election. The election is effective at the beginning of the next calendar
38.19 quarter. The election is not terminable by the organization for ~~that and the next 24~~
38.20 calendar ~~year~~ months.

38.21 ~~(e)~~ (d) The commissioner may for good cause extend the period that a notice of
38.22 election, or a notice of termination, must be filed and may permit an election to be
38.23 retroactive.

38.24 ~~(f)~~ (e) A notice of election or notice terminating election must be filed by electronic
38.25 transmission in a format prescribed by the commissioner.

38.26 **EFFECTIVE DATE.** This section is effective November 30, 2010.

38.27 Sec. 11. Minnesota Statutes 2008, section 268.07, as amended by Laws 2009, chapter
38.28 15, sections 5 and 6, and chapter 78, article 3, section 6, and article 4, sections 19 to
38.29 21, is amended to read:

38.30 **268.07 BENEFIT ACCOUNT.**

38.31 Subdivision 1. **Application for unemployment benefits; determination of benefit**
38.32 **account.** (a) An application for unemployment benefits may be filed in person, by mail,
38.33 or by electronic transmission as the commissioner may require. The applicant must be
38.34 unemployed at the time the application is filed and must provide all requested information

39.1 in the manner required. If the applicant is not unemployed at the time of the application
39.2 or fails to provide all requested information, the communication is not considered an
39.3 application for unemployment benefits.

39.4 (b) The commissioner must examine each application for unemployment benefits to
39.5 determine the base period and the benefit year, and based upon all the covered employment
39.6 in the base period the commissioner ~~shall~~ must determine the weekly unemployment
39.7 benefit amount available, if any, and the maximum amount of unemployment benefits
39.8 available, if any. The determination, which is a document separate and distinct from a
39.9 document titled a determination of eligibility or determination of ineligibility issued under
39.10 section 268.101, must be titled determination of benefit account. A determination of
39.11 benefit account must be sent to the applicant and all base period employers, by mail or
39.12 electronic transmission.

39.13 (c) If a base period employer did not provide wage detail information for the
39.14 applicant as required under section 268.044, or provided erroneous information, or wage
39.15 detail is not yet due and the applicant is using an alternate base period under section
39.16 268.035, subdivision 4, paragraph (d), the commissioner may accept an applicant
39.17 certification of wage credits, based upon the applicant's records, and issue a determination
39.18 of benefit account.

39.19 (d) An employer must provide wage detail information on an applicant within five
39.20 calendar days of request by the commissioner, in a manner and format requested, when:

39.21 (1) the applicant is using an alternate base period under section 268.035, subdivision
39.22 4, paragraph (d); and

39.23 (2) wage detail under section 268.044 is not yet required to have been filed by
39.24 the employer.

39.25 (e) The commissioner may, at any time within 24 months from the establishment of
39.26 a benefit account, reconsider any determination of benefit account and make an amended
39.27 determination if the commissioner finds that the wage credits listed in the determination
39.28 ~~was~~ were incorrect for any reason. An amended determination of benefit account must
39.29 be promptly sent to the applicant and all base period employers, by mail or electronic
39.30 transmission. This subdivision does not apply to documents titled determinations of
39.31 eligibility or determinations of ineligibility issued under section 268.101.

39.32 (f) If an amended determination of benefit account reduces the weekly
39.33 unemployment benefit amount or maximum amount of unemployment benefits available,
39.34 any unemployment benefits that have been paid greater than the applicant was entitled
39.35 is considered an overpayment of unemployment benefits. A determination or amended
39.36 determination issued under this section that results in an overpayment of unemployment

40.1 benefits must set out the amount of the overpayment and the requirement under section
40.2 268.18, subdivision 1, that the overpaid unemployment benefits must be repaid.

40.3 Subd. 2. **Benefit account requirements and weekly unemployment benefit**
40.4 ~~**amount and maximum amount of unemployment benefits.**~~ (a) Unless paragraph (b)
40.5 applies, to establish a benefit account:

40.6 (1) using the primary base period under section 268.035, subdivision 4, paragraph
40.7 (a), an applicant must have:

40.8 ~~(1)~~ (i) wage credits in the high quarter of \$1,000 or more; and

40.9 ~~(2)~~ (ii) wage credits, in other than the high quarter, of \$250 or more;

40.10 ~~To establish a benefit account; or~~

40.11 (2) using the secondary base period under section 268.035, subdivision 4, paragraph
40.12 (b), an applicant must have wage credits in the high quarter of \$1,000 or more.

40.13 (b) To establish a new benefit account within 52 calendar weeks following the
40.14 expiration of the benefit year on a prior benefit account, an applicant must meet the
40.15 requirements of paragraph (a) and must have performed services in covered employment
40.16 in a calendar quarter that started after the effective date of the prior benefit account. The
40.17 wage credits for those services must be at least eight times the weekly benefit amount on
40.18 the prior benefit account. One of the reasons for this paragraph is to prevent an applicant
40.19 from establishing a second benefit account as a result of one loss of employment.

40.20 Subd. 2a. **Weekly unemployment benefit amount and maximum amount of**
40.21 **unemployment benefits available.** ~~(b)~~ (a) If an applicant has established a benefit
40.22 account under subdivision 2, the weekly unemployment benefit amount available during
40.23 the applicant's benefit year is the higher of:

40.24 (1) 50 percent of the applicant's average weekly wage during the base period, to a
40.25 maximum of 66-2/3 percent of the state's average weekly wage; or

40.26 (2) 50 percent of the applicant's average weekly wage during the high quarter, to a
40.27 maximum of 43 percent of the state's average weekly wage.

40.28 The applicant's average weekly wage under clause (1) is computed by dividing
40.29 the total wage credits by 52. The applicant's average weekly wage under clause (2) is
40.30 computed by dividing the high quarter wage credits by 13.

40.31 ~~(e)~~ (b) The state's maximum weekly benefit amount, computed in accordance with
40.32 section 268.035, subdivision 23, applies to a benefit account established effective on or
40.33 after the last Sunday in October. Once established, an applicant's weekly unemployment
40.34 benefit amount is not affected by the last Sunday in October change in the state's maximum
40.35 weekly unemployment benefit amount.

41.1 ~~(d)~~ (c) The maximum amount of unemployment benefits available on any benefit
41.2 account is the lower of:

41.3 (1) 33-1/3 percent of the applicant's total wage credits; or

41.4 (2) 26 times the applicant's weekly unemployment benefit amount.

41.5 ~~Subd. 3. **Second benefit account requirements.** To establish a second benefit~~
41.6 ~~account following the expiration of a benefit year on a prior benefit account, an applicant~~
41.7 ~~must meet the requirements of subdivision 2 and must have performed services in covered~~
41.8 ~~employment after the effective date of the prior benefit account. The wages paid for those~~
41.9 ~~services must be at least eight times the weekly unemployment benefit amount of the prior~~
41.10 ~~benefit account. Part of the reason for this subdivision is to prevent an applicant from~~
41.11 ~~establishing more than one benefit account as a result of one loss of employment.~~

41.12 Subd. 3a. **Right of appeal.** (a) A determination or amended determination of benefit
41.13 account is final unless an applicant or base period employer within 20 calendar days
41.14 after the sending of the determination or amended determination files an appeal. Every
41.15 determination or amended determination of benefit account must contain a prominent
41.16 statement indicating in clear language the consequences of not appealing. Proceedings on
41.17 the appeal are conducted in accordance with section 268.105.

41.18 (b) Any applicant or base period employer may appeal from a determination or
41.19 amended determination of benefit account on the issue of whether services performed
41.20 constitute employment ~~and, whether the employment is considered covered employment,~~
41.21 and whether money paid constitutes wages. Proceedings on the appeal are conducted in
41.22 accordance with section 268.105.

41.23 Subd. 3b. **Limitations on applications and benefit accounts.** (a) An application for
41.24 unemployment benefits is effective the Sunday of the calendar week that the application
41.25 was filed. An application for unemployment benefits may be backdated one calendar week
41.26 before the Sunday of the week the application was actually filed if the applicant requests
41.27 the backdating at the time the application is filed. An application may be backdated only if
41.28 the applicant had no employment during the period of the backdating. If an individual
41.29 attempted to file an application for unemployment benefits, but was prevented from filing
41.30 an application by the department, the application is effective the Sunday of the calendar
41.31 week the individual first attempted to file an application.

41.32 (b) A benefit account established under subdivision 2 is effective the date the
41.33 application for unemployment benefits was effective.

41.34 (c) A benefit account, once established, may later be withdrawn only if:

41.35 (1) the applicant has not been paid any unemployment benefits on that benefit
41.36 account; and

42.1 (2) a new application for unemployment benefits is filed and a new benefit account is
42.2 established at the time of the withdrawal.

42.3 A determination or amended determination of eligibility or ineligibility issued under
42.4 section 268.101, that was sent before the withdrawal of the benefit account, remains in
42.5 effect and is not voided by the withdrawal of the benefit account. A determination of
42.6 ineligibility requiring subsequent earnings to satisfy the period of ineligibility under
42.7 section 268.095, subdivision 10, applies to the weekly unemployment benefit amount on
42.8 the new benefit account.

42.9 (d) An application for unemployment benefits is not allowed before the Sunday
42.10 following the expiration of the benefit year on a prior benefit account. Except as allowed
42.11 under paragraph (c), an applicant may establish only one benefit account each 52 calendar
42.12 weeks.

42.13 **EFFECTIVE DATE.** This section is effective for benefit accounts filed effective on
42.14 or after the first Sunday following final enactment.

42.15 Sec. 12. Minnesota Statutes 2009 Supplement, section 268.085, subdivision 1, is
42.16 amended to read:

42.17 Subdivision 1. **Eligibility conditions.** An applicant may be eligible to receive
42.18 unemployment benefits for any week if:

42.19 (1) the applicant has filed a continued request for unemployment benefits for that
42.20 week under section 268.0865;

42.21 (2) the week for which unemployment benefits are requested is in the applicant's
42.22 benefit year;

42.23 (3) the applicant was unemployed as defined in section 268.035, subdivision 26;

42.24 (4) the applicant was available for suitable employment as defined in subdivision
42.25 15. The applicant's weekly unemployment benefit amount is reduced one-fifth for each
42.26 day the applicant is unavailable for suitable employment. This clause does not apply to
42.27 an applicant who is in reemployment assistance training, or each day the applicant is on
42.28 jury duty or serving as an election judge;

42.29 (5) the applicant was actively seeking suitable employment as defined in subdivision
42.30 16. This clause does not apply to an applicant who is in reemployment assistance training
42.31 or who was on jury duty throughout the week;

42.32 (6) the applicant has served a nonpayable ~~waiting~~ period of one week that the
42.33 applicant is otherwise entitled to some amount of unemployment benefits. This clause
42.34 does not apply if the applicant would have been entitled to federal disaster unemployment

43.1 assistance because of a disaster in Minnesota, but for the applicant's establishment of a
43.2 benefit account under section 268.07; and

43.3 (7) the applicant has been participating in reemployment assistance services, such
43.4 as job search and resume writing classes, if the applicant has been determined in need
43.5 of reemployment assistance services by the commissioner, unless the applicant has good
43.6 cause for failing to participate.

43.7 Sec. 13. Minnesota Statutes 2008, section 268.085, subdivision 9, is amended to read:

43.8 Subd. 9. **Business owners.** (a) Wage credits from an employer may not be used
43.9 for unemployment benefit purposes by any applicant who:

43.10 (1) individually, jointly, or in combination with the applicant's spouse, parent, or
43.11 child owns or controls directly or indirectly 25 percent or more interest in the employer; or

43.12 (2) is the spouse, parent, or ~~minor~~ child of any individual who owns or controls
43.13 directly or indirectly 25 percent or more interest in the employer.

43.14 This subdivision is effective when the applicant has been paid five times the
43.15 applicant's weekly unemployment benefit amount in the current benefit year. This
43.16 subdivision does not apply if the applicant had wages paid in covered employment of
43.17 \$7,500 or more from the employer covered by this subdivision in each of the 16 calendar
43.18 quarters prior to the effective date of the benefit account and all taxes due on those wages
43.19 have been paid.

43.20 (b) An officer of a taxpaying employer referred to in section 268.046, subdivision 1,
43.21 is subject to the limitations of this subdivision.

43.22 Sec. 14. Minnesota Statutes 2008, section 268.085, subdivision 16, is amended to read:

43.23 Subd. 16. **Actively seeking suitable employment defined.** (a) "Actively seeking
43.24 suitable employment" means those reasonable, diligent efforts an individual in similar
43.25 circumstances would make if genuinely interested in obtaining suitable employment under
43.26 the existing conditions in the labor market area. Limiting the search to positions that are
43.27 not available or are above the applicant's training, experience, and qualifications is not
43.28 "actively seeking suitable employment."

43.29 (b) To be considered "actively seeking suitable employment" an applicant must,
43.30 when reasonable, contact those employers from whom the applicant was laid off because
43.31 of lack of work and request suitable employment.

43.32 (c) If reasonable prospects of suitable employment in the applicant's usual or
43.33 customary occupation do not exist, the applicant must actively seek other suitable

44.1 employment to be considered "actively seeking suitable employment." This applies to an
44.2 applicant who is seasonally unemployed.

44.3 (d) Actively seeking a suitable job assignment or other employment with a staffing
44.4 service is considered actively seeking suitable employment.

44.5 (e) An applicant who is seeking employment only through a union is considered
44.6 actively seeking suitable employment if the applicant is in an occupation where hiring
44.7 in that locality is done through the union. If the applicant is a union member who is
44.8 restricted to obtaining employment among signatory contractors in the construction
44.9 industry, seeking employment only with those signatory contractors is considered actively
44.10 seeking employment. The applicant must be a union member in good standing, registered
44.11 with the union for employment, and in compliance with other union rules to be considered
44.12 "actively seeking suitable employment."

44.13 Sec. 15. Minnesota Statutes 2009 Supplement, section 268.095, subdivision 2, is
44.14 amended to read:

44.15 Subd. 2. **Quit defined.** (a) A quit from employment occurs when the decision to end
44.16 the employment was, at the time the employment ended, the employee's.

44.17 (b) An employee who has been notified that the employee will be discharged in the
44.18 future, who chooses to end the employment while employment in any capacity is still
44.19 available, is considered to have quit the employment.

44.20 (c) An employee who seeks to withdraw a previously submitted notice of quitting is
44.21 considered to have quit the employment if the employer does not agree that the notice
44.22 may be withdrawn.

44.23 (d) An applicant who, within five calendar days after completion of a suitable
44.24 ~~temporary~~ job assignment from a staffing service ~~employer~~, (1) fails without good cause to
44.25 affirmatively request an additional suitable job assignment, (2) refuses without good cause
44.26 an additional suitable job assignment offered, or (3) accepts employment with the client
44.27 of the staffing service, is considered to have quit employment with the staffing service.
44.28 Accepting employment with the client of the staffing service meets the requirements of the
44.29 exception to ineligibility under subdivision 1, clause (2).

44.30 This paragraph applies only if, at the time of beginning of employment with the
44.31 staffing service ~~employer~~, the applicant signed and was provided a copy of a separate
44.32 document written in clear and concise language that informed the applicant of this
44.33 paragraph and that unemployment benefits may be affected.

44.34 For purposes of this paragraph, "good cause" is a reason that is significant and
44.35 would compel an average, reasonable worker, who would otherwise want an additional

45.1 ~~temporary suitable~~ job assignment with the staffing service ~~employer~~, (1) to fail to contact
45.2 the staffing service ~~employer~~, or (2) to refuse an offered assignment.

45.3 ~~For purposes of this paragraph, a "staffing service employer" is an employer whose~~
45.4 ~~business involves employing individuals directly for the purpose of furnishing temporary~~
45.5 ~~job assignment workers to clients of the staffing service.~~

45.6 Sec. 16. Minnesota Statutes 2008, section 268.095, subdivision 5, is amended to read:

45.7 Subd. 5. **Discharge defined.** (a) A discharge from employment occurs when any
45.8 words or actions by an employer would lead a reasonable employee to believe that the
45.9 employer will no longer allow the employee to work for the employer in any capacity. A
45.10 layoff because of lack of work is considered a discharge. A suspension from employment
45.11 without pay of more than 30 calendar days is considered a discharge.

45.12 (b) An employee who gives notice of intention to quit the employment and is not
45.13 allowed by the employer to work the entire notice period is considered discharged from
45.14 the employment as of the date the employer will no longer allow the employee to work. If
45.15 the discharge occurs within 30 calendar days before the intended date of quitting, then,
45.16 as of the intended date of quitting, the separation from employment is considered a quit
45.17 from employment subject to subdivision 1.

45.18 (c) The end of a job assignment with the client of a staffing service is considered a
45.19 discharge from employment with the staffing service unless section 268.095, subdivision
45.20 2, paragraph (d), applies.

45.21 Sec. 17. Minnesota Statutes 2009 Supplement, section 268.095, subdivision 6, is
45.22 amended to read:

45.23 Subd. 6. **Employment misconduct defined.** (a) Employment misconduct means
45.24 any intentional, negligent, or indifferent conduct, on the job or off the job that displays
45.25 clearly:

45.26 (1) a serious violation of the standards of behavior the employer has the right to
45.27 reasonably expect of the employee; or

45.28 (2) a substantial lack of concern for the employment.

45.29 (b) Regardless of paragraph (a), the following is not employment misconduct:

45.30 (1) conduct that was a consequence of the applicant's mental illness or impairment;

45.31 (2) conduct that was a consequence of the applicant's inefficiency or inadvertence;

45.32 (3) simple unsatisfactory conduct;

45.33 (4) conduct an average reasonable employee would have engaged in under the
45.34 circumstances;

46.1 (5) ~~poor performance because of~~ conduct that was a consequence of the applicant's
46.2 inability or incapacity;

46.3 (6) good faith errors in judgment if judgment was required;

46.4 (7) absence because of illness or injury of the applicant, with proper notice to the
46.5 employer;

46.6 (8) absence, with proper notice to the employer, in order to provide necessary care
46.7 because of the illness, injury, or disability of an immediate family member of the applicant;

46.8 (9) conduct that was a ~~direct result~~ consequence of the applicant's chemical
46.9 dependency, unless the applicant was previously diagnosed chemically dependent or had
46.10 treatment for chemical dependency, and since that diagnosis or treatment has failed to
46.11 make consistent efforts to control the chemical dependency; or

46.12 (10) conduct that was a ~~result~~ consequence of the applicant, or an immediate family
46.13 member of the applicant, being a victim of domestic abuse as defined under section
46.14 518B.01. Domestic abuse must be shown as provided for in subdivision 1, clause (9).

46.15 (c) Regardless of paragraph (b), clause (9), conduct in violation of sections 169A.20,
46.16 169A.31, or 169A.50 to 169A.53 that interferes with or adversely affects the employment
46.17 is employment misconduct.

46.18 (d) If the conduct for which the applicant was discharged involved only a single
46.19 incident, that is an important fact that must be considered in deciding whether the conduct
46.20 rises to the level of employment misconduct under paragraph (a).

46.21 (e) The definition of employment misconduct provided by this subdivision is
46.22 exclusive and no other definition applies.

46.23 **EFFECTIVE DATE.** This section is effective for determinations under section
46.24 268.101, subdivision 2, and appeal decisions under section 268.105, subdivision 1, issued
46.25 on and after the Sunday following final enactment.

46.26 Sec. 18. Minnesota Statutes 2008, section 268.101, is amended by adding a subdivision
46.27 to read:

46.28 **Subd. 2a. Telephone number.** Every determination issued under subdivision 2
46.29 must include a prominently displayed telephone number that an applicant or involved
46.30 employer can call to speak with an unemployment insurance specialist and obtain further
46.31 explanation about the determination and have any questions answered. The specialist
46.32 must, when appropriate, issue an amended determination as provided for in subdivision 4.
46.33 The listed telephone number must be unique to a specialized call group trained to handle
46.34 calls involving determinations.

47.1 **EFFECTIVE DATE.** This section is effective October 3, 2010, and expires
47.2 September 30, 2012.

47.3 Sec. 19. Minnesota Statutes 2009 Supplement, section 268.105, subdivision 1, is
47.4 amended to read:

47.5 Subdivision 1. **Evidentiary hearing by unemployment law judge.** (a) Upon
47.6 a timely appeal having been filed, the department must send, by mail or electronic
47.7 transmission, a notice of appeal to all involved parties that an appeal has been filed, and
47.8 that a de novo due process evidentiary hearing will be scheduled. The notice must set out
47.9 the parties' rights and responsibilities regarding the hearing. The notice must explain that
47.10 the facts will be determined by the unemployment law judge based upon a preponderance
47.11 of the evidence. The notice must explain in clear and simple language the meaning of the
47.12 term "preponderance of the evidence." The department must set a time and place for a
47.13 de novo due process evidentiary hearing and send notice to any involved applicant and
47.14 any involved employer, by mail or electronic transmission, not less than ten calendar
47.15 days before the date of the hearing.

47.16 (b) The evidentiary hearing is conducted by an unemployment law judge as an
47.17 evidence gathering inquiry. At the beginning of the hearing the unemployment law judge
47.18 must fully explain how the hearing will be conducted, that the applicant has the right to
47.19 request that the hearing be rescheduled so that documents or witnesses can be subpoenaed,
47.20 that the facts will be determined based on a preponderance of the evidence, and, in
47.21 clear and simple language, the meaning of the term "preponderance of the evidence."
47.22 The unemployment law judge must ensure that all relevant facts are clearly and fully
47.23 developed. The department may adopt rules on evidentiary hearings. The rules need
47.24 not conform to common law or statutory rules of evidence and other technical rules of
47.25 procedure. The department has discretion regarding the method by which the evidentiary
47.26 hearing is conducted. A report of any employee of the department, except a determination,
47.27 made in the regular course of the employee's duties, is competent evidence of the facts
47.28 contained in it. An affidavit or written statement based on personal knowledge and signed
47.29 under penalty of perjury is competent evidence of the facts contained in it; however, the
47.30 veracity of statements contained within the document or the credibility of the witness
47.31 making the statement may be disputed with other documents or testimony and production
47.32 of such documents or testimony may be compelled by subpoena.

47.33 (c) After the conclusion of the hearing, upon the evidence obtained, the
47.34 unemployment law judge must make findings of fact and decision and send those, by mail
47.35 or electronic transmission, to all involved parties. When the credibility of an involved

48.1 party or witness testifying in an evidentiary hearing has a significant effect on the outcome
48.2 of a decision, the unemployment law judge must set out the reason for crediting or
48.3 discrediting that testimony. The unemployment law judge's decision is final unless a
48.4 request for reconsideration is filed under subdivision 2.

48.5 (d) Regardless of paragraph (c), if the appealing party fails to participate in the
48.6 evidentiary hearing, the unemployment law judge has the discretion to dismiss the appeal
48.7 by summary order. By failing to participate, the appealing party is considered to have
48.8 failed to exhaust available administrative remedies unless the appealing party files a
48.9 request for reconsideration under subdivision 2 and establishes good cause for failing to
48.10 participate in the evidentiary hearing under subdivision 2, paragraph (d). Submission
48.11 of a written statement does not constitute participation. The applicant must participate
48.12 personally and appearance solely by a representative does not constitute participation.

48.13 (e) Only employees of the department who are attorneys licensed to practice law
48.14 in Minnesota may serve as the chief unemployment law judge, senior unemployment
48.15 law judges who are supervisors, or unemployment law judges. The commissioner
48.16 must designate a chief unemployment law judge. The chief unemployment law judge
48.17 may transfer to another unemployment law judge any proceedings pending before an
48.18 unemployment law judge.

48.19 (f) A full-time unemployment law judge must be paid a salary within a range directly
48.20 tied to the salary set under section 15A.083, subdivision 7, for a workers' compensation
48.21 judge. The salary paid within that range to any single unemployment law judge is based
48.22 on experience and performance.

48.23 Sec. 20. Minnesota Statutes 2009 Supplement, section 268.136, subdivision 1, is
48.24 amended to read:

48.25 Subdivision 1. **Shared work agreement requirements.** (a) An employer may
48.26 submit a proposed shared work plan for an employee group to the commissioner for
48.27 approval in a manner and format set by the commissioner. The proposed agreement
48.28 must include:

48.29 (1) a certified statement that the normal weekly hours of work of all of the proposed
48.30 participating employees were full time but are now reduced, or will be reduced, with a
48.31 corresponding reduction in pay, in order to prevent layoffs;

48.32 (2) the name and Social Security number of each participating employee;

48.33 (3) a certified statement of when each participating employee was first hired by the
48.34 employer, which must be at least one year before the proposed agreement is submitted;

49.1 (4) the hours of work each participating employee will work each week for the
49.2 duration of the agreement, which must be at least 20 hours and no more than 32 hours
49.3 per week, except that the agreement may provide for a uniform vacation shutdown of up
49.4 to two weeks;

49.5 (5) the proposed duration of the agreement, which must be at least two months and
49.6 not more than one year, although an agreement may be extended for up to an additional
49.7 year upon approval of the commissioner;

49.8 (6) a starting date beginning on a Sunday at least 15 calendar days after the date
49.9 the proposed agreement is submitted; and

49.10 (7) a signature of an owner or officer of the employer who is listed as an owner or
49.11 officer on the employer's account under section 268.045.

49.12 (b) An agreement may not be approved for an employer that:

49.13 (1) has any unemployment tax or reimbursements, including any interest, fees,
49.14 or penalties, due but unpaid; or

49.15 (2) has the maximum experience rating provided for under section 268.051,
49.16 subdivision 3; ~~or~~

49.17 ~~(3) is in a high-experience rating industry as defined in section 268.051, subdivision~~
49.18 ~~5.~~

49.19 Sec. 21. Minnesota Statutes 2008, section 268.184, subdivision 1, is amended to read:

49.20 Subdivision 1. **Administrative penalties.** (a) The commissioner shall penalize
49.21 an employer if that employer or any employee, officer, or agent of that employer, is
49.22 in collusion with any applicant for the purpose of assisting the applicant to receive
49.23 unemployment benefits fraudulently. The penalty is \$500 or the amount of unemployment
49.24 benefits determined to be overpaid, whichever is greater.

49.25 (b) The commissioner shall penalize an employer if that employer or any employee,
49.26 officer, or agent of that employer (1) made a false statement or representation knowing
49.27 it to be false, (2) made a false statement or representation without a good faith belief as
49.28 to correctness of the statement or representation, ~~or~~ (3) knowingly failed to disclose a
49.29 material fact; or (4) made an offer of employment to an applicant when, in fact, the
49.30 employer had no employment available, but only if the employer's action:

49.31 (i) was taken to prevent or reduce the payment of unemployment benefits to any
49.32 applicant;

49.33 (ii) was taken to reduce or avoid any payment required from an employer under
49.34 this chapter or section 116L.20; or

49.35 (iii) caused an overpayment of unemployment benefits to an applicant.

50.1 The penalty is \$500, or 50 percent of the overpaid or reduced unemployment benefits
50.2 or payment required, whichever is greater.

50.3 (c) The commissioner shall penalize an employer if that employer failed or refused
50.4 to honor a subpoena issued under section 268.105, subdivision 4, or section 268.188. The
50.5 penalty is \$500 and any costs of enforcing the subpoena, including attorney fees.

50.6 (d) Penalties under this subdivision are in addition to any other penalties and subject
50.7 to the same collection procedures that apply to past due taxes. Penalties must be paid
50.8 within 30 calendar days of assessment and credited to the contingent account.

50.9 (e) The assessment of the penalty is final unless the employer files an appeal within
50.10 20 calendar days after the sending of notice of the penalty to the employer by mail or
50.11 electronic transmission. Proceedings on the appeal are conducted in accordance with
50.12 section 268.105.

50.13 Sec. 22. **SPECIAL STATE EXTENDED UNEMPLOYMENT INSURANCE**
50.14 **PROGRAM.**

50.15 Subdivision 1. Eligibility. (a) Special state extended unemployment insurance
50.16 benefits are payable under this section to an applicant who does not qualify for extended
50.17 unemployment insurance benefits under Minnesota Statutes, section 268.115, solely
50.18 because the applicant does not have wage credits of at least 40 times the applicant's
50.19 weekly benefit amount.

50.20 (b) Except as provided in paragraph (a), all requirements for extended unemployment
50.21 benefits under Minnesota Statutes, section 268.115, and all other requirements of
50.22 Minnesota Statutes, chapter 268, must be met in order for an applicant to be eligible for
50.23 special state extended unemployment insurance benefits under this section.

50.24 (c) Except as provided for in paragraph (d), special state extended unemployment
50.25 insurance benefits are payable in the same amounts, for the same duration, and for the
50.26 same time period as provided for under Minnesota Statutes, section 268.115.

50.27 (d) The maximum amount of special state extended unemployment insurance
50.28 benefits under this section available to an applicant is reduced by the amount of special
50.29 state emergency unemployment insurance benefits paid the applicant under Laws 2009,
50.30 chapter 1, section 2.

50.31 Subd. 2. Payment from trust fund. Special state extended unemployment
50.32 insurance benefits are payable from the Minnesota unemployment insurance trust fund.
50.33 Special state extended unemployment insurance benefits must not be used in computing

51.1 the future unemployment insurance tax rate of a taxpaying employer, and they must not be
51.2 charged to the reimbursing account of government or nonprofit employers.

51.3 Subd. 3. **Expiration.** This section expires on March 26, 2011, and no benefits may
51.4 be paid under this section for a week beginning after that date.

51.5 **EFFECTIVE DATE.** This section is effective June 30, 2010.

51.6 Sec. 23. **LEAVES OF ABSENCE.**

51.7 Minnesota Statutes, section 268.088, applies to leaves of absence taken by workers
51.8 at the New Ulm location of 3M during 2009. The department must, notwithstanding
51.9 any prior determination or appeal decision, redetermine an applicant's entitlement to
51.10 unemployment benefits under this section.

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

51.12 Sec. 24. **SPECIAL STATE EMERGENCY UNEMPLOYMENT**
51.13 **COMPENSATION.**

51.14 Notwithstanding the June 30, 2010, expiration date of Laws 2009, chapter 1, section
51.15 2, subdivision 4, if an applicant has filed for special state emergency unemployment
51.16 compensation under that law for a week beginning prior to June 30, 2010, but has not
51.17 exhausted the maximum amount available to the applicant under that law, the applicant
51.18 may continue to receive special state emergency unemployment compensation under
51.19 that law up to the applicant's determined maximum under that law. This section expires
51.20 March 26, 2011, and no benefits may be paid pursuant to this section for a week beginning
51.21 after that date.

51.22 Sec. 25. **NEW BENEFIT ACCOUNTS.**

51.23 If an applicant establishes a new benefit account under Minnesota Statutes, section
51.24 268.07, subdivision 2, paragraph (b), within 39 weeks of the expiration of the benefit
51.25 year on a prior benefit account, notwithstanding Minnesota Statutes, section 268.07,
51.26 subdivision 2a, paragraph (a), the weekly benefit amount on the new benefit account will
51.27 not be less than 80 percent of the weekly benefit amount on the prior benefit account.

51.28 **EFFECTIVE DATE.** This section applies to benefit accounts effective on or after
51.29 the first Sunday following enactment and expires the earlier of: (1) the effective date of
51.30 any federal legislation allowing an applicant to continue to collect federal emergency
51.31 unemployment compensation, notwithstanding the applicant qualifying for a new regular

52.1 state benefit account under Minnesota Statutes, section 268.07, subdivision 2, paragraph
52.2 (b); or (2) June 30, 2011.

52.3 **Sec. 26. VACATION PAY AND UNEMPLOYMENT BENEFITS.**

52.4 An individual who received unemployment benefits in 2009 shall not be determined
52.5 overpaid under Minnesota Statutes, section 268.18, subdivision 1, because of receipt of
52.6 vacation pay in 2009 which was earned in 2008 under a collective bargaining agreement
52.7 with an employer located in Hibbing that had layoffs in May 2009 of over 400 workers.

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

52.9 **Sec. 27. REVISOR'S INSTRUCTION.**

52.10 The revisor of statutes shall renumber each section of Minnesota Statutes listed in
52.11 column A with the number in column B.

	<u>Column A</u>	<u>Column B</u>
52.12	<u>268.035, subdivision 12b</u>	<u>268.035, subdivision 12d</u>
52.13	<u>268.035, subdivision 21a</u>	<u>268.035, subdivision 21c</u>
52.14	<u>268.035, subdivision 20a</u>	<u>268.035, subdivision 21b</u>
52.15	<u>268.035, subdivision 25a</u>	<u>268.035, subdivision 25c</u>

52.17 **ARTICLE 3**

52.18 **LABOR STANDARDS AND WAGES; LICENSING AND FEES**

52.19 Section 1. Minnesota Statutes 2008, section 181.723, subdivision 5, is amended to read:

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

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

52.24 (1) the individual's full name;

52.25 (2) the individual's residence address and telephone number;

52.26 (3) the individual's business name, address, and telephone number;

52.27 (4) the services for which the individual is seeking an independent contractor
52.28 exemption certificate;

52.29 (5) the individual's Social Security number;

52.30 (6) the individual's or the individual's business federal employer identification
52.31 number, if a number has been issued to the individual or the individual's business;

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

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

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

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

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

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

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

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

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

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

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

53.24 (b) Individuals who are applying for or renewing a residential building contractor or
53.25 residential remodeler license under sections 326B.197, 326B.802, 326B.805, 326B.81,
53.26 326B.815, 326B.821 to 326B.86, 326B.87 to 326B.885, and 327B.041, and any rules
53.27 promulgated pursuant thereto, may simultaneously apply for or renew an independent
53.28 contractor exemption certificate. The commissioner shall create an application form
53.29 that allows for the simultaneous application for both a residential building contractor
53.30 or residential remodeler license and an independent contractor exemption certificate.
53.31 If individuals simultaneously apply for or renew a residential building contractor or
53.32 residential remodeler license and an independent contractor exemption certificate using
53.33 the form created by the commissioner, individuals shall only be required to provide, in
53.34 addition to the information required by section 326B.83 and rules promulgated pursuant
53.35 thereto, the sworn statement required by paragraph (a), clause (8), and any additional
53.36 information required by this subdivision that is not also required by section 326B.83 and

54.1 any rules promulgated thereto. When individuals submit a simultaneous application on the
54.2 form created by the commissioner for both a residential building contractor or residential
54.3 remodeler license and an independent contractor exemption certificate, the application
54.4 fee shall be \$150. An independent contractor exemption certificate that is in effect before
54.5 March 1, 2009, shall remain in effect until March 1, ~~2011~~ 2013, unless revoked by the
54.6 commissioner or canceled by the individual.

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

- 54.18 (1) revoked by the commissioner; or
54.19 (2) canceled by the individual.

54.20 (d) If the department denies an individual's original or renewal application for
54.21 an independent contractor exemption certificate or revokes an independent contractor
54.22 exemption certificate, the commissioner shall issue to the individual an order denying or
54.23 revoking the certificate. The commissioner may issue an administrative penalty order to
54.24 an individual or person who commits any of the actions set out in subdivision 7.

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

54.36 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2008.

55.1 Sec. 2. **[184B.20] INFLATABLE AMUSEMENT EQUIPMENT.**

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

55.4 (b) "Commercial use" means regular use of an inflatable for profit by an owner
55.5 at a permanently located facility:

55.6 (1) to which the general public is invited; or

55.7 (2) which the owner makes available at that facility for private parties or other events.

55.8 "Commercial use" does not include use of an inflatable (i) at a carnival, festival, fair,
55.9 private party, or similar venue at a location other than the permanently located facility, or
55.10 (ii) at a facility where the use of the inflatable is incidental to the primary use of the facility.

55.11 (c) "Inflatable" means an amusement device, used to bounce or otherwise play on,
55.12 that incorporates a structural and mechanical system and employs a high-strength fabric or
55.13 film that achieves its strength, shape, and stability by tensioning from internal air pressure.

55.14 (d) "Owner" means a person who owns, leases as lessee, or controls the operation of
55.15 an inflatable for commercial use.

55.16 (e) "Person" has the meaning given in section 302A.011, subdivision 22.

55.17 (f) "Supervisor" means an individual stationed within close proximity to an inflatable
55.18 during its use, for the purpose of supervising its safe use.

55.19 (g) "Trained" means that an individual has received instruction in how to supervise
55.20 the safe use of inflatables in accordance with industry and ASTM standards.

55.21 Subd. 2. **Prohibition.** No owner shall provide an inflatable for commercial use in
55.22 this state by others unless the owner complies with this section.

55.23 Subd. 3. **Protection against injuries from falls.** An inflatable that is in commercial
55.24 use must be placed in a manner that complies with ASTM Standard F 2374.07, adopted
55.25 by the American Society for Testing and Materials, including any future updates to that
55.26 standard.

55.27 Subd. 4. **Supervision by trained person required.** No owner of an inflatable shall
55.28 allow commercial use of the inflatable unless a trained supervisor is present in close
55.29 proximity to the inflatable and is actively supervising its use. The ratio of supervisors to
55.30 inflatables must comply with ASTM Standard F 2374.07, as referenced under subdivision
55.31 3.

55.32 Subd. 5. **Insurance required; waiver of liability limited.** (a) An owner of an
55.33 inflatable that is subject to subdivision 2 shall maintain liability insurance covering
55.34 liability for a death or injury resulting from commercial use of the inflatable with limits of
55.35 no less than \$1,000,000 per occurrence and \$2,000,000 aggregate per year. The insurance
55.36 shall also include medical payments coverage of no less than \$5,000 per occurrence,

56.1 which may be limited to injuries incurred while using an inflatable, including getting on or
56.2 off of the inflatable. The insurance must be issued by an insurance company authorized to
56.3 issue the coverage in this state by the commissioner of commerce, and must be kept in
56.4 force during the entire period of registration. In the event of a policy cancellation, the
56.5 insurer will send written notice to the commissioner of labor and industry at the same time
56.6 that a cancellation request is received from or a notice is sent to the insured.

56.7 (b) A waiver of liability signed by or on behalf of a minor for injuries arising out of
56.8 the negligence of the owner or the owner's employee or designee is void.

56.9 Subd. 6. **Registration required.** An owner of an inflatable that is subject to
56.10 subdivision 2 must obtain and maintain a current registration with the commissioner of
56.11 labor and industry. The registration information must include the name, address, telephone
56.12 number, and e-mail address of the owner, the street address of each facility at which
56.13 the owner regularly provides inflatables for commercial use in this state by others, and
56.14 a current insurance certificate of coverage proving full compliance with subdivision 5.
56.15 The commissioner shall issue and renew a certificate of registration only to owners who
56.16 comply with this section. The commissioner shall charge a registration fee of \$100 for
56.17 a two-year registration designed to cover the cost of registration and enforcement. Fee
56.18 receipts must be deposited in the state treasury and credited to the construction code
56.19 fund. The registration certificate shall be issued and renewed for a two-year period.
56.20 The registrant shall promptly notify the commissioner in writing of any changes in the
56.21 registration information required in this subdivision.

56.22 Subd. 7. **Enforcement.** The commissioner of labor and industry shall enforce this
56.23 section and may use for that purpose section 326B.082 and any powers otherwise available
56.24 to the commissioner for enforcement purposes, including suspension or revocation of the
56.25 person's registration and assessment of fines.

56.26 **EFFECTIVE DATE.** This section is effective August 1, 2010.

56.27 Sec. 3. **[326B.091] DEFINITIONS.**

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

56.30 Subd. 2. **Applicant.** "Applicant" means a person who has submitted to the
56.31 department an application for a license.

56.32 Subd. 3. **License.** "License" means any registration, certification, or other form
56.33 of approval authorized by chapters 326B and 327B to be issued by the commissioner
56.34 or department as a condition of doing business or conducting a trade, profession,
56.35 or occupation in Minnesota. License includes specifically but not exclusively an

57.1 authorization issued by the commissioner or department: to perform electrical work,
57.2 plumbing or water conditioning work, high pressure piping work, or residential building
57.3 work of a residential contractor, residential remodeler, or residential roofer; to install
57.4 manufactured housing; to serve as a building official; or to operate a boiler or boat.

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

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

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

57.12 Sec. 4. **[326B.092] FEES.**

57.13 Subdivision 1. **Licenses requiring examination administered by commissioner.**

57.14 (a) If the applicant for a license must pass an examination administered by the
57.15 commissioner in order to obtain the license, then the application for the initial license
57.16 must be accompanied by an application and examination fee of \$50, which is separate
57.17 from the license fee. The license fee is due after the applicant passes the examination
57.18 and before the license is issued.

57.19 (b) If the applicant for a Minnesota license holds a license in another state and
57.20 is seeking Minnesota licensure without examination based on reciprocity, then the
57.21 application for the Minnesota license must be accompanied by the application and
57.22 examination fee of \$50, which is separate from the license fee. If the commissioner
57.23 approves the application, then the license fee is due before the license is issued.

57.24 Subd. 2. **Licenses not requiring examination administered by commissioner.**

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

57.32 Subd. 3. **Late fee.** The department must receive a complete application for license
57.33 renewal by the renewal deadline but not more than 90 days before the renewal deadline. If
57.34 the department receives a renewal application after the expiration of the license, then the
57.35 renewal application must be accompanied by a late fee equal to one-half of the license

58.1 renewal fee; except that, for the purpose of calculating the late fee only, the license
58.2 renewal fee shall not include any contractor recovery fund fee required by section
58.3 326B.89, subdivision 3.

58.4 Subd. 4. **Lapsed licensed fee.** If the department receives a renewal application
58.5 within two years after expiration of the license, the renewal application must be
58.6 accompanied by all license renewal fees to cover the period that the license was expired,
58.7 plus the late fee described in subdivision 3 and the license renewal fee for the current
58.8 renewal period.

58.9 Subd. 5. **Insufficient fees.** If the applicant does not include all required fees with
58.10 the application, then the application will be incomplete and the department will notify the
58.11 applicant of the amount of the deficiency.

58.12 Subd. 6. **Fees nonrefundable.** Application and examination fees, license fees,
58.13 license renewal fees, and late fees are nonrefundable except for:

58.14 (1) license renewal fees received more than two years after expiration of the license,
58.15 as described in section 326B.094, subdivision 2;

58.16 (2) any overpayment of fees; and

58.17 (3) if the license is not renewed, the contractor recovery fund fee and any additional
58.18 assessment paid under subdivision 7, paragraph (e).

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

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

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

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

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

<u>License Classification</u>	<u>License Duration</u>		
	<u>1 Year</u>	<u>2 Years</u>	<u>3 Years</u>

59.1	<u>Entry level</u>	<u>\$10</u>	<u>\$20</u>	<u>\$30</u>
59.2	<u>Journeyman</u>	<u>\$20</u>	<u>\$40</u>	<u>\$60</u>
59.3	<u>Master</u>	<u>\$40</u>	<u>\$80</u>	<u>\$120</u>
59.4	<u>Business</u>	<u>\$90</u>	<u>\$180</u>	<u>\$270</u>

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

59.10 (e) If the license is issued under sections 326B.31 to 326B.59 or 326B.90 to
 59.11 326B.93, then a board fee must be included in the license fee and the renewal license fee.
 59.12 The board fee for all license classifications shall be: \$4 if the license duration is one year;
 59.13 \$8 if the license duration is two years; and \$12 if the license duration is three years.

59.14 (f) If the application is for the renewal of a license issued under sections 326B.802
 59.15 to 326B.885, then the contractor recovery fund fee required under section 326B.89,
 59.16 subdivision 3, and any additional assessment required under section 326B.89, subdivision
 59.17 16, must be included in the license renewal fee.

59.18 **Sec. 5. [326B.093] LICENSES REQUIRING EXAMINATION ADMINISTERED**
 59.19 **BY COMMISSIONER.**

59.20 Subdivision 1. **Qualifications for examination.** If the applicant for a license must
 59.21 pass an examination administered by the commissioner in order to obtain the license, then
 59.22 the applicant's complete application must demonstrate that the applicant is qualified to
 59.23 take the examination. The applicant is qualified to take the examination if the applicant
 59.24 meets all requirements for the license except for passing the examination.

59.25 Subd. 2. **Not qualified for examination.** If the applicant is not qualified to take
 59.26 the examination, then the commissioner must deny the application. The applicant may
 59.27 subsequently submit another application, accompanied by the required fee.

59.28 Subd. 3. **Taking the examination.** If the applicant is qualified to take the
 59.29 examination, then the department must notify the applicant, and the applicant may
 59.30 schedule a time to take the examination within one year after the notification date. If the
 59.31 applicant does not take the examination at the scheduled time, the applicant may, one
 59.32 time only, reschedule a time to take the examination on a date within one year after the
 59.33 notification date. If the applicant fails to take the examination within one year after the
 59.34 notification date, the commissioner must deny the application and the applicant forfeits the

60.1 application/examination fee. The applicant may subsequently submit another application,
60.2 accompanied by the required application/examination fee.

60.3 Subd. 4. **Examination results.** If the applicant receives a passing score on the
60.4 examination and meets all other requirements for licensure, the commissioner must
60.5 approve the application and notify the applicant of the approval within 60 days of the date
60.6 of the passing score. The applicant must, within 90 days after the notification of approval,
60.7 pay the license fee. Upon receipt of the license fee, the commissioner must issue the
60.8 license. If the applicant does not pay the license fee within 90 days after the notification
60.9 of approval, the commissioner will rescind the approval and must deny the application.
60.10 If the applicant does not receive a passing score on the examination, the commissioner
60.11 must deny the application. If the application is denied because of the applicant's failure
60.12 to receive a passing score on the examination, then the applicant cannot submit a new
60.13 application for the license until at least 30 days after the notification of denial.

60.14 Sec. 6. **[326B.094] RENEWAL OF LICENSES.**

60.15 Subdivision 1. **Expiration of licenses.** Unless and until the department or
60.16 commissioner issues a renewal of a license, the license expires on the expiration date
60.17 printed on the license. While the license is expired, the licensee cannot perform the
60.18 activities authorized by the license.

60.19 Subd. 2. **Availability of renewal.** A licensee may apply to renew a license no later
60.20 than two years after the expiration of the license. If the department receives a complete
60.21 renewal application no later than two years after the expiration of the license, then the
60.22 department must approve or deny the renewal application within 60 days of receiving the
60.23 complete renewal application. If the department receives a renewal application more than
60.24 two years after the expiration of the license, the department must return the renewal
60.25 license fee to the applicant without approving or denying the application. If the licensee
60.26 wishes to obtain a valid license more than two years after expiration of the license, the
60.27 licensee must apply for a new license.

60.28 Subd. 3. **Deadline for avoiding license expiration.** The department must receive
60.29 a complete application to renew a license no later than the renewal deadline. If the
60.30 department does not receive a complete application by the renewal deadline, the license
60.31 may expire before the department has either approved or denied the renewal application.

60.32 Sec. 7. **[326B.095] INCOMPLETE LICENSE APPLICATIONS.**

60.33 This section applies to both applications for initial licenses and license renewal
60.34 applications. If the department determines that an application is incomplete, the

61.1 department must notify the applicant of the deficiencies that must be corrected in
61.2 order to complete the application. If the applicant wishes to complete the application,
61.3 the department must receive the completed application within 90 days after the date
61.4 the department mailed or delivered the incomplete application to the applicant. If the
61.5 department does not receive the completed application by this deadline, the commissioner
61.6 must deny the application and the applicant will forfeit all fees except as provided
61.7 in section 326B.092, subdivision 6. If the application is for license renewal and the
61.8 department receives the corrected application after the license has expired, then the
61.9 corrected application must be accompanied by the late fee.

61.10 Sec. 8. **[326B.096] REINSTATEMENT OF LICENSES.**

61.11 Subdivision 1. **Reinstatement after revocation.** (a) If a license is revoked under
61.12 this chapter and if an applicant for a license needs to pass an examination administered by
61.13 the commissioner before becoming licensed, then, in order to have the license reinstated,
61.14 the person who holds the revoked license must:

61.15 (1) retake the examination and achieve a passing score; and

61.16 (2) meet all other requirements for an initial license, including payment of the
61.17 application and examination fee and the license fee. The person holding the revoked
61.18 license is not eligible for Minnesota licensure without examination based on reciprocity.

61.19 (b) If a license is revoked under a chapter other than this chapter, then, in order to
61.20 have the license reinstated, the person who holds the revoked license must:

61.21 (1) apply for reinstatement to the commissioner no later than two years after the
61.22 effective date of the revocation;

61.23 (2) pay a \$100 reinstatement application fee and any applicable renewal license
61.24 fee; and

61.25 (3) meet all applicable requirements for licensure, except that, unless required by the
61.26 order revoking the license, the applicant does not need to retake any examination and does
61.27 not need to repay a license fee that was paid before the revocation.

61.28 Subd. 2. **Reinstatement after suspension.** If a license is suspended, then, in order
61.29 to have the license reinstated, the person who holds the suspended license must:

61.30 (1) apply for reinstatement to the commissioner no later than two years after the
61.31 completion of the suspension period;

61.32 (2) pay a \$100 reinstatement application fee and any applicable renewal license
61.33 fee; and

62.1 (3) meet all applicable requirements for licensure, except that, unless required by the
62.2 order suspending the license, the applicant does not need to retake any examination and
62.3 does not need to repay a license fee that was paid before the suspension.

62.4 Subd. 3. **Reinstatement after voluntary termination.** A licensee who is not an
62.5 individual may voluntarily terminate a license issued to the person under this chapter. If a
62.6 licensee has voluntarily terminated a license under this subdivision, then, in order to have
62.7 the license reinstated, the person who holds the terminated license must:

62.8 (1) apply for reinstatement to the commissioner no later than the date that the license
62.9 would have expired if it had not been terminated;

62.10 (2) pay a \$100 reinstatement application fee and any applicable renewal license
62.11 fee; and

62.12 (3) meet all applicable requirements for licensure, except that the applicant does not
62.13 need to repay a license fee that was paid before the termination.

62.14 Sec. 9. **[326B.097] PROHIBITION OF TRANSFER.**

62.15 A licensee shall not transfer or sell any license.

62.16 Sec. 10. **[326B.098] CONTINUING EDUCATION.**

62.17 Subdivision 1. **Applicability.** This section applies to seminars offered by
62.18 the department for the purpose of allowing licensees to meet continuing education
62.19 requirements for license renewal.

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

62.23 Subd. 3. **Fees nonrefundable.** All seminar fees paid to the department are
62.24 nonrefundable except for any overpayment of fees.

62.25 Sec. 11. Minnesota Statutes 2008, section 326B.106, subdivision 9, is amended to read:

62.26 Subd. 9. **Accessibility.** (a) **Public buildings.** The code must provide for making
62.27 public buildings constructed or remodeled after July 1, 1963, accessible to and usable by
62.28 persons with disabilities, although this does not require the remodeling of public buildings
62.29 solely to provide accessibility and usability to persons with disabilities when remodeling
62.30 would not otherwise be undertaken.

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

63.1 state symbol of accessibility. This limitation applies to leases of 30 days or more for
63.2 space of at least 1,000 square feet.

63.3 (c) **Meetings or conferences.** Meetings or conferences for the public or for state
63.4 employees which are sponsored in whole or in part by a state agency must be held in
63.5 buildings that meet the State Building Code requirements relating to accessibility for
63.6 persons with disabilities. This subdivision does not apply to any classes, seminars,
63.7 or training programs offered by the Minnesota State Colleges and Universities or the
63.8 University of Minnesota. Meetings or conferences intended for specific individuals none
63.9 of whom need the accessibility features for persons with disabilities specified in the State
63.10 Building Code need not comply with this subdivision unless a person with a disability
63.11 gives reasonable advance notice of an intent to attend the meeting or conference. When
63.12 sign language interpreters will be provided, meetings or conference sites must be chosen
63.13 which allow hearing impaired participants to see their signing clearly.

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

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

63.31 ~~(f) **Municipal enforcement.** Municipalities which have not adopted the State~~
63.32 ~~Building Code may enforce the building code requirements for persons with disabilities by~~
63.33 ~~either entering into a joint powers agreement for enforcement with another municipality~~
63.34 ~~which has adopted the State Building Code, or contracting for enforcement with an~~
63.35 ~~individual certified under section 326B.133, subdivision 3, to enforce the State Building~~
63.36 ~~Code.~~

64.1 Sec. 12. Minnesota Statutes 2008, section 326B.133, subdivision 1, is amended to read:

64.2 Subdivision 1. **Designation.** Each municipality shall designate a building official to
64.3 administer the code. A municipality may designate no more than one building official
64.4 responsible for code administration defined by each certification category ~~established in~~
64.5 ~~rule~~ created by statute or rule. Two or more municipalities may combine in the designation
64.6 of a building official for the purpose of administering the provisions of the code within
64.7 their communities. In those municipalities for which no building officials have been
64.8 designated, the state building official may use whichever state employees are necessary to
64.9 perform the duties of the building official until the municipality makes a temporary or
64.10 permanent designation. All costs incurred by virtue of these services rendered by state
64.11 employees must be borne by the involved municipality and receipts arising from these
64.12 services must be paid to the commissioner.

64.13 Sec. 13. Minnesota Statutes 2008, section 326B.133, is amended by adding a
64.14 subdivision to read:

64.15 Subd. 2a. **Application; renewal; fees; expiration.** (a) An applicant for certification
64.16 shall submit a completed application on a form approved by the commissioner to the
64.17 department. The commissioner shall review applications for compliance with the
64.18 requirements established by rule.

64.19 (b) Application for initial certification or renewal certification as a building official,
64.20 building official-limited, or accessibility specialist shall be according to this section and
64.21 sections 326B.092 to 326B.095.

64.22 (c) Fees shall be paid to the department according to section 326B.092.

64.23 (d) Unless revoked or suspended under this chapter, all certifications issued or
64.24 renewed under this section expire two years from the date of original issuance and every
64.25 two years thereafter.

64.26 Sec. 14. Minnesota Statutes 2008, section 326B.133, subdivision 3, is amended to read:

64.27 Subd. 3. **Certification criteria.** The commissioner shall by rule establish
64.28 certification criteria as proof of qualification pursuant to subdivision 2. The commissioner
64.29 may:

64.30 (1) develop and administer written and practical examinations to determine if a
64.31 person is qualified pursuant to subdivision 2 to be a building official;

64.32 (2) accept documentation of successful completion of testing programs developed
64.33 and administered by nationally recognized testing agencies, as proof of qualification
64.34 pursuant to subdivision 2; or

65.1 (3) determine qualifications by satisfactory completion of clause (2) and a mandatory
65.2 training program developed or approved by the commissioner.

65.3 Upon a determination of qualification under clause (1), (2), or (3), the commissioner
65.4 shall issue a certificate to the building official stating that the official is certified. ~~Each~~
65.5 ~~person applying for examination and certification pursuant to this section shall pay a~~
65.6 ~~nonrefundable fee of \$70.~~ The commissioner or a designee may establish categories of
65.7 certification that will recognize the varying complexities of code enforcement in the
65.8 municipalities within the state. The commissioner shall provide educational programs
65.9 designed to train and assist building officials in carrying out their responsibilities.

65.10 Sec. 15. Minnesota Statutes 2008, section 326B.133, is amended by adding a
65.11 subdivision to read:

65.12 Subd. 3a. **Certification categories.** (a) If a municipality has adopted or adopts
65.13 the State Building Code, the responsibilities for code administration and enforcement
65.14 are under the authority of its designated building official or the certified building
65.15 official-limited.

65.16 (b) Certified building official. This certification is identified as "certified building
65.17 official" on the certificate card. This certification is granted to an individual who has met
65.18 the certified building official requirements established by rule and passed the written
65.19 examination prepared by the state. A person with this certification may serve as the
65.20 designated building official for any municipality. For the purposes of calculating fees
65.21 under section 326B.092, certification as a building official is a master license.

65.22 (c) Certified building official-limited. This certification is identified as "certified
65.23 building official-limited" on the certification card. This certification is granted to an
65.24 individual who has met the certified building official-limited requirements established by
65.25 rule and passed the written examination prepared by the state. An individual with this
65.26 certification may perform code administration for one- and two-family dwellings, their
65.27 accessory structures, and "exempt classes of buildings" as provided in Minnesota Rules,
65.28 part 1800.5000, of the Board of Architecture, Engineering, Land Surveying, Landscape
65.29 Architecture, Geoscience, and Interior Design, and "facilities for persons with physical
65.30 disabilities" that are governed by the State Building Code. Subject to the limitations of the
65.31 building official-limited certification, an individual with this certification may serve as
65.32 the designated building official for any municipality. Code administration for all other
65.33 buildings must be performed by a certified building official as defined in paragraph (b). A
65.34 certified building official-limited may conduct inspections for other structures regulated

66.1 by the State Building Code under the direction of a designated certified building official or
66.2 the state building official.

66.3 Subject to all other certification requirements, as of January 1, 2012, valid Class I
66.4 certifications shall be included in the certified building official-limited category upon the
66.5 next immediate renewal. For the purposes of calculating fees under section 326B.092,
66.6 certification as a building official-limited is a journeyman license.

66.7 (d) Accessibility specialist. This certification is identified as accessibility specialist
66.8 on the certification card. This certification is granted to an individual who has met
66.9 the "accessibility specialist" requirements established by rule and passed the written
66.10 examination prepared by the state. An individual with this classification is limited to the
66.11 administration of those provisions of the State Building Code that provide access for
66.12 persons with disabilities. For the purposes of calculating fees under section 326B.092,
66.13 certification as an accessibility specialist is a journeyman license.

66.14 Sec. 16. Minnesota Statutes 2008, section 326B.133, subdivision 8, is amended to read:

66.15 **Subd. 8. Continuing education requirements; extension of time.** (a) This
66.16 subdivision establishes the number of continuing education units required within each
66.17 two-year certification period.

66.18 A certified building official shall accumulate 16 continuing education units in any
66.19 education program that is approved under Minnesota Rules, part 1301.1000.

66.20 A certified building official-limited shall, in each year of the initial two-year
66.21 certification period, accumulate eight continuing education units in any education program
66.22 that is approved under Minnesota Rules, part 1301.1000. Continuing education units
66.23 shall be reported annually during the initial two-year certification period by the method
66.24 established in rule. A certified building official-limited shall accumulate 16 continuing
66.25 education units for each two-year certification period thereafter in any education program
66.26 that is approved under Minnesota Rules, part 1301.1000.

66.27 An accessibility specialist must accumulate four continuing education units in any
66.28 of the programs described in Minnesota Rules, part 1301.1000, subpart 1 or 2. The four
66.29 units must be for courses relating to building accessibility, plan review, field inspection,
66.30 or building code administration.

66.31 Continuing education programs may be approved as established in rule.

66.32 (b) Subject to sections 326B.101 to 326B.194, the commissioner may by rule
66.33 establish or approve continuing education programs for certified building officials dealing
66.34 with matters of building code administration, inspection, and enforcement.

67.1 Each person certified as a building official for the state must satisfactorily complete
67.2 applicable educational programs established or approved by the commissioner to ~~retain~~
67.3 renew certification.

67.4 (c) The state building official may grant an extension of time to comply with
67.5 continuing education requirements if the certificate holder requesting the extension of
67.6 time shows cause for the extension. The request for the extension must be in writing. For
67.7 purposes of this section, the certificate holder's current certification effective dates shall
67.8 remain the same. The extension does not relieve the certificate holder from complying
67.9 with the continuing education requirements for the next two-year period.

67.10 Sec. 17. Minnesota Statutes 2008, section 326B.133, subdivision 11, is amended to
67.11 read:

67.12 Subd. 11. **Failure to renew.** An individual who has failed to make a timely
67.13 application for renewal of a certificate is not certified and must not serve as the designated
67.14 building official for any municipality, or a certified building official, a certified building
67.15 official-limited, or an accessibility specialist until a renewed certificate has been issued by
67.16 the commissioner.

67.17 Sec. 18. Minnesota Statutes 2008, section 326B.16, is amended to read:

67.18 **326B.16 ENFORCEMENT OF REQUIREMENTS FOR ~~DISABLED~~**
67.19 **PERSONS WITH DISABILITIES.**

67.20 Subdivision 1. **Application.** The State Building Code's requirements for persons
67.21 with disabilities apply statewide. A statutory or home rule charter city that does not have
67.22 in effect an ordinance adopting the State Building Code is responsible for enforcement in
67.23 the city of the State Building Code's requirements for ~~disabled~~ persons with disabilities.
67.24 In all other areas where there is no ordinance in effect adopting the State Building Code,
67.25 the county is responsible for enforcement of the State Building Code's requirements for
67.26 ~~disabled~~ persons with disabilities.

67.27 Subd. 2. **Municipal enforcement.** Municipalities which have not adopted the State
67.28 Building Code shall enforce the State Building Code's requirements for persons with
67.29 disabilities by: (1) entering into a joint powers agreement for enforcement with another
67.30 municipality which has adopted the State Building Code; (2) contracting for enforcement
67.31 with an individual certified under section 326B.133, subdivision 3, to enforce the State
67.32 Building Code; or (3) hiring or training their own staff.

68.1 Subd. 3. **Responsibilities.** Municipalities shall fulfill code responsibilities including
68.2 duties and responsibilities for code administration, plan review, and inspection in
68.3 accordance with the procedures established in the State Building Code.

68.4 Subd. 4. **Enforcement by state building official.** If the commissioner determines
68.5 that a municipality is not properly administering and enforcing the State Building Code's
68.6 requirements for persons with disabilities, the commissioner may have the administration
68.7 and enforcement in the involved municipality undertaken by the state building official
68.8 or by another building official certified by the state. The commissioner shall notify the
68.9 affected municipality in writing immediately upon making the determination, and the
68.10 municipality may challenge the determination as a contested case before the commissioner
68.11 pursuant to the Administrative Procedure Act. The commissioner shall charge the fees set
68.12 by section 326B.153 for the administration and enforcement service rendered. Any cost to
68.13 the state arising from the state administration and enforcement of the State Building Code
68.14 shall be borne by the subject municipality.

68.15 Sec. 19. Minnesota Statutes 2008, section 326B.197, is amended to read:

68.16 **326B.197 BOND REQUIRED FOR CERTAIN CONTRACTORS.**

68.17 (a) A person contracting to do gas, heating, ventilation, cooling, air conditioning,
68.18 fuel burning, or refrigeration work must give and maintain bond to the state in the amount
68.19 of \$25,000 for all work entered into within the state. The bond must be for the benefit of
68.20 persons suffering financial loss by reason of the contractor's failure to comply with the
68.21 requirements of the State Mechanical Code. A bond given to the state must be filed with
68.22 the commissioner of labor and industry and is in lieu of all other bonds to any political
68.23 subdivision required for work covered by this section. The bond must be written by a
68.24 corporate surety licensed to do business in the state.

68.25 (b) The commissioner of labor and industry may charge each person giving bond
68.26 under this section ~~an annual~~ a biennial bond filing fee of ~~\$15~~ \$100.

68.27 Sec. 20. Minnesota Statutes 2008, section 326B.33, subdivision 18, is amended to read:

68.28 Subd. 18. **Examination.** In addition to the other requirements described in this
68.29 section and sections 326B.091 to 326B.098, and except as provided in subdivision 20, as a
68.30 precondition to issuance of a personal license, each applicant must pass a written or oral
68.31 examination developed and administered by the commissioner to ensure the competence of
68.32 each applicant for license. An oral examination shall be administered only to an applicant
68.33 who furnishes a written statement from a certified teacher or other professional, trained in
68.34 the area of reading disabilities stating that the applicant has a specific reading disability

69.1 which would prevent the applicant from performing satisfactorily on a written test. The
69.2 oral examination shall be structured so that an applicant who passes the examination
69.3 will not impair the applicant's own safety or that of others while acting as a licensed
69.4 individual. ~~No individual failing an examination may retake it for six months thereafter,~~
69.5 ~~but within such six months the individual may take an examination for a lesser grade of~~
69.6 ~~license. Any individual failing to renew a personal license for two years or more after its~~
69.7 ~~expiration, and any licensee whose personal license is revoked under this chapter, shall~~
69.8 ~~be required to retake the examination before being issued a new license. An individual~~
69.9 ~~whose personal license is revoked under any other chapter is not required to retake the~~
69.10 ~~examination before being issued a new license, unless the personal license was revoked~~
69.11 ~~two years or more before the commissioner received the completed application for a new~~
69.12 ~~license. A licensee whose personal license is suspended for any reason is not required to~~
69.13 ~~retake the examination before the personal license is reinstated, unless the personal license~~
69.14 ~~has not been reinstated within two years after the suspension began.~~

69.15 ~~An applicant for a personal license shall submit to the commissioner an application~~
69.16 ~~and examination fee at the time of application. Upon approval of the application, the~~
69.17 ~~commissioner shall schedule the applicant for the next available examination, which shall~~
69.18 ~~be held within 60 days. The applicant shall be allowed one opportunity to reschedule~~
69.19 ~~an examination without being required to submit another application and examination~~
69.20 ~~fee. Additionally, an applicant who fails an examination, or whose application was not~~
69.21 ~~approved, shall submit another application and examination fee.~~

69.22 Sec. 21. Minnesota Statutes 2009 Supplement, section 326B.33, subdivision 19,
69.23 is amended to read:

69.24 Subd. 19. **License, registration, and renewal fees; expiration.** (a) Unless
69.25 revoked or suspended under this chapter, all licenses issued or renewed under this section
69.26 expire on the date specified in this subdivision. Master licenses expire March 1 of each
69.27 odd-numbered year after issuance or renewal. Electrical contractor licenses expire March
69.28 1 of each even-numbered year after issuance or renewal. Technology system contractor
69.29 licenses expire August 1 of each even-numbered year after issuance or renewal. All
69.30 other personal licenses expire two years from the date of original issuance and every two
69.31 years thereafter. Registrations of unlicensed individuals expire one year from the date of
69.32 original issuance and every year thereafter.

69.33 ~~(b) Fees for application and examination, and for the original issuance and each~~
69.34 ~~subsequent renewal, are:~~

69.35 ~~(1) For each personal license application and examination: \$35;~~

70.1 ~~(2) For original issuance and each subsequent renewal of:~~
70.2 ~~Class A Master or master special electrician, including master elevator constructor:~~
70.3 ~~\$40 per year;~~
70.4 ~~Class B Master: \$25 per year;~~
70.5 ~~Power Limited Technician: \$15 per year;~~
70.6 ~~Class A Journeyman, Class B Journeyman, Installer, Elevator Constructor, Lineman,~~
70.7 ~~or Maintenance Electrician other than master special electrician: \$15 per year;~~
70.8 ~~Contractor: \$100 per year;~~
70.9 ~~Unlicensed individual registration: \$15 per year.~~
70.10 ~~(e) If any new license is issued in accordance with this subdivision for less than two~~
70.11 ~~years, the fee for the license shall be prorated on an annual basis.~~
70.12 ~~(d) A license fee may not be refunded after a license is issued or renewed. However,~~
70.13 ~~if the fee paid for a license was not prorated in accordance with this subdivision, the~~
70.14 ~~amount of the overpayment shall be refunded.~~
70.15 ~~(e) Any contractor who seeks reissuance of a license after it has been revoked or~~
70.16 ~~suspended under this chapter shall submit a reissuance fee of \$100 before the license is~~
70.17 ~~reinstated.~~
70.18 ~~(f) An individual or contractor who fails to renew a license before 30 days after the~~
70.19 ~~expiration or registration of the license must submit a late fee equal to one year's license~~
70.20 ~~fee in addition to the full renewal fee. Fees for renewed licenses or registrations are not~~
70.21 ~~prorated. An individual or contractor that fails to renew a license or registration by the~~
70.22 ~~expiration date is unlicensed until the license or registration is renewed.~~
70.23 (b) For purposes of calculating license fees and renewal license fees required under
70.24 section 326B.092:
70.25 (1) the registration of an unlicensed individual under subdivision 12 shall be
70.26 considered an entry level license;
70.27 (2) the following licenses shall be considered journeyman licenses: Class A
70.28 journeyman electrician, Class B journeyman electrician, Class A installer, Class B installer,
70.29 elevator constructor, lineman, maintenance electrician, and power limited technician;
70.30 (3) the following licenses shall be considered master licenses: Class A master
70.31 electrician, Class B master electrician, and master elevator constructor; and
70.32 (4) the following licenses shall be considered business licenses: Class A electrical
70.33 contractor, Class B electrical contractor, elevator contractor, and technology systems
70.34 contractor.
70.35 (c) For each filing of a certificate of responsible person by an employer, the fee is
70.36 \$100.

71.1 Sec. 22. Minnesota Statutes 2008, section 326B.33, subdivision 20, is amended to read:

71.2 Subd. 20. **Reciprocity.** The commissioner may enter into reciprocity agreements
71.3 for personal licenses with another state if approved by the board. Once approved by the
71.4 board, the commissioner may issue a personal license without requiring the applicant to
71.5 pass an examination provided the applicant:

71.6 (a) submits an application under this section;

71.7 (b) pays the application and examination fee and license fee required under ~~this~~
71.8 section 326B.092; and

71.9 (c) holds a valid comparable license in the state participating in the agreement.

71.10 Agreements are subject to the following:

71.11 (1) The parties to the agreement must administer a statewide licensing program that
71.12 includes examination and qualifying experience or training comparable to Minnesota's.

71.13 (2) The experience and training requirements under which an individual applicant
71.14 qualified for examination in the qualifying state must be deemed equal to or greater than
71.15 required for an applicant making application in Minnesota at the time the applicant
71.16 acquired the license in the qualifying state.

71.17 (3) The applicant must have acquired the license in the qualifying state through an
71.18 examination deemed equivalent to the same class of license examination in Minnesota.
71.19 A lesser class of license may be granted where the applicant has acquired a greater
71.20 class of license in the qualifying state and the applicant otherwise meets the conditions
71.21 of this subdivision.

71.22 (4) At the time of application, the applicant must hold a valid license in the
71.23 qualifying state and have held the license continuously for at least one year before making
71.24 application in Minnesota.

71.25 (5) An applicant is not eligible for a license under this subdivision if the applicant
71.26 has failed the same or greater class of license examination in Minnesota, or if the
71.27 applicant's license of the same or greater class has been revoked or suspended.

71.28 (6) An applicant who has failed to renew a personal license for two years or more
71.29 after its expiration is not eligible for a license under this subdivision.

71.30 Sec. 23. Minnesota Statutes 2008, section 326B.33, subdivision 21, is amended to read:

71.31 Subd. 21. **Exemptions from licensing.** (a) An individual who is a maintenance
71.32 electrician is not required to hold or obtain a license under sections 326B.31 to 326B.399
71.33 if:

71.34 (1) the individual is engaged in the maintenance and repair of electrical equipment,
71.35 apparatus, and facilities that are owned or leased by the individual's employer and that are

72.1 located within the limits of property operated, maintained, and either owned or leased by
72.2 the individual's employer;

72.3 (2) the individual is supervised by:

72.4 (i) the responsible master electrician for a contractor who has contracted with the
72.5 individual's employer to provide services for which a contractor's license is required; or

72.6 (ii) a licensed master electrician, a licensed maintenance electrician, an electrical
72.7 engineer, or, if the maintenance and repair work is limited to technology circuits or
72.8 systems work, a licensed power limited technician; and

72.9 (3) the individual's employer has ~~filed~~ on file with the commissioner a current
72.10 certificate of responsible person, signed by the responsible master electrician of the
72.11 contractor, the licensed master electrician, the licensed maintenance electrician, the
72.12 electrical engineer, or the licensed power limited technician, and stating that the person
72.13 signing the certificate is responsible for ensuring that the maintenance and repair work
72.14 performed by the employer's employees complies with the Minnesota Electrical Act and
72.15 the rules adopted under that act. The employer must pay a filing fee to file a certificate of
72.16 responsible person with the commissioner. The certificate shall expire two years from the
72.17 date of filing. In order to maintain a current certificate of responsible person, the employer
72.18 must resubmit a certificate of responsible person, with a filing fee, no later than two years
72.19 from the date of the previous submittal.

72.20 (b) Employees of a licensed electrical or technology systems contractor or other
72.21 employer where provided with supervision by a master electrician in accordance with
72.22 subdivision 1, or power limited technician in accordance with subdivision 7, paragraph
72.23 (a), clause (1), are not required to hold a license under sections 326B.31 to 326B.399
72.24 for the planning, laying out, installing, altering, and repairing of technology circuits or
72.25 systems except planning, laying out, or installing:

72.26 (1) in other than residential dwellings, class 2 or class 3 remote control circuits that
72.27 control circuits or systems other than class 2 or class 3, except circuits that interconnect
72.28 these systems through communication, alarm, and security systems are exempted from
72.29 this paragraph;

72.30 (2) class 2 or class 3 circuits in electrical cabinets, enclosures, or devices containing
72.31 physically unprotected circuits other than class 2 or class 3; or

72.32 (3) technology circuits or systems in hazardous classified locations as covered by
72.33 chapter 5 of the National Electrical Code.

72.34 (c) Companies and their employees that plan, lay out, install, alter, or repair class
72.35 2 and class 3 remote control wiring associated with plug or cord and plug connected

73.1 appliances other than security or fire alarm systems installed in a residential dwelling are
73.2 not required to hold a license under sections 326B.31 to 326B.399.

73.3 (d) Heating, ventilating, air conditioning, and refrigeration contractors and their
73.4 employees are not required to hold or obtain a license under sections 326B.31 to 326B.399
73.5 when performing heating, ventilating, air conditioning, or refrigeration work as described
73.6 in section 326B.38.

73.7 (e) Employees of any electrical, communications, or railway utility, cable
73.8 communications company as defined in section 238.02, or a telephone company as defined
73.9 under section 237.01 or its employees, or of any independent contractor performing work
73.10 on behalf of any such utility, cable communications company, or telephone company, shall
73.11 not be required to hold a license under sections 326B.31 to 326B.399:

73.12 (1) while performing work on installations, materials, or equipment which are owned
73.13 or leased, and operated and maintained by such utility, cable communications company, or
73.14 telephone company in the exercise of its utility, antenna, or telephone function, and which

73.15 (i) are used exclusively for the generation, transformation, distribution, transmission,
73.16 or metering of electric current, or the operation of railway signals, or the transmission
73.17 of intelligence and do not have as a principal function the consumption or use of electric
73.18 current or provided service by or for the benefit of any person other than such utility, cable
73.19 communications company, or telephone company, and

73.20 (ii) are generally accessible only to employees of such utility, cable communications
73.21 company, or telephone company or persons acting under its control or direction, and

73.22 (iii) are not on the load side of the service point or point of entrance for
73.23 communication systems;

73.24 (2) while performing work on installations, materials, or equipment which are a part
73.25 of the street lighting operations of such utility; or

73.26 (3) while installing or performing work on outdoor area lights which are directly
73.27 connected to a utility's distribution system and located upon the utility's distribution poles,
73.28 and which are generally accessible only to employees of such utility or persons acting
73.29 under its control or direction.

73.30 (f) An owner shall not be required to hold or obtain a license under sections 326B.31
73.31 to 326B.399.

73.32 Sec. 24. Minnesota Statutes 2008, section 326B.42, is amended by adding a
73.33 subdivision to read:

73.34 Subd. 1a. **Contractor.** "Contractor" means a person who performs or offers
73.35 to perform any plumbing work, with or without compensation, who is licensed as a

74.1 contractor by the commissioner. Contractor includes plumbing contractors and restricted
74.2 plumbing contractors.

74.3 Sec. 25. Minnesota Statutes 2008, section 326B.42, is amended by adding a
74.4 subdivision to read:

74.5 Subd. 8. **Plumbing contractor.** "Plumbing contractor" means a licensed contractor
74.6 whose responsible licensed plumber is a licensed master plumber.

74.7 Sec. 26. Minnesota Statutes 2008, section 326B.42, is amended by adding a
74.8 subdivision to read:

74.9 Subd. 9. **Responsible licensed plumber.** A contractor's "responsible licensed
74.10 plumber" means the licensed master plumber or licensed restricted master plumber
74.11 designated in writing by the contractor in the contractor's license application, or in another
74.12 manner acceptable to the commissioner, as the individual responsible for the contractor's
74.13 compliance with sections 326B.41 to 326B.49, all rules adopted under these sections and
74.14 sections 326B.50 to 326B.59, and all orders issued under section 326B.082.

74.15 Sec. 27. Minnesota Statutes 2008, section 326B.42, is amended by adding a
74.16 subdivision to read:

74.17 Subd. 10. **Restricted plumbing contractor.** "Restricted plumbing contractor"
74.18 means a licensed contractor whose responsible licensed plumber is a licensed restricted
74.19 master plumber.

74.20 Sec. 28. Minnesota Statutes 2008, section 326B.44, is amended to read:

74.21 **326B.44 LOCAL REGULATIONS.**

74.22 Any of the following entities may, by ordinance, adopt local regulations providing
74.23 for plumbing permits, approval of plans and specifications, and inspections of plumbing,
74.24 which regulations are not in conflict with the plumbing code: any city having a system
74.25 of waterworks or sewerage, regardless of population; any town having a population of
74.26 5,000 or more according to the last federal census, exclusive of any statutory cities
74.27 located therein; and the Metropolitan Airports Commission. No such entity shall prohibit
74.28 ~~plumbers~~ plumbing contractors licensed by the commissioner from engaging in or working
74.29 at the business of plumbing, except cities and statutory cities which, prior to April 21,
74.30 1933, by ordinance required the licensing of plumbers. No such entity shall require any
74.31 person who engages in the business of plumbing to post a bond as a prerequisite for
74.32 engaging in the business of plumbing, except the bond to the state required under section

75.1 326B.46 and except any performance bond required under a contract with the person
75.2 for the performance of plumbing work for the entity. No such entity shall require any
75.3 person who engages in the business of plumbing to maintain public liability insurance
75.4 as a prerequisite for engaging in the business of plumbing, except the insurance required
75.5 under section 326B.46 and except any public liability insurance required under a contract
75.6 with the person for the performance of plumbing work for the entity. No city or town may
75.7 require a license for persons performing building sewer or water service installation who
75.8 have completed pipe laying training as prescribed by the commissioner of labor and
75.9 industry. Any city by ordinance may prescribe regulations, reasonable standards, and
75.10 inspections and grant permits to any person engaged in the business of installing water
75.11 softeners, who is not licensed as a ~~master plumber or journeyman plumber~~ contractor by
75.12 the commissioner, to connect water softening and water filtering equipment to private
75.13 residence water distribution systems, where provision has been previously made therefor
75.14 and openings left for that purpose or by use of cold water connections to a domestic
75.15 water heater; where it is not necessary to rearrange, make any extension or alteration of,
75.16 or addition to any pipe, fixture or plumbing connected with the water system except to
75.17 connect the water softener, and provided the connections so made comply with minimum
75.18 standards prescribed by the Plumbing Board.

75.19 Sec. 29. Minnesota Statutes 2008, section 326B.46, as amended by Laws 2009, chapter
75.20 78, article 5, section 14, and chapter 109, section 13, is amended to read:

75.21 **326B.46 LICENSING, BOND AND INSURANCE.**

75.22 Subdivision 1. **License required.** (a) No ~~person~~ individual shall engage in or work
75.23 at the business of a master plumber, restricted master plumber, journeyman plumber,
75.24 and restricted journeyman plumber unless licensed to do so by the ~~state~~ commissioner.
75.25 A license is not required for individuals performing building sewer or water service
75.26 installation who have completed pipe laying training as prescribed by the commissioner
75.27 ~~of labor and industry~~. A master plumber may also work as a journeyman plumber, a
75.28 restricted journeyman plumber, and a restricted master plumber. A journeyman plumber
75.29 may also work as a restricted journeyman plumber. Anyone not so licensed may do
75.30 plumbing work which complies with the provisions of the minimum standards prescribed
75.31 by the Plumbing Board on premises or that part of premises owned and actually occupied
75.32 by the worker as a residence, unless otherwise forbidden to do so by a local ordinance.

75.33 (b) No person shall engage in the business of planning, superintending, or installing
75.34 plumbing or shall install plumbing in connection with the dealing in and selling of
75.35 plumbing material and supplies unless at all times a licensed master plumber, or in cities

76.1 and towns with a population of fewer than 5,000 according to the last federal census, a
76.2 restricted master plumber, who shall be responsible for proper installation, is in charge
76.3 of the plumbing work of the person, ~~firm, or corporation~~.

76.4 (c) Except as provided in subdivision 2, no person shall perform or offer to perform
76.5 plumbing work with or without compensation unless the person obtains a contractor's
76.6 license. A contractor's license does not of itself qualify its holder to perform the plumbing
76.7 work authorized by holding a master, journeyman, restricted master, or restricted
76.8 journeyman license.

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

76.12 (b) An individual who is an employee working on the maintenance and repair of
76.13 plumbing equipment, apparatus, or facilities owned or leased by the individual's employer
76.14 and which is within the limits of property owned or leased, and operated or maintained by
76.15 the individual's employer, shall not be required to maintain a contractor license as long
76.16 as the employer has on file with the commissioner a current certificate of responsible
76.17 person. The certificate must be signed by the responsible master plumber or, in an area of
76.18 the state that is not a city or town with a population of more than 5,000 according to the
76.19 last federal census, restricted master plumber, and must state that the person signing the
76.20 certificate is responsible for ensuring that the maintenance and repair work performed by
76.21 the employer's employees comply with sections 326B.41 to 326B.49, all rules adopted
76.22 under those sections and sections 326B.50 to 326B.59, and all orders issued under section
76.23 326B.082. The employer must pay a filing fee to file a certificate of responsible person
76.24 with the commissioner. The certificate shall expire two years from the date of filing. In
76.25 order to maintain a current certificate of responsible person, the employer must resubmit a
76.26 certificate of responsible person, with a filing fee, no later than two years from the date of
76.27 the previous submittal. The filing of the certificate of responsible person does not exempt
76.28 any employee of the employer from the requirements of this chapter regarding individual
76.29 licensing as a plumber or registration as a plumber's apprentice.

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

76.33 Subd. 1b. **Employment of master plumber or restricted master plumber.** (a)
76.34 Each contractor must designate a responsible licensed plumber, who shall be responsible
76.35 for the performance of all plumbing work in accordance with sections 326B.41 to
76.36 326B.49, all rules adopted under these sections and sections 326B.50 to 326B.59, and all

77.1 orders issued under section 326B.082. A plumbing contractor's responsible licensed
77.2 plumber must be a master plumber. A restricted plumbing contractor's responsible licensed
77.3 plumber must be a master plumber or a restricted master plumber. A plumbing contractor
77.4 license authorizes the contractor to offer to perform and, through licensed and registered
77.5 individuals, to perform plumbing work in all areas of the state. A restricted plumbing
77.6 contractor license authorizes the contractor to offer to perform and, through licensed and
77.7 registered individuals, to perform plumbing work in all areas of the state except in cities
77.8 and towns with a population of more than 5,000 according to the last federal census.

77.9 (b) If the contractor is an individual or sole proprietorship, the responsible licensed
77.10 plumber must be the individual, proprietor, or managing employee. If the contractor is
77.11 a partnership, the responsible licensed plumber must be a general partner or managing
77.12 employee. If the contractor is a limited liability company, the responsible licensed plumber
77.13 must be a chief manager or managing employee. If the contractor is a corporation, the
77.14 responsible licensed plumber must be an officer or managing employee. If the responsible
77.15 licensed plumber is a managing employee, the responsible licensed plumber must be
77.16 actively engaged in performing plumbing work on behalf of the contractor, and cannot be
77.17 employed in any capacity as a plumber for any other contractor. An individual may be
77.18 the responsible licensed plumber for only one contractor.

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

77.21 ~~Subd. 2. **Bond; insurance.** Any person contracting to do plumbing work must give~~
77.22 As a condition of licensing, each contractor shall give and maintain bond to the state in the
77.23 amount of at least \$25,000 for (1) all plumbing work entered into within the state or (2)
77.24 all plumbing work and subsurface sewage treatment work entered into within the state.
77.25 If the bond is for both plumbing work and subsurface sewage treatment work, the bond
77.26 must comply with the requirements of this section and section 115.56, subdivision 2,
77.27 paragraph (e). The bond shall be for the benefit of persons injured or suffering financial
77.28 loss by reason of failure to comply with the requirements of the State Plumbing Code and,
77.29 if the bond is for both plumbing work and subsurface sewage treatment work, financial
77.30 loss by reason of failure to comply with the requirements of sections 115.55 and 115.56.
77.31 The bond shall be filed with the commissioner and shall be written by a corporate surety
77.32 licensed to do business in the state.

77.33 ~~In addition, each applicant for a master plumber license or restricted master plumber~~
77.34 ~~license, or renewal thereof, shall provide evidence of~~ as a condition of licensing, each
77.35 contractor shall have and maintain in effect public liability insurance, including products
77.36 liability insurance with limits of at least \$50,000 per person and \$100,000 per occurrence

78.1 and property damage insurance with limits of at least \$10,000. The insurance shall be
78.2 written by an insurer licensed to do business in the state of Minnesota and each licensed
78.3 master plumber shall maintain on file with the commissioner a certificate evidencing the
78.4 insurance providing that the insurance shall not be canceled without the insurer first giving
78.5 15 days written notice to the commissioner. ~~The term of the insurance shall be concurrent~~
78.6 ~~with the term of the license.~~

78.7 ~~Subd. 3. **Bond and insurance exemption.** If a master plumber or restricted master~~
78.8 ~~plumber who is in compliance with the bond and insurance requirements of subdivision 2,~~
78.9 ~~employs a licensed plumber, the employee plumber shall not be required to meet the bond~~
78.10 ~~and insurance requirements of subdivision 2. An individual who is an employee working~~
78.11 ~~on the maintenance and repair of plumbing equipment, apparatus, or facilities owned or~~
78.12 ~~leased by the individual's employer and which is within the limits of property owned or~~
78.13 ~~leased, and operated or maintained by the individual's employer, shall not be required to~~
78.14 ~~meet the bond and insurance requirements of subdivision 2.~~

78.15 ~~Subd. 4. **Fee.** (a) Each person giving bond to the state under subdivision 2 shall pay~~
78.16 ~~the department a bond registration fee of \$40 for one year or \$80 for two years.~~

78.17 ~~(b) The commissioner shall in a manner determined by the commissioner, without~~
78.18 ~~the need for any rulemaking under chapter 14, phase in the bond registration from one year~~
78.19 ~~to two years so that the expiration of bond registration corresponds with the expiration of~~
78.20 ~~the license issued under section 326B.475 or 326B.49, subdivision 1.~~

78.21 **Subd. 5. Exterior connections.** Persons licensed as manufactured home installers
78.22 under chapter 327B are not required to be licensed under sections 326B.42 to 326B.49
78.23 when connecting the exterior building drain sewer outlets to the aboveground building
78.24 sewer system and when connecting the exterior water line to the aboveground water
78.25 system to the manufactured home as described in National Manufactured Housing
78.26 Construction and Safety Standards Act of 1974, United States Code, title 42, section 5401
78.27 et seq. No additional licensure, bond, or insurance related to the scope of work permitted
78.28 under this subdivision may be required of a licensed manufactured home installer by
78.29 any unit of government.

78.30 **Subd. 6. Well contractor exempt from licensing and bond; conditions.** No
78.31 license, registration, or bond under sections 326B.42 to 326B.49 is required of a well
78.32 contractor or a limited well/boring contractor who is licensed and bonded under section
78.33 103I.525 or 103I.531 and is engaged in the work or business of installing (1) water service
78.34 pipe from a well to a pressure tank or a frost-free water hydrant with an antisiphon device
78.35 which is located entirely outside of a structure requiring potable water, or (2) a temporary
78.36 shut-off valve on a well water service pipe. For the purposes of this subdivision,

79.1 "temporary" means a time period not to exceed six months. This subdivision expires one
79.2 year after the date of enactment.

79.3 Sec. 30. Minnesota Statutes 2008, section 326B.47, is amended to read:

79.4 **326B.47 PLUMBER'S APPRENTICES.**

79.5 Subdivision 1. **Registration; supervision; records.** (a) All plumber's apprentices
79.6 must be registered. To be a registered plumber's apprentice, an individual must either:

79.7 (1) be an individual employed in the trade of plumbing under an apprenticeship
79.8 agreement approved by the department under Minnesota Rules, part 5200.0300; or

79.9 (2) be an unlicensed individual registered with the commissioner under subdivision
79.10 3.

79.11 (b) A plumber's apprentice is authorized to assist in the installation of plumbing
79.12 only while under the direct supervision of a master, restricted master, journeyman, or
79.13 restricted journeyman plumber. The master, restricted master, journeyman, or restricted
79.14 journeyman plumber is responsible for ensuring that all plumbing work performed by the
79.15 plumber's apprentice complies with the plumbing code. The supervising master, restricted
79.16 master, journeyman, or restricted journeyman must be licensed and must be employed
79.17 by the same employer as the plumber's apprentice. Licensed individuals shall not permit
79.18 plumber's apprentices to perform plumbing work except under the direct supervision of
79.19 an individual actually licensed to perform such work. Plumber's apprentices shall not
79.20 supervise the performance of plumbing work or make assignments of plumbing work
79.21 to unlicensed individuals.

79.22 (c) Contractors employing plumber's apprentices to perform plumbing work shall
79.23 maintain records establishing compliance with this subdivision that shall identify all
79.24 plumber's apprentices performing plumbing work, and shall permit the department to
79.25 examine and copy all such records.

79.26 Subd. 2. **Journeyman exam.** A plumber's apprentice who has completed four
79.27 years of practical plumbing experience is eligible to take the journeyman plumbing
79.28 examination. Up to 24 months of practical plumbing experience prior to becoming a
79.29 plumber's apprentice may be applied to the four-year experience requirement. However,
79.30 none of this practical plumbing experience may be applied if the individual did not have
79.31 any practical plumbing experience in the 12-month period immediately prior to becoming
79.32 a plumber's apprentice. The Plumbing Board may adopt rules to evaluate whether
79.33 the individual's past practical plumbing experience is applicable in preparing for the
79.34 journeyman's examination. If two years after completing the training the individual has
79.35 not taken the examination, the four years of experience shall be forfeited.

80.1 The commissioner may allow an extension of the two-year period for taking the
80.2 exam for cases of hardship or other appropriate circumstances.

80.3 Subd. 3. **Registration, rules, applications, renewals, and fees.** An unlicensed
80.4 individual may register by completing and submitting to the commissioner ~~a registration~~
80.5 an application form provided by the commissioner, with all fees required by section
80.6 326B.092. A completed ~~registration~~ application form must state the date the individual
80.7 began training, the individual's age, schooling, previous experience, and employer,
80.8 and other information required by the commissioner. The board may prescribe rules,
80.9 not inconsistent with this section, for the registration of unlicensed individuals. ~~Each~~
80.10 ~~applicant for initial registration as a plumber's apprentice shall pay the department an~~
80.11 ~~application fee of \$25~~. Applications for initial registration may be submitted at any time.
80.12 Registration must be renewed annually and shall be for the period from July 1 of each year
80.13 to June 30 of the following year. ~~Applications for renewal registration must be received~~
80.14 ~~by the commissioner by June 30 of each registration period on forms provided by the~~
80.15 ~~commissioner, and must be accompanied by a fee of \$25. An application for renewal~~
80.16 ~~registration received on or after July 1 in any year but no more than three months after~~
80.17 ~~expiration of the previously issued registration must pay the past due renewal fee plus a~~
80.18 ~~late fee of \$25. No applications for renewal registration will be accepted more than three~~
80.19 ~~months after expiration of the previously issued registration.~~

80.20 Sec. 31. Minnesota Statutes 2008, section 326B.475, subdivision 2, is amended to read:

80.21 Subd. 2. **Use of license.** A restricted master plumber and restricted journeyman
80.22 plumber may engage in the plumbing trade in all areas of the state except in cities and
80.23 towns with a population of more than 5,000 according to the last federal census.

80.24 Sec. 32. Minnesota Statutes 2009 Supplement, section 326B.475, subdivision 4,
80.25 is amended to read:

80.26 Subd. 4. **Renewal; use period for license.** (a) A restricted master plumber and
80.27 restricted journeyman plumber license must be renewed for as long as that licensee
80.28 engages in the plumbing trade. Notwithstanding section 326B.094, failure to renew a
80.29 restricted master plumber and restricted journeyman plumber license within 12 months
80.30 after the expiration date will result in permanent forfeiture of the restricted master plumber
80.31 and restricted journeyman plumber license.

80.32 (b) The commissioner shall in a manner determined by the commissioner, without
80.33 the need for any rulemaking under chapter 14, phase in the renewal of restricted master
80.34 plumber and restricted journeyman plumber licenses from one year to two years. By

81.1 June 30, 2011, all restricted master plumber and restricted journeyman plumber licenses
81.2 shall be two-year licenses.

81.3 Sec. 33. Minnesota Statutes 2009 Supplement, section 326B.49, subdivision 1, is
81.4 amended to read:

81.5 Subdivision 1. **Application, examination, and license fees.** (a) Applications for
81.6 master and journeyman plumber's license licenses shall be made to the commissioner, with
81.7 fee all fees required by section 326B.092. Unless the applicant is entitled to a renewal,
81.8 the applicant shall be licensed by the commissioner only after passing a satisfactory
81.9 examination developed and administered by the commissioner, based upon rules adopted
81.10 by the Plumbing Board, showing fitness. ~~Examination fees for both journeyman and~~
81.11 ~~master plumbers shall be \$50 for each examination. Upon being notified of having~~
81.12 ~~successfully passed the examination for original license the applicant shall submit an~~
81.13 ~~application, with the license fee herein provided. The license fee for each initial master~~
81.14 ~~plumber's license shall be \$240. The license fee for each initial journeyman plumber's~~
81.15 ~~license shall be \$110.~~

81.16 (b) All initial ~~master and~~ journeyman plumber's licenses shall be effective for more
81.17 than one calendar year and shall expire on December 31 of the year after the year in which
81.18 the application is made. ~~The license fee for each renewal master plumber's license shall be~~
81.19 ~~\$120 for one year or \$240 for two years. The license fee for each renewal journeyman~~
81.20 ~~plumber's license shall be \$55 for one year or \$110 for two years. All master plumber's~~
81.21 licenses shall expire on December 31 of each even-numbered year after issuance or
81.22 renewal. The commissioner shall in a manner determined by the commissioner, without
81.23 the need for any rulemaking under chapter 14, phase in the renewal of master and
81.24 journeyman plumber's licenses from one year to two years. By June 30, 2011, all renewed
81.25 master and journeyman plumber's licenses shall be two-year licenses.

81.26 (c) ~~Any licensee who does not renew a license within two years after the license~~
81.27 ~~expires is no longer eligible for renewal. Such an individual must retake and pass the~~
81.28 ~~examination before a new license will be issued. A journeyman or master plumber who~~
81.29 ~~submits a license renewal application after the time specified in rule but within two~~
81.30 ~~years after the license expired must pay all past due renewal fees plus a late fee of \$25.~~
81.31 Applications for contractor licenses shall be made to the commissioner, with all fees
81.32 required by section 326B.092. All contractor licenses shall expire on December 31 of each
81.33 odd-numbered year after issuance or renewal.

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

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

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

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

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

82.9 (e) For each filing of a certificate of responsible person by an employer, the fee is
82.10 \$100.

82.11 Sec. 34. Minnesota Statutes 2008, section 326B.50, is amended by adding a
82.12 subdivision to read:

82.13 Subd. 1a. **Responsible licensed master.** "Responsible licensed master" means the
82.14 licensed water conditioning master or licensed master plumber designated in writing by
82.15 the water conditioning contractor in the water conditioning contractor's license application,
82.16 or in another manner acceptable to the commissioner, as the individual responsible for
82.17 the water conditioning contractor's compliance with sections 326B.50 to 326B.59, all
82.18 rules adopted under these sections, the Minnesota Plumbing Code, and all orders issued
82.19 under section 326B.082.

82.20 Sec. 35. Minnesota Statutes 2008, section 326B.50, is amended by adding a
82.21 subdivision to read:

82.22 Subd. 2a. **Water conditioning contractor.** "Water conditioning contractor"
82.23 means a person who performs or offers to perform any water conditioning installation or
82.24 water conditioning servicing, with or without compensation, who is licensed as a water
82.25 conditioning contractor by the commissioner.

82.26 Sec. 36. Minnesota Statutes 2008, section 326B.50, is amended by adding a
82.27 subdivision to read:

82.28 Subd. 3a. **Water conditioning journeyman.** "Water conditioning journeyman"
82.29 means an individual, other than a water conditioning master, who has demonstrated
82.30 practical knowledge of water conditioning installation and servicing, and who is licensed
82.31 by the commissioner as a water conditioning journeyman.

83.1 Sec. 37. Minnesota Statutes 2008, section 326B.50, is amended by adding a
83.2 subdivision to read:

83.3 Subd. 3b. **Water conditioning master.** "Water conditioning master" means
83.4 an individual who has demonstrated skill in planning, superintending, installing, and
83.5 servicing water conditioning installations, and who is licensed by the commissioner as a
83.6 water conditioning master.

83.7 Sec. 38. Minnesota Statutes 2008, section 326B.54, is amended to read:

83.8 **326B.54 VIOLATIONS TO BE REPORTED TO COMMISSIONER.**

83.9 Such local authority as may be designated by any such ordinance for the issuance
83.10 of such water conditioning installation and servicing permits and approval of such plans
83.11 shall report to the commissioner persistent or willful violations of the same and any
83.12 incompetence of a licensed water conditioning contractor, licensed water conditioning
83.13 master, or licensed water conditioning ~~installer~~ journeyman observed by the local authority.

83.14 Sec. 39. Minnesota Statutes 2008, section 326B.55, as amended by Laws 2010, chapter
83.15 183, section 13, is amended to read:

83.16 **326B.55 LICENSING IN CERTAIN CITIES; QUALIFICATIONS; RULES.**

83.17 Subdivision 1. **Licensing.** (a) Except as provided in paragraph (d), no individual
83.18 shall perform water conditioning installation or water conditioning servicing unless
83.19 licensed by the commissioner as a master plumber, journeyman plumber, water
83.20 conditioning master, or water conditioning journeyman, or, in all areas of the state except
83.21 in cities and towns with a population of more than 5,000 according to the last federal
83.22 census, as a restricted master plumber or restricted journeyman plumber.

83.23 (b) Except as provided in paragraph (e), no person shall perform or offer to
83.24 perform water conditioning installation or water conditioning servicing with or without
83.25 compensation unless the person obtains a water conditioning contractor's license. A water
83.26 conditioning contractor's license does not of itself qualify its holder to perform the water
83.27 conditioning installation or water conditioning servicing authorized by holding a water
83.28 conditioning master or water conditioning journeyman license.

83.29 (c) Except as provided in paragraph (d), no person shall engage in or work at the
83.30 business of water conditioning installation or servicing anywhere in the state unless (1)
83.31 at all times an individual licensed as a master plumber or water conditioning contractor
83.32 master by the commissioner ~~shall be~~, who is responsible for the proper installation and
83.33 servicing, is in charge of the water conditioning installation and servicing work ~~of such~~
83.34 person, and (2) all installations, other than.

84.1 If a water conditioning contractor employs a licensed master, restricted master,
84.2 journeyman or restricted journeyman plumber, or a licensed water conditioning master
84.3 or journeyman, then the licensed individual does not need a separate water conditioning
84.4 contractor license to perform water conditioning installation or servicing on behalf of the
84.5 employer within the scope of the individual's plumber license.

84.6 (d) No water conditioning contractor, water conditioning master, or water
84.7 conditioning journeyman license is required:

84.8 (1) for exchanges of portable water conditioning equipment, ~~are performed by a~~
84.9 ~~licensed water conditioning contractor or licensed water conditioning installer. Any~~
84.10 ~~individual not so licensed may; or~~

84.11 (2) for an individual to perform water conditioning work that complies with the
84.12 minimum standards prescribed by the Plumbing Board on premises or that part of premises
84.13 owned and occupied by the ~~worker~~ individual as a residence, unless otherwise prohibited
84.14 by a local ordinance. The scope of work that a master plumber, restricted master plumber,
84.15 journeyman plumber, or restricted journeyman plumber is authorized to perform as an
84.16 employee of a licensed water conditioning contractor shall be limited to the scope of work
84.17 that the licensed water conditioning contractor is licensed to perform.

84.18 Subd. 2. **Qualifications for licensing.** (a) A water conditioning ~~contractor~~ master
84.19 license shall be issued only to an individual who has demonstrated skill in planning,
84.20 superintending, and servicing water conditioning installations, and has successfully passed
84.21 the examination for water conditioning ~~contractors~~ masters. A water conditioning ~~installer~~
84.22 journeyman license shall only be issued to an individual other than a water conditioning
84.23 ~~contractor~~ master who has demonstrated practical knowledge of water conditioning
84.24 installation, and has successfully passed the examination for water conditioning ~~installers~~
84.25 journeymen. A water conditioning ~~installer~~ journeyman must successfully pass the
84.26 examination for water conditioning ~~contractors~~ masters before being licensed as a water
84.27 conditioning ~~contractor~~ master.

84.28 (b) Each water conditioning contractor must designate a responsible licensed master
84.29 plumber or a responsible licensed water conditioning master, who shall be responsible for
84.30 the performance of all water conditioning installation and servicing in accordance with the
84.31 requirements of sections 326B.50 to 326B.59, all rules adopted under sections 326B.50 to
84.32 326B.59, the Minnesota Plumbing Code, and all orders issued under section 326B.082. If
84.33 the water conditioning contractor is an individual or sole proprietorship, the responsible
84.34 licensed master must be the individual, proprietor, or managing employee. If the water
84.35 conditioning contractor is a partnership, the responsible licensed master must be a general
84.36 partner or managing employee. If the water conditioning contractor is a limited liability

85.1 company, the responsible licensed master must be a chief manager or managing employee.
85.2 If the water conditioning contractor is a corporation, the responsible licensed master must
85.3 be an officer or managing employee. If the responsible licensed master is a managing
85.4 employee, the responsible licensed master must be actively engaged in performing water
85.5 conditioning work on behalf of the water conditioning contractor and cannot be employed
85.6 in any capacity as a water conditioning master or water conditioning journeyman for any
85.7 other water conditioning contractor. An individual must not be the responsible licensed
85.8 master for more than one water conditioning contractor.

85.9 (c) All applications and renewals for water conditioning contractor licenses shall
85.10 include a verified statement that the applicant or licensee has complied with paragraph (b).

85.11 (d) Each application and renewal for a water conditioning master license, water
85.12 conditioning journeyman license, or a water conditioning contractor license shall be
85.13 accompanied by all fees required by section 326B.092.

85.14 Subd. 3. **Commissioner.** The commissioner shall:

85.15 (1) license water conditioning contractors, water conditioning masters, and installers
85.16 water conditioning journeymen; and

85.17 (2) collect an examination fee from each examinee for a license as a water
85.18 conditioning contractor and an examination fee from each examinee for a license as a
85.19 water conditioning installer in an amount set forth in section 326B.58 the fees required by
85.20 section 326B.092.

85.21 Subd. 4. **Plumber's apprentices.** (a) A plumber's apprentice who is registered
85.22 under section 326B.47 is authorized to assist in water conditioning installation and water
85.23 conditioning servicing only while under the direct supervision of a master plumber,
85.24 journeyman plumber, water conditioning master, or water conditioning journeyman.
85.25 The master or journeyman is responsible for ensuring that all water conditioning work
85.26 performed by the plumber's apprentice complies with the plumbing code and rules
85.27 adopted under sections 326B.50 to 326B.59. The supervising master or journeyman must
85.28 be licensed and must be employed by the same employer as the plumber's apprentice.
85.29 Licensed individuals shall not permit plumber's apprentices to perform water conditioning
85.30 work except under the direct supervision of an individual actually licensed to perform
85.31 such work. Plumber's apprentices shall not supervise the performance of plumbing work
85.32 or make assignments of plumbing work to unlicensed individuals.

85.33 (b) Water conditioning contractors employing plumber's apprentices to perform
85.34 water conditioning work shall maintain records establishing compliance with this
85.35 subdivision that shall identify all plumber's apprentices performing water conditioning
85.36 work, and shall permit the department to examine and copy all such records.

86.1 Sec. 40. Minnesota Statutes 2008, section 326B.56, as amended by Laws 2009, chapter
86.2 78, article 5, section 18, is amended to read:

86.3 **326B.56 ~~ALTERNATIVE STATE BONDING AND INSURANCE~~**
86.4 **REGULATION.**

86.5 Subdivision 1. **Bonds.** (a) ~~An applicant for a water conditioning contractor or~~
86.6 ~~installer license or renewal thereof who is required by any political subdivision to give a~~
86.7 ~~bond to obtain or maintain the license, may comply with any political subdivision bonding~~
86.8 ~~requirement by giving~~ As a condition of licensing, each water conditioning contractor
86.9 shall give and maintain a bond to the state as described in paragraph (b). No applicant for a
86.10 water conditioning contractor or installer license who maintains the bond under paragraph
86.11 (b) shall be otherwise required to meet the bond requirements of any political subdivision.

86.12 (b) Each bond given to the state under this subdivision shall be in the total sum of
86.13 \$3,000 conditioned upon the faithful and lawful performance of all water conditioning
86.14 ~~contracting or installing work~~ installation or servicing done within the state. The bond
86.15 shall be for the benefit of persons suffering injuries or damages due to the work. The bond
86.16 shall be filed with the commissioner and shall be written by a corporate surety licensed to
86.17 do business in this state. The bond must remain in effect at all times while the application
86.18 is pending and while the license is in effect.

86.19 Subd. 2. **Insurance.** (a) ~~Each applicant for a water conditioning contractor or~~
86.20 ~~installer license or renewal thereof who is required by any political subdivision to maintain~~
86.21 ~~insurance to obtain or maintain the license may comply with any political subdivision's~~
86.22 ~~insurance requirement by maintaining~~ As a condition of licensing, each water conditioning
86.23 contractor shall have and maintain in effect the insurance described in paragraph (b).
86.24 No applicant for a water conditioning contractor ~~or installer~~ license who maintains the
86.25 insurance described in paragraph (b) shall be otherwise required to meet the insurance
86.26 requirements of any political subdivision.

86.27 (b) The insurance shall provide coverage, including products liability coverage,
86.28 for all damages in connection with licensed work for which the licensee is liable, with
86.29 personal damage limits of at least \$50,000 per person and \$100,000 per occurrence and
86.30 property damage insurance with limits of at least \$10,000. The insurance shall be written
86.31 by an insurer licensed to do business in this state and a certificate evidencing the insurance
86.32 shall be filed with the commissioner. The insurance must remain in effect at all times
86.33 while the application is pending and while the license is in effect. The insurance shall not
86.34 be canceled without the insurer first giving 15 days' written notice to the commissioner.

86.35 Subd. 3. **Bond and insurance exemption.** A water conditioning contractor or
86.36 installer who is an employee of a water conditioning contractor or installer, including

87.1 an employee engaged in the maintenance and repair of water conditioning equipment,
87.2 apparatus, or facilities owned, leased and operated, or maintained by the employer, is
87.3 not required to meet the bond and insurance requirements of subdivisions 1 and 2 or of
87.4 any political subdivision.

87.5 Subd. 4. **Fee.** (a) The commissioner shall collect a \$40 bond registration fee for
87.6 one year or \$80 for two years from each applicant for issuance or renewal of a water
87.7 conditioning contractor or installer license who elects to proceed under subdivisions
87.8 1 and 2.

87.9 (b) The commissioner shall in a manner determined by the commissioner, without
87.10 the need for any rulemaking under chapter 14, phase in the bond registration from one year
87.11 to two years so that the expiration of bond registration corresponds with the expiration of
87.12 the license issued under section 326B.55.

87.13 Sec. 41. Minnesota Statutes 2009 Supplement, section 326B.58, is amended to read:

87.14 **326B.58 FEES; RENEWAL.**

87.15 (a) ~~Examination fees for both water conditioning contractors and water conditioning~~
87.16 ~~installers shall be \$50 for each examination. Each initial water conditioning contractor~~
87.17 ~~and installer master and water conditioning journeyman license shall be effective for more~~
87.18 ~~than one calendar year and shall expire on December 31 of the year after the year in which~~
87.19 ~~the application is made. The license fee for each initial water conditioning contractor's~~
87.20 ~~license shall be \$140, except that the license fee shall be \$105 if the application is~~
87.21 ~~submitted during the last three months of the calendar year. The license fee for each~~
87.22 ~~renewal water conditioning contractor's license shall be \$70 for one year or \$140 for two~~
87.23 ~~years. The license fee for each initial water conditioning installer license shall be \$70,~~
87.24 ~~except that the license fee shall be \$52.50 if the application is submitted during the last~~
87.25 ~~three months of the calendar year. The license fee for each renewal water conditioning~~
87.26 ~~installer license shall be \$35 for one year or \$70 for two years.~~

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

87.33 (c) ~~Any licensee who does not renew a license within two years after the license~~
87.34 ~~expires is no longer eligible for renewal. Such an individual must retake and pass the~~
87.35 ~~examination before a new license will be issued. A water conditioning contractor or water~~

88.1 ~~conditioning installer who submits a license renewal application after the time specified~~
88.2 ~~in rule but within two years after the license expired must pay all past due renewal fees~~
88.3 ~~plus a late fee of \$25.~~ All water conditioning contractor licenses shall expire on December
88.4 31 of the year after issuance or renewal.

88.5 (d) For purposes of calculating license fees and renewal fees required under section
88.6 326B.092:

88.7 (1) a water conditioning journeyman license shall be considered a journeyman
88.8 license;

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

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

88.11 Sec. 42. Minnesota Statutes 2008, section 326B.805, subdivision 6, is amended to read:

88.12 Subd. 6. **Exemptions.** The license requirement does not apply to:

88.13 (1) an employee of a licensee performing work for the licensee;

88.14 (2) a material person, manufacturer, or retailer furnishing finished products,
88.15 materials, or articles of merchandise who does not install or attach the items;

88.16 (3) an owner of residential real estate who builds or improves any structure on
88.17 residential real estate, if the building or improving is performed by the owner's bona fide
88.18 employees or by individual owners personally. This exemption does not apply to an
88.19 owner who constructs or improves property for purposes of speculation if the building
88.20 or improving is performed by the owner's bona fide employees or by individual owners
88.21 personally. A residential building contractor or residential remodeler will be presumed
88.22 to be building or improving for purposes of speculation if the contractor or remodeler
88.23 constructs or improves more than one property within any 24-month period;

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

88.26 (5) a person whose total gross annual receipts for performing specialty skills for
88.27 which licensure would be required under this section do not exceed \$15,000;

88.28 (6) a mechanical contractor;

88.29 (7) a plumber, electrician, or other person whose profession is otherwise subject to
88.30 statewide licensing, when engaged in the activity which is the subject of that licensure;

88.31 (8) specialty contractors who provide only one special skill as defined in section
88.32 326B.802;

88.33 (9) a school district, or a technical college governed under chapter 136F; and

88.34 (10) Habitat for Humanity and Builders Outreach Foundation, and their individual
88.35 volunteers when engaged in activities on their behalf.

89.1 To qualify for the exemption in clause (5), a person must obtain a certificate of exemption
89.2 from licensure from the commissioner. A certificate of exemption will be issued upon
89.3 the applicant's filing with the commissioner, an affidavit stating that the applicant does
89.4 not expect to exceed \$15,000 in gross annual receipts derived from performing services
89.5 which require licensure under this section during the calendar year in which the affidavit
89.6 is received. For the purposes of calculating fees under section 326B.092, a certificate of
89.7 exemption is an entry level license. To renew the exemption in clause (5), the applicant
89.8 must file an affidavit stating that the applicant did not exceed \$15,000 in gross annual
89.9 receipts during the past calendar year. If a person, operating under the exemption in
89.10 clause (5), exceeds \$15,000 in gross receipts during any calendar year, the person
89.11 must immediately surrender the ~~exemption~~ certificate of exemption and apply for the
89.12 appropriate license. The person must remain licensed until such time as the person's gross
89.13 annual receipts during a calendar year fall below \$15,000. The person may then apply for
89.14 an exemption for the next calendar year.

89.15 Sec. 43. Minnesota Statutes 2009 Supplement, section 326B.815, subdivision 1,
89.16 is amended to read:

89.17 Subdivision 1. ~~Licensing fee Fees.~~ (a) ~~The licensing fee for persons licensed~~
89.18 ~~pursuant to sections 326B.802 to 326B.885, except for manufactured home installers,~~
89.19 ~~is \$200 for a two-year period. The~~ For the purposes of calculating fees under section
89.20 326B.092, an initial or renewed residential contractor, residential remodeler, or residential
89.21 roofer license is a business license. Notwithstanding section 326B.092, the licensing fee
89.22 for manufactured home installers under section 327B.041 is \$300 for a three-year period.

89.23 (b) All initial and renewal licenses, except for manufactured home installer licenses,
89.24 shall be effective for two years and shall expire on March 31 of the year after the year in
89.25 which the application is made. ~~The license fee for each renewal of a residential contractor,~~
89.26 ~~residential remodeler, or residential roofer license shall be \$100 for one year and \$200~~
89.27 ~~for two years.~~

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

89.33 Sec. 44. Minnesota Statutes 2008, section 326B.83, subdivision 1, is amended to read:

90.1 Subdivision 1. **Form.** (a) An applicant for a license under sections 326B.802 to
90.2 326B.885 must submit an application, under oath and accompanied by the ~~license fee~~ fees
90.3 required by section ~~326B.815~~ 326B.092, on a form prescribed by the commissioner.
90.4 ~~Within 30 business days of receiving all required information, the commissioner must~~
90.5 ~~act on the license request.~~

90.6 (b) If one of the categories in the application does not apply, the applicant must
90.7 identify the category and state the reason the category does not apply. The commissioner
90.8 may refuse to issue a license if the application is not complete or contains unsatisfactory
90.9 information.

90.10 Sec. 45. Minnesota Statutes 2008, section 326B.83, subdivision 3, is amended to read:

90.11 Subd. 3. **Examination.** (a) Each qualifying person must ~~satisfactorily complete~~ pass
90.12 a written examination for the type of license requested. The commissioner may establish
90.13 the examination qualifications, including related education experience and education, the
90.14 examination procedure, and the examination for each licensing group. The examination
90.15 must include at a minimum the following areas:

90.16 (1) appropriate knowledge of technical terms commonly used and the knowledge of
90.17 reference materials and code books to be used for technical information; and

90.18 (2) understanding of the general principles of business management and other
90.19 pertinent state laws.

90.20 (b) Each examination must be designed for the specified type of license requested.

90.21 ~~(c) An individual's passing examination results expire two years from the~~
90.22 ~~examination date. An individual who passes the examination but does not choose to apply~~
90.23 ~~to act as a qualifying person for a licensee within two years from the examination date,~~
90.24 ~~must, upon application provide:~~

90.25 ~~(1) passing examination results within two years from the date of application; or~~

90.26 ~~(2) proof that the person has fulfilled the continuing education requirements in~~
90.27 ~~section 326B.821 in the manner required for a qualifying person of a licensee for each~~
90.28 ~~license period after the expiration of the examination results.~~

90.29 Sec. 46. Minnesota Statutes 2008, section 326B.83, subdivision 6, is amended to read:

90.30 Subd. 6. **License.** A nonresident of Minnesota may be licensed as a residential
90.31 building contractor, residential remodeler, residential roofer, or manufactured home
90.32 installer upon compliance with all the provisions of sections 326B.092 to 326B.098 and
90.33 326B.802 to 326B.885.

91.1 Sec. 47. Minnesota Statutes 2009 Supplement, section 326B.86, subdivision 1, is
91.2 amended to read:

91.3 Subdivision 1. **Bond.** (a) Licensed manufactured home installers and licensed
91.4 residential roofers must post a biennial surety bond in the name of the licensee with the
91.5 commissioner, conditioned that the applicant shall faithfully perform the duties and in
91.6 all things comply with all laws, ordinances, and rules pertaining to the license or permit
91.7 applied for and all contracts entered into. The biennial bond must be continuous and
91.8 maintained for so long as the licensee remains licensed. The aggregate liability of the
91.9 surety on the bond to any and all persons, regardless of the number of claims made
91.10 against the bond, may not exceed the amount of the bond. The bond may be canceled as
91.11 to future liability by the surety upon 30 days' written notice mailed to the commissioner
91.12 by regular mail.

91.13 (b) A licensed residential roofer must post a bond of at least \$15,000.

91.14 (c) A licensed manufactured home installer must post a bond of at least \$2,500.

91.15 Bonds issued under sections 326B.802 to 326B.885 are not state bonds or contracts
91.16 for purposes of sections 8.05 and 16C.05, subdivision 2.

91.17 Sec. 48. Minnesota Statutes 2008, section 326B.865, is amended to read:

91.18 **326B.865 SIGN CONTRACTOR; BOND.**

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

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

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

91.34 Sec. 49. Minnesota Statutes 2008, section 326B.921, subdivision 2, is amended to read:

92.1 Subd. 2. **High pressure pipefitting business license.** Before obtaining a permit
92.2 for high pressure piping work, a person must obtain or utilize a business with a high
92.3 pressure piping business license.

92.4 A person must have at all times as a full-time employee at least one individual
92.5 holding a contracting high pressure pipefitter competency license. Only full-time
92.6 employees who hold contracting high pressure pipefitter licenses are authorized to obtain
92.7 high pressure piping permits in the name of the business. The contracting high pressure
92.8 pipefitter competency license holder can be the employee of only one high pressure piping
92.9 business at a time. An application for a high pressure piping business license shall include
92.10 a verified statement that the applicant or licensee has complied with this subdivision.

92.11 To retain its business license without reapplication, a person holding a high pressure
92.12 piping business license that ceases to employ an individual holding a contracting high
92.13 pressure pipefitter competency license shall have 60 days from the last day of employment
92.14 of its previous contracting pipefitter competency license holder to employ another license
92.15 holder. The department must be notified no later than five days after the last day of
92.16 employment of the previous license holder.

92.17 No high pressure pipefitting work may be performed during any period when the
92.18 high pressure pipefitting business does not have a contracting high pressure pipefitter
92.19 competency license holder on staff. If a license holder is not employed within 60 days
92.20 after the last day of employment of the previous license holder, the pipefitting business
92.21 license shall lapse.

92.22 The board shall prescribe by rule procedures for application for and issuance of
92.23 business licenses.

92.24 Sec. 50. Minnesota Statutes 2008, section 326B.921, subdivision 4, is amended to read:

92.25 Subd. 4. **Registration with commissioner.** An unlicensed individual may
92.26 register to assist in the practical construction and installation of high pressure piping
92.27 and appurtenances while in the employ of a licensed high pressure piping business by
92.28 completing and submitting to the commissioner a registration form provided by the
92.29 commissioner, with all fees required by section 326B.092. The board may prescribe rules,
92.30 not inconsistent with this section, for the registration of unlicensed individuals.

92.31 ~~An unlicensed individual applying for initial registration shall pay the department an~~
92.32 ~~application fee of \$50.~~ Applications for initial registration may be submitted at any time.
92.33 Registration must be renewed annually and shall be valid for one calendar year beginning
92.34 January 1. ~~Applications for renewal registration must be submitted to the commissioner~~

93.1 ~~before December 31 of each registration period on forms provided by the commissioner,~~
93.2 ~~and must be accompanied by a fee of \$50. There shall be no refund of fees paid.~~

93.3 Sec. 51. Minnesota Statutes 2008, section 326B.921, subdivision 7, is amended to read:

93.4 Subd. 7. License fee, registration, and renewal fees. ~~The department shall charge~~
93.5 ~~the following license fees:~~

93.6 ~~(a) application for journeyman high pressure pipefitter competency license, \$120;~~

93.7 ~~(b) renewal of journeyman high pressure pipefitter competency license, \$80;~~

93.8 ~~(c) application for contracting high pressure pipefitter competency license, \$270;~~

93.9 ~~(d) renewal of contracting high pressure pipefitter competency license, \$240;~~

93.10 ~~(e) application for high pressure piping business license, \$450;~~

93.11 ~~(f) application to inactivate a contracting high pressure pipefitter competency license~~

93.12 ~~or inactivate a journeyman high pressure pipefitter competency license, \$40; and~~

93.13 ~~(g) renewal of an inactive contracting high pressure pipefitter competency license or~~

93.14 ~~inactive journeyman high pressure pipefitter competency license, \$40.~~

93.15 ~~If an application for renewal of an active or inactive journeyman high pressure~~

93.16 ~~pipefitter competency license or active or inactive contracting high pressure pipefitter~~

93.17 ~~competency license is received by the department after the date of expiration of the~~

93.18 ~~license, a \$30 late renewal fee shall be added to the license renewal fee.~~

93.19 ~~Payment must accompany the application for a license or renewal of a license. There~~

93.20 ~~shall be no refund of fees paid.~~

93.21 For purposes of calculating license, registration, and renewal fees required under

93.22 section 326B.092:

93.23 (1) the registration of an unlicensed individual under subdivision 4 is an entry

93.24 level license;

93.25 (2) a journeyman high pressure pipefitter license is a journeyman license;

93.26 (3) a contracting high pressure pipefitter license is a master license; and

93.27 (4) a high pressure piping business license is a business license.

93.28 Sec. 52. Minnesota Statutes 2008, section 326B.922, is amended to read:

93.29 **326B.922 LICENSE APPLICATION AND RENEWAL.**

93.30 (a) Application for a contracting high pressure pipefitter competency or, a

93.31 journeyman high pressure pipefitter competency, or a high pressure piping business

93.32 license shall be made to the department, with all fees required by section 326B.092.

93.33 (b) The applicant for a contracting high pressure pipefitter or a journeyman high

93.34 pressure pipefitter license shall be licensed only after passing an examination developed

94.1 and administered by the department in accordance with rules adopted by the board. ~~A~~
94.2 ~~competency license issued by the department shall expire on December 31 of each year. A~~
94.3 ~~renewal application must be received by the department within one year after expiration of~~
94.4 ~~the competency license. A license that has been expired for more than one year cannot~~
94.5 ~~be renewed, and can only be reissued if the applicant submits a new application for the~~
94.6 ~~competency license, pays a new application fee, and retakes and passes the applicable~~
94.7 ~~license examination.~~

94.8 (c) All initial contracting high pressure pipefitter licenses, journeyman high pressure
94.9 pipefitter licenses, and high pressure piping business licenses are effective for more than
94.10 one calendar year and expire on December 31 of the year after the year in which the
94.11 application is made. The commissioner shall in a manner determined by the commissioner,
94.12 without the need for any rulemaking under chapter 14, phase in the renewal of contracting
94.13 high pressure pipefitter, journeyman high pressure pipefitter, and high pressure piping
94.14 business licenses from one year to two years. By June 30, 2012, all such licenses shall be
94.15 two-year licenses.

94.16 Sec. 53. Minnesota Statutes 2009 Supplement, section 326B.94, subdivision 4, is
94.17 amended to read:

94.18 Subd. 4. **Examinations, licensing.** Every individual that operates a boat must
94.19 hold a current master's license issued by the commissioner, unless the individual holds
94.20 a valid, current charter boat captain's license issued by the United States Coast Guard.
94.21 The commissioner shall develop and administer an examination for all masters of boats
94.22 carrying passengers for hire on the inland waters of the state as to their qualifications and
94.23 fitness. If found qualified and competent to perform their duties as a master of a boat
94.24 carrying passengers for hire, they shall be issued a license authorizing them to act as such
94.25 on the inland waters of the state. All initial master's licenses shall be for two years. The
94.26 commissioner shall in a manner determined by the commissioner, without the need for
94.27 any rulemaking under chapter 14, phase in the renewal of master's licenses from one year
94.28 to two years. By June 30, 2011, all renewed master's licenses shall be two-year licenses.
94.29 Fees for the original issue and renewal of the license authorized under this section shall
94.30 be pursuant to section ~~326B.986, subdivision 2~~ 326B.092.

94.31 Sec. 54. Minnesota Statutes 2008, section 326B.978, subdivision 2, is amended to read:

94.32 Subd. 2. **Applications.** Any individual who desires an engineer's license shall
94.33 submit an application on a written or electronic form prescribed by the commissioner, ~~at~~
94.34 ~~least 15 days before the requested exam date. If the commissioner approves the applicant~~

95.1 ~~for examination, the applicant may take the examination on one occasion within one~~
95.2 ~~year from the date the commissioner receives the application with all fees required by~~
95.3 ~~section 326B.092.~~

95.4 Sec. 55. Minnesota Statutes 2008, section 326B.978, is amended by adding a
95.5 subdivision to read:

95.6 Subd. 19. **Applicability.** This section shall not apply to traction or hobby boiler
95.7 engineer's licenses or provisional licenses.

95.8 Sec. 56. Minnesota Statutes 2009 Supplement, section 326B.986, subdivision 5,
95.9 is amended to read:

95.10 Subd. 5. **Boiler engineer license fees.** (a) For the following licenses, the
95.11 nonrefundable license and application fee is:

95.12 (1) chief engineer's license, \$70;

95.13 (2) first class engineer's license, \$70;

95.14 (3) second class engineer's license, \$70;

95.15 (4) special engineer's license, \$40;

95.16 (5) traction or hobby boiler engineer's license, \$50; and

95.17 (6) provisional license, \$50.

95.18 (b) An engineer's license, except a provisional license, may be renewed upon
95.19 application and payment of a renewal fee of \$20 for one year or \$40 for two years. If
95.20 the renewal fee is paid later than 30 days after expiration, then a late fee of \$15 will be
95.21 added to the renewal fee.

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

95.24 (1) the boiler special engineer license is an entry level license;

95.25 (2) the following licenses are journeyman licenses: first class engineer, Grade A;
95.26 first class engineer, Grade B; first class engineer, Grade C; second class engineer, Grade
95.27 A; second class engineer, Grade B; second class engineer, Grade C; and provisional
95.28 license; and

95.29 (3) the following licenses are master licenses: boiler chief engineer, Grade A; boiler
95.30 chief engineer, Grade B; boiler chief engineer, Grade C; boiler commissioner inspector;
95.31 and traction or hobby boiler engineer.

95.32 (b) Notwithstanding section 326B.092, subdivision 7, paragraph (a), the license
95.33 duration for steam traction and hobby engineer licenses are one year only for the purpose
95.34 of calculating license fees under section 326B.092, subdivision 7, paragraph (b).

96.1 Sec. 57. Minnesota Statutes 2008, section 327.31, subdivision 17, is amended to read:

96.2 Subd. 17. **Installation.** "Installation" of a manufactured home means ~~assembly~~
96.3 installation or reinstallation, at the site of occupancy, of all portions of a manufactured
96.4 home, connection of the manufactured home to existing utility connections and installation
96.5 of support and/or anchoring systems.

96.6 Sec. 58. Minnesota Statutes 2008, section 327.31, is amended by adding a subdivision
96.7 to read:

96.8 Subd. 21. **Used manufactured home.** "Used manufactured home" means a home
96.9 being offered for sale not less than 24 months after the first purchaser took legal ownership
96.10 or possession of the home.

96.11 Sec. 59. Minnesota Statutes 2008, section 327.31, is amended by adding a subdivision
96.12 to read:

96.13 Subd. 22. **Seller.** "Seller" means either the homeowner, manufactured home retailer
96.14 or dealer, broker, or limited dealer or retailer.

96.15 Sec. 60. Minnesota Statutes 2008, section 327.32, subdivision 1, is amended to read:

96.16 Subdivision 1. **Requirement; new manufactured homes.** No person shall sell,
96.17 or offer for sale, in this state, any new manufactured home ~~manufactured after July 1,~~
96.18 ~~1972, or~~ manufacture any manufactured home in this state ~~or install for occupancy any~~
96.19 ~~manufactured home manufactured after July 1, 1972, in any manufactured home park in~~
96.20 ~~this state~~ unless the manufactured home complies with the Manufactured Home Building
96.21 Code and bears a label as required by the secretary.

96.22 ~~(a) bears a seal issued by the commissioner, and is, whenever possible, accompanied~~
96.23 ~~by a certificate by the manufacturer or dealer, both evidencing that it complies with the~~
96.24 ~~Manufactured Home Building Code; or~~

96.25 ~~(b) if manufactured after June 14, 1976, bears a label as required by the secretary.~~

96.26 Sec. 61. Minnesota Statutes 2008, section 327.32, is amended by adding a subdivision
96.27 to read:

96.28 Subd. 1a. **Requirement; used manufactured homes.** No person shall sell or
96.29 offer for sale in this state any used manufactured home manufactured after June 14,
96.30 1976, or install for occupancy any used manufactured home manufactured after June
96.31 14, 1976, unless the used manufactured home complies with the Notice of Compliance
96.32 Form as provided in this subdivision. If manufactured after June 14, 1976, the home

97.1 must bear a label as required by the secretary. The Notice of Compliance Form shall be
97.2 signed by the seller and purchaser indicating which party is responsible for either making
97.3 or paying for any necessary corrections prior to the sale and transferring ownership of
97.4 the manufactured home.

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

97.6 **"Notice of Compliance Form as required in Minnesota Statutes,**
97.7 **section 327.32, subdivision 1.**

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

97.12 Electric ranges and clothes dryers must have required four-conductor cords and plugs.

97.13 Complies Correction required

97.14 Initialed by Responsible Party: Buyer Seller

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

97.19 Complies Correction required

97.20 Initialed by Responsible Party: Buyer Seller

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

97.24 Complies Correction required

97.25 Initialed by Responsible Party: Buyer Seller

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

97.28 Complies Correction required

97.29 Initialed by Responsible Party: Buyer Seller

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

97.32 Complies Correction required

97.33 Initialed by Responsible Party: Buyer Seller

97.34 Egress windows are required in every bedroom with at least one operable window with
97.35 a net clear opening of 20 inches wide and 24 inches high, five square feet in area, with

98.1 the bottom of windows opening no more than 36 inches above the floor. Locks, latches,
98.2 operating handles, tabs, or other operational devices shall not be located more than 54
98.3 inches above the finished floor.

98.4 Complies Correction required
98.5 Initialed by Responsible Party: Buyer Seller

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

98.9 Complies Correction required
98.10 Initialed by Responsible Party: Buyer Seller

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

98.14 Complies Correction required
98.15 Initialed by Responsible Party: Buyer Seller

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

98.18 Complies Correction required
98.19 Initialed by Responsible Party: Buyer Seller

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

98.26 Signature of Purchaser(s) of Home
98.27date.....date.....

98.28

98.29 Print name as appears on purchase Print name as appears on purchase
98.30 agreement agreement

98.31 Signature of Seller(s) of Home
98.32date.....date.....

98.33

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

98.36

98.37 (City/State/Zip).....

98.38 Name of manufacturer of home.....

99.1 **Model and Year.....**
99.2 **Serial Number....."**

99.3 Sec. 62. Minnesota Statutes 2008, section 327.32, is amended by adding a subdivision
99.4 to read:

99.5 Subd. 1b. **Alternative design plan.** An alternative frost-free design slab that is
99.6 submitted to the department, stamped by a licensed professional engineer or architect,
99.7 and is in compliance with either the federal installation standards in effect at the date of
99.8 manufacture or the Minnesota State Building Code, when applicable, shall be issued a
99.9 permit by the department within ten days.

99.10 Sec. 63. Minnesota Statutes 2008, section 327.32, is amended by adding a subdivision
99.11 to read:

99.12 Subd. 1c. **Manufacturer's installation instructions; new home.** All new
99.13 single-section manufactured homes and new multisection manufactured homes shall be
99.14 installed in compliance with either the manufacturer's installation instructions in effect at
99.15 the date of manufacture or, when applicable, the Minnesota State Building Code.

99.16 Sec. 64. Minnesota Statutes 2008, section 327.32, is amended by adding a subdivision
99.17 to read:

99.18 Subd. 1d. **Manufacturer's installation instructions; used multisection homes.**
99.19 All used multisection manufactured homes shall be installed in compliance with the
99.20 manufacturer's installation instructions in effect at the date of manufacture, approved
99.21 addenda or, when applicable, the Minnesota State Building Code.

99.22 Sec. 65. Minnesota Statutes 2008, section 327.32, is amended by adding a subdivision
99.23 to read:

99.24 Subd. 1e. **Reinstallation requirements for single-section used manufactured**
99.25 **homes.** (a) All single-section used manufactured homes reinstalled less than 24 months
99.26 from the date of installation by the first purchaser must be reinstalled in compliance with
99.27 subdivision 1c. All single-section used manufactured homes reinstalled more than 24
99.28 months from the date of installation by the first purchaser may be reinstalled without
99.29 a frost-protected foundation if the home is reinstalled in compliance with Minnesota
99.30 Rules, chapter 1350, for above frost-line installations and the notice requirement of
99.31 subdivision 1f is complied with by the seller and the purchaser of the single-section used
99.32 manufactured home.

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

100.12 Sec. 66. Minnesota Statutes 2008, section 327.32, is amended by adding a subdivision
100.13 to read:

100.14 Subd. 1f. **Notice requirement.** The seller of the single-section used manufactured
100.15 home being reinstalled under subdivision 1e shall provide the following notice to the
100.16 purchaser and secure signatures of all parties to the purchase agreement on or before
100.17 signing a purchase agreement prior to submitting an application for an installation
100.18 certificate. Whenever a current owner of a manufactured home reinstalls the manufactured
100.19 home under subdivision 1e, the current owner is not required to comply with the notice
100.20 requirement under this subdivision. The notice shall be in at least 14-point font, except the
100.21 heading, "WHICH MAY VOID WARRANTY," must be in capital letters, in 20-point font.
100.22 The notice must be printed on a separate sheet of paper in a color different than the paper
100.23 on which the purchase agreement is printed. The notice becomes a part of the purchase
100.24 agreement and shall be substantially in the following form:

100.25 **"Notice of Reinstalling of a Single-Section Used Manufactured**

100.26 **Home Above Frost-Line;**

100.27 **WHICH MAY VOID WARRANTY**

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

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

101.1 The purchaser(s) acknowledge by signing this notice that there is no manufacturer's
 101.2 original warranty remaining on the home and recognize that any other extended or ancillary
 101.3 warranty could be adversely affected if any applicable warranty stipulates that the home
 101.4 be installed in accordance with the manufacturer's installation manual to remain effective.
 101.5 After the reinstallation of the manufactured home, it is highly recommended that the
 101.6 purchaser(s) have a licensed manufactured home installer recheck the home's installation
 101.7 for any releveled needs or anchoring system adjustments each freeze-thaw cycle.
 101.8 The purchaser(s) of the used manufactured home described below that is being reinstalled
 101.9 acknowledge they have read this notice and have been advised to contact the manufacturer
 101.10 of the home and/or the Department of Labor and Industry if they desire additional
 101.11 information before signing this notice. It is the intent of this notice to inform the
 101.12 purchaser(s) that the purchaser(s) elected not to use a frost-protected foundation system
 101.13 for the reinstallation of the manufactured home as originally required by the home's
 101.14 installation manual.

Plain language notice.

101.15
 101.16 I understand that because this home will be installed with footings placed above the
 101.17 local frost line, this home may be subject to adverse effects from frost heave that may
 101.18 damage this home. Purchaser(s) initials:

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

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

101.25 Signature of Purchaser(s)
 101.26date.....date.....
 101.27

101.28 Print name Print name

101.29 **(Street address of location where**
 101.30 **manufactured home is being reinstalled)**

101.31

101.32 **(City/State/Zip).....**

101.33 **Name of manufacturer of home.....**

101.34 **Model and year.....**

101.35 **Serial number.....**

101.36 Name of licensed installer and license number or homeowner responsible for the
 101.37 installation of the home as described above.

102.1 Installer name:.....
102.2 License number:....."

102.3 Sec. 67. Minnesota Statutes 2008, section 327.34, subdivision 1, is amended to read:

102.4 Subdivision 1. **Generally.** It shall be a misdemeanor for any person,

102.5 (a) to sell, lease, or offer to sell or lease, any manufactured home manufactured
102.6 after ~~July 1, 1972~~ June 14, 1976, which does not comply with the Manufactured Home
102.7 Building Code or which does not bear a seal or label as required by sections 327.31 to
102.8 327.34, unless the action is subject to the provisions of section 327.35;

102.9 (b) to affix a seal or label, or cause a seal or label to be affixed, to any manufactured
102.10 home which does not comply with the Manufactured Home Building Code unless the
102.11 action is subject to the provisions of section 327.35;

102.12 (c) to alter a manufactured home manufactured after ~~July 1, 1972~~ June 14, 1976,
102.13 in a manner prohibited by sections 327.31 to 327.34; or

102.14 (d) to fail to correct a Manufactured Home Building Code violation in a
102.15 manufactured home manufactured after ~~July 1, 1972~~ June 14, 1976, which is owned,
102.16 manufactured, or sold by that person, within 40 days of being ordered to do so in writing
102.17 by an authorized representative of the commissioner, unless the correction is subject to the
102.18 provisions of section 327.35; ~~or~~

102.19 ~~(e) to interfere with, obstruct, or hinder any authorized representative of the~~
102.20 ~~commissioner in the performance of duties relating to manufactured homes manufactured~~
102.21 ~~after July 1, 1972, and prior to June 15, 1976.~~

102.22 Sec. 68. Minnesota Statutes 2008, section 327B.04, subdivision 2, is amended to read:

102.23 Subd. 2. **Subagency licenses.** Any dealer who has a place of business at more than
102.24 one location shall designate one location as its principal place of business, one name as its
102.25 principal name, and all other established places of business as subagencies. A subagency
102.26 license shall be required for each subagency. Subagency license renewal must coincide
102.27 with the principal license date. No dealer shall do business as a dealer under any other
102.28 name than the name on its license.

102.29 Sec. 69. Minnesota Statutes 2009 Supplement, section 327B.04, subdivision 7, is
102.30 amended to read:

102.31 Subd. 7. **Licenses; ~~when granted~~ renewal.** In addition to the requirements of this
102.32 section, each application for a license or license renewal must be accompanied by ~~a fee in~~
102.33 ~~an amount established by subdivision 7a~~ all applicable fees required by section 326B.092.

103.1 The fees shall be set in an amount which over the fiscal biennium will produce revenues
103.2 approximately equal to the expenses which the commissioner expects to incur during that
103.3 fiscal biennium while administering and enforcing sections 327B.01 to 327B.12. ~~The~~
103.4 ~~commissioner shall grant or deny a license application or a renewal application within 60~~
103.5 ~~days of its filing.~~ If the license is granted, the commissioner shall license the applicant as a
103.6 dealer or manufacturer for the remainder of the licensure period. Upon application by the
103.7 licensee, the commissioner shall renew the license for a two-year period, if:

- 103.8 (1) the renewal application satisfies the requirements of subdivisions 3 and 4;
103.9 (2) the renewal applicant has made all listings, registrations, notices and reports
103.10 required by the commissioner during the preceding licensure period; and
103.11 (3) the renewal applicant has paid all fees owed pursuant to sections 327B.01 to
103.12 327B.12 and all taxes, arrearages, and penalties owed to the state.

103.13 Sec. 70. Minnesota Statutes 2009 Supplement, section 327B.04, subdivision 7a,
103.14 is amended to read:

103.15 Subd. 7a. **Fees.** (a) Fees for licenses issued pursuant to this section ~~are as follows:~~
103.16 shall be calculated pursuant to section 326B.092.

- 103.17 ~~(1) initial dealer license for principal location, \$400. Fee is not refundable;~~
103.18 ~~(2) initial dealer license for subagency location, \$80;~~
103.19 ~~(3) dealer license biennial renewal, principal location, \$400; dealer subagency~~
103.20 ~~location biennial renewal, \$160. Subagency license renewal must coincide with the~~
103.21 ~~principal license date;~~
103.22 ~~(4) initial limited dealer license, \$200;~~
103.23 ~~(5) change of bonding company, \$10;~~
103.24 ~~(6) reinstatement of bond after cancellation notice has been received, \$10;~~
103.25 ~~(7) checks returned without payment, \$15; and~~
103.26 ~~(8) change of address, \$10.~~

103.27 (b) All initial limited dealer licenses shall be effective for more than one calendar
103.28 year and shall expire on December 31 of the year after the year in which the application
103.29 is made.

103.30 (c) ~~The license fee for each renewed limited dealer license shall be \$100 for one year~~
103.31 ~~and \$200 for two years.~~ For the purposes of calculating fees under section 326B.092, any
103.32 license issued under this section is a business license, except that a subagency license is a
103.33 master license. The commissioner shall in a manner determined by the commissioner,
103.34 without the need for any rulemaking under chapter 14, phase in the renewal of limited

104.1 dealer licenses from one year to two years. By June 30, 2011, all renewed limited dealer
104.2 licenses shall be two-year licenses.

104.3 ~~(d) All fees are not refundable.~~

104.4 Sec. 71. Minnesota Statutes 2009 Supplement, section 327B.04, subdivision 8, is
104.5 amended to read:

104.6 Subd. 8. **Limited dealer's license.** The commissioner shall issue a limited dealer's
104.7 license to an owner of a manufactured home park authorizing the licensee as principal
104.8 only to engage in the sale, offering for sale, soliciting, or advertising the sale of used
104.9 manufactured homes located in the owned manufactured home park. The licensee must be
104.10 the title holder of the homes and may engage in no more than ten sales during each year of
104.11 the two-year licensure period. An owner may, upon payment of the applicable fee and
104.12 compliance with this subdivision, obtain a separate license for each owned manufactured
104.13 home park and is entitled to sell up to 20 homes per license period provided that only one
104.14 limited dealer license may be issued for each park. The license shall be issued after:

104.15 (1) receipt of an application on forms provided by the commissioner containing
104.16 the following information:

104.17 (i) the identity of the applicant;

104.18 (ii) the name under which the applicant will be licensed and do business in this state;

104.19 (iii) the name and address of the owned manufactured home park, including a copy
104.20 of the park license, serving as the basis for the issuance of the license;

104.21 (iv) the name, home, and business address of the applicant;

104.22 (v) the name, address, and telephone number of one individual that is designated
104.23 by the applicant to receive all communications and cooperate with all inspections and
104.24 investigations of the commissioner pertaining to the sale of manufactured homes in the
104.25 manufactured home park owned by the applicant;

104.26 (vi) whether the applicant or its designated individual has been convicted of a crime
104.27 within the previous ten years that is either related directly to the business for which the
104.28 license is sought or involved fraud, misrepresentation or misuse of funds, or has suffered a
104.29 judgment in a civil action involving fraud, misrepresentation, or conversion within the
104.30 previous five years or has had any government license or permit suspended or revoked
104.31 as a result of an action brought by a federal or state governmental agency in this or any
104.32 other state within the last five years; and

104.33 (vii) the applicant's qualifications and business history, including whether the
104.34 applicant or its designated individual has ever been adjudged bankrupt or insolvent, or has
104.35 any unsatisfied court judgments outstanding against it or them;

- 105.1 (2) payment of the license fee established by subdivision 7a; and
105.2 (3) provision of a surety bond in the amount of \$5,000. A separate surety bond
105.3 must be provided for each limited license.

105.4 The applicant need not comply with section 327B.04, subdivision 4, paragraph (e).
105.5 The holding of a limited dealer's license does not satisfy the requirement contained in
105.6 section 327B.04, subdivision 4, paragraph (e), for the licensee or salespersons with respect
105.7 to obtaining a dealer license. The commissioner may, upon application for a renewal of a
105.8 license, require only a verification that copies of sales documents have been retained and
105.9 payment of the renewal ~~fee fees~~ established by ~~subdivision 7a~~ section 326B.092. "Sales
105.10 documents" mean only the safety feature disclosure form defined in section 327C.07,
105.11 subdivision 3a, title of the home, financing agreements, and purchase agreements.

105.12 The license holder shall, upon request of the commissioner, make available for
105.13 inspection during business hours sales documents required to be retained under this
105.14 subdivision.

105.15 Sec. 72. Minnesota Statutes 2009 Supplement, section 327B.041, is amended to read:

105.16 **327B.041 MANUFACTURED HOME INSTALLERS.**

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

105.19 (1) manufactured home installers are not subject to the continuing education
105.20 requirements of section 326B.821, but are subject to the continuing education requirements
105.21 established in rules adopted under section 327B.10;

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

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

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

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

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

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

106.8 Sec. 73. **WATER-FREE URINALS.**

106.9 The Plumbing Board shall have expedited rulemaking authority provided under
106.10 section 14.389 for expedited rules regarding water-free urinals that meet the Minnesota
106.11 Plumbing Board standards. This authority expires December 31, 2010.

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

106.13 Sec. 74. **REVISOR'S INSTRUCTION.**

106.14 In Minnesota Rules, the revisor of statutes shall change all references to Minnesota
106.15 Rules, part 1350.8300, to Minnesota Statutes, section 327B.04.

106.16 **EFFECTIVE DATE.** This section is effective August 1, 2010.

106.17 Sec. 75. **REPEALER.**

106.18 (a) Minnesota Statutes 2008, sections 326B.133, subdivisions 9 and 10; 326B.37,
106.19 subdivision 13; 326B.475, subdivisions 5 and 6; 326B.56, subdivision 3; 326B.885,
106.20 subdivisions 3 and 4; 326B.976; 327.32, subdivision 4; and 327C.07, subdivisions 3a
106.21 and 8, are repealed.

106.22 (b) Minnesota Statutes 2009 Supplement, sections 326B.56, subdivision 4; and
106.23 326B.986, subdivision 2, are repealed.

106.24 (c) Minnesota Rules, parts 1301.0500; 1301.0900; 1301.1100, subparts 2, 3, and 4;
106.25 1350.7200, subpart 3; and 1350.8000, subpart 2, are repealed.

106.26 **EFFECTIVE DATE.** Paragraphs (a) to (c) are effective January 1, 2012, except
106.27 that the repeal of Minnesota Statutes, sections 327.32, subdivision 4, and 327C.07,
106.28 subdivisions 3a and 8, are effective July 1, 2010.

106.29 Sec. 76. **EFFECTIVE DATE.**

106.30 Sections 3 to 10, 12 to 17, and 19 to 56 are effective January 1, 2012.

107.1 **ARTICLE 4**

107.2 **MINNESOTA S.A.F.E. MORTGAGE LICENSING ACT OF 2010**

107.3 Section 1. **[58A.01] TITLE.**

107.4 This chapter may be cited as the "Minnesota Secure and Fair Enforcement for
107.5 Mortgage Licensing Act of 2010" or "Minnesota S.A.F.E. Mortgage Licensing Act of
107.6 2010."

107.7 Sec. 2. **[58A.02] DEFINITIONS.**

107.8 Subdivision 1. **Application.** For purposes of this chapter, the definitions in
107.9 subdivisions 2 to 15 have the meanings given them.

107.10 Subd. 2. **Depository institution.** "Depository institution" has the meaning given in
107.11 United States Code, title 12, section 1813, and includes a credit union.

107.12 Subd. 3. **Federal banking agencies.** "Federal banking agencies" means the Board
107.13 of Governors of the Federal Reserve System, the comptroller of the currency, the director
107.14 of the Office of Thrift Supervision, the National Credit Union Administration, and the
107.15 Federal Deposit Insurance Corporation.

107.16 Subd. 4. **Immediate family member.** "Immediate family member" means a spouse,
107.17 child, sibling, a parent, grandparent, or grandchild. This includes stepparents, stepchildren,
107.18 stepsiblings, and adoptive relationships.

107.19 Subd. 5. **Individual.** "Individual" means a natural person.

107.20 Subd. 6. **Loan processor or underwriter.** "Loan processor or underwriter" means
107.21 an individual who performs clerical or support duties as an employee at the direction
107.22 of and subject to the supervision and instruction of a person licensed or exempt from
107.23 licensing under chapter 58. For purposes of this subdivision, the term "clerical or support
107.24 duties" may include after the receipt of an application:

107.25 (1) the receipt, collection, distribution, and analysis of information common for the
107.26 processing or underwriting of a residential mortgage loan; and

107.27 (2) communicating with a consumer to obtain the information necessary for the
107.28 processing or underwriting of a loan, to the extent that the communication does not include
107.29 offering or negotiating loan rates or terms, or counseling consumers about residential
107.30 mortgage loan rates or terms.

107.31 Subd. 7. **Mortgage loan originator.** "Mortgage loan originator":

107.32 (1) means an individual who for compensation or gain or in the expectation of
107.33 compensation or gain:

107.34 (i) takes a residential mortgage loan application; or

107.35 (ii) offers or negotiates terms of a residential mortgage loan;

108.1 (2) does not include an individual engaged solely as a loan processor or underwriter
108.2 except as otherwise provided in section 58A.03, subdivision 3;

108.3 (3) does not include a person or entity that only performs real estate brokerage
108.4 activities and is licensed or registered according to Minnesota law, unless the person or
108.5 entity is compensated by a lender, a mortgage broker, or other mortgage loan originator or
108.6 by an agent of the lender, mortgage broker, or other mortgage loan originator;

108.7 (4) does not include a person or entity solely involved in extensions of credit
108.8 relating to timeshare plans, as that term is defined in United States Code, title 11, section
108.9 101(53D); and

108.10 (5) does not include a person who merely assists, without advising, the consumer
108.11 in locating or understanding a loan application, and does not do anything that would be
108.12 considered to be acting as a mortgage loan originator under federal or state laws. This
108.13 clause is subject to final approval by the United States Department of Housing and Urban
108.14 Development, and is severable to the extent that the department determines that it is
108.15 not compliant with federal law.

108.16 Subd. 8. **Nationwide Mortgage Licensing System and Registry.** "Nationwide
108.17 Mortgage Licensing System and Registry" means a mortgage licensing system developed
108.18 and maintained by the Conference of State Bank Supervisors and the American
108.19 Association of Residential Mortgage Regulators for the licensing and registration of
108.20 licensed mortgage loan originators.

108.21 Subd. 9. **Nontraditional mortgage product.** "Nontraditional mortgage product"
108.22 means a mortgage product other than a 30-year fixed rate mortgage loan.

108.23 Subd. 9a. **Offers or negotiates terms of a residential mortgage loan for**
108.24 **compensation or gain.** "Offers or negotiates terms of a residential mortgage loan for
108.25 compensation or gain" means an individual:

108.26 (1)(i) presents for acceptance by a borrower or prospective borrower residential
108.27 mortgage loan terms;

108.28 (ii) communicates directly or indirectly with a borrower or prospective borrower
108.29 for the purpose of reaching an understanding about prospective residential mortgage
108.30 loan terms; or

108.31 (iii) recommends, refers, or steers a borrower to a particular lender or set of
108.32 residential mortgage loan terms, in accordance with a duty to or incentive from any person
108.33 other than the borrower or prospective borrower; and

108.34 (2) receives or expects to receive payment of money or anything of value in
108.35 connection with the activities described in clause (1) or as a result of any residential
108.36 mortgage loan terms entered into as a result of such activities.

109.1 This subdivision is subject to final approval by the United States Department of
109.2 Housing and Urban Development, and is severable to the extent that the department
109.3 determines that it is not compliant with federal law.

109.4 Subd. 10. **Person.** "Person" means a natural person, corporation, company, limited
109.5 liability company, partnership, or association.

109.6 Subd. 11. **Real estate brokerage activity.** "Real estate brokerage activity" means
109.7 an activity that involves offering or providing real estate brokerage services to the public,
109.8 including:

109.9 (1) acting as a real estate agent or real estate broker for a buyer, seller, lessor,
109.10 or lessee of real property;

109.11 (2) bringing together parties interested in the sale, purchase, lease, rental, or
109.12 exchange of real property;

109.13 (3) negotiating, on behalf of a party, a portion of a contract relating to the sale,
109.14 purchase, lease, rental, or exchange of real property other than in connection with
109.15 providing financing with respect to the transaction;

109.16 (4) engaging in an activity for which a person engaged in the activity is required to
109.17 be registered or licensed as a real estate agent or real estate broker under any applicable
109.18 law; and

109.19 (5) offering to engage in any activity, or act in any capacity, described in clause
109.20 (1), (2), (3), or (4).

109.21 Subd. 12. **Registered mortgage loan originator.** "Registered mortgage loan
109.22 originator" means an individual who:

109.23 (1) meets the definition of mortgage loan originator and is an employee of:

109.24 (i) a depository institution;

109.25 (ii) a subsidiary that is owned and controlled by a depository institution and
109.26 regulated by a federal banking agency; or

109.27 (iii) an institution regulated by the Farm Credit Administration; and

109.28 (2) is registered with, and maintains a unique identifier through, the Nationwide
109.29 Mortgage Licensing System and Registry.

109.30 Subd. 13. **Residential mortgage loan.** "Residential mortgage loan" means a loan
109.31 primarily for personal, family, or household use that is secured by a mortgage, deed of
109.32 trust, or other equivalent consensual security interest on a dwelling, as defined in United
109.33 States Code, title 15, section 1602(v), or residential real estate upon which a dwelling is
109.34 constructed or intended to be constructed.

110.1 Subd. 14. **Residential real estate.** "Residential real estate" means real property
110.2 located in Minnesota, upon which a dwelling is constructed or is intended to be
110.3 constructed.

110.4 Subd. 14a. **Takes a residential mortgage loan application.** "Takes a residential
110.5 mortgage loan application" means the individual receives a residential mortgage loan
110.6 application for the purpose of deciding, or influencing or soliciting the decision of another,
110.7 whether to extend an offer of residential mortgage loan terms to a borrower or prospective
110.8 borrower, or to accept the terms offered by a borrower or prospective borrower in
110.9 response to a solicitation, whether the application is received directly or indirectly from
110.10 the borrower or prospective borrower. This subdivision is subject to final approval by the
110.11 United States Department of Housing and Urban Development, and is severable to the
110.12 extent that the department determines that it is not compliant with federal law.

110.13 Subd. 15. **Unique identifier.** "Unique identifier" means a number or other identifier
110.14 assigned by protocols established by the Nationwide Mortgage Licensing System and
110.15 Registry.

110.16 Sec. 3. **[58A.03] LICENSE AND REGISTRATION REQUIRED.**

110.17 Subdivision 1. **Generally.** An individual, unless specifically exempted from this
110.18 chapter under subdivision 2, shall not engage in the business of a mortgage loan originator
110.19 with respect to a dwelling located in this state without first obtaining and maintaining a
110.20 license under this chapter. An individual may not engage in the mortgage loan business
110.21 unless the individual is employed and supervised by an entity which is either licensed
110.22 or exempt from licensing under chapter 58. A licensed mortgage loan originator must
110.23 register with and maintain a valid unique identifier issued by the Nationwide Mortgage
110.24 Licensing System and Registry.

110.25 Subd. 2. **Exemptions.** The following are exempt from this chapter:

110.26 (1) a registered mortgage loan originator, when acting for an entity described in
110.27 section 58A.02, subdivision 12, clause (1);

110.28 (2) an individual who offers or negotiates terms of a residential mortgage loan with
110.29 or on behalf of an immediate family member of the individual;

110.30 (3) an individual who offers or negotiates terms of a residential mortgage loan
110.31 secured by a dwelling that served as the individual's residence;

110.32 (4) a licensed attorney who negotiates the terms of a residential mortgage loan
110.33 on behalf of a client as an ancillary matter to the attorney's representation of the client,
110.34 unless the attorney is compensated by a lender, a mortgage broker, or other mortgage

111.1 loan originator or by any agent of the lender, mortgage broker, or other mortgage loan
111.2 originator; and

111.3 (5) an employee of a nonprofit organization exempt from taxation under section
111.4 501(c)(3) of the Internal Revenue Code of 1986, or a local unit of government, that
111.5 is not otherwise engaged in the mortgage loan business, engaged in the financing of
111.6 housing for low- and moderate-income households or housing counseling under programs
111.7 designed specifically for those purposes, to the extent exempted by the commissioner
111.8 by rule, advisory ruling, or interpretation, after taking into consideration any law, rule,
111.9 advisory ruling, or interpretation by the United States Department of Housing and Urban
111.10 Development.

111.11 Subd. 3. **Independent contractor loan processors or underwriters.** A loan
111.12 processor or underwriter who is an independent contractor may not engage in the activities
111.13 of a loan processor or underwriter unless the independent contractor loan processor
111.14 or underwriter obtains and maintains a license under subdivision 1. An independent
111.15 contractor loan processor or underwriter licensed as a mortgage loan originator must have
111.16 and maintain a valid unique identifier issued by the Nationwide Mortgage Licensing
111.17 System and Registry.

111.18 **EFFECTIVE DATE.** In order to facilitate an orderly transition to licensing and
111.19 minimize disruption in the mortgage marketplace, the effective date for subdivision 1
111.20 is July 31, 2010, or a later date approved by the Secretary of the U.S. Department of
111.21 Housing and Urban Development, under the authority granted in Public Law 110-289,
111.22 section 1508(a).

111.23 Sec. 4. **[58A.04] STATE LICENSE AND REGISTRATION APPLICATION AND**
111.24 **ISSUANCE.**

111.25 Subdivision 1. **Application form.** An applicant for a license shall apply in a form
111.26 as prescribed by the commissioner. The form must contain content as set forth by rule,
111.27 instruction, or procedure of the commissioner and may be changed or updated as necessary
111.28 by the commissioner in order to carry out the purposes of this chapter.

111.29 Subd. 2. **Commissioner may establish relationships or contracts.** In order
111.30 to fulfill the purposes of this chapter, the commissioner is authorized to establish
111.31 relationships or contracts with the Nationwide Mortgage Licensing System and Registry
111.32 or other entities designated by the Nationwide Mortgage Licensing System and Registry to
111.33 collect and maintain records and process transaction fees or other fees related to licensees
111.34 or other persons subject to this chapter.

112.1 Subd. 3. **Waive or modify requirements.** For the purpose of participating in the
112.2 Nationwide Mortgage Licensing System and Registry, the commissioner is authorized to
112.3 waive or modify, in whole or in part, by rule or order, any or all of the requirements of
112.4 this chapter and to establish new requirements as reasonably necessary to participate in
112.5 the Nationwide Mortgage Licensing System and Registry.

112.6 Subd. 4. **Background checks.** In connection with an application for licensing as a
112.7 mortgage loan originator, the applicant shall, at a minimum, furnish to the Nationwide
112.8 Mortgage Licensing System and Registry information concerning the applicant's identity,
112.9 including:

112.10 (1) fingerprints for submission to the Federal Bureau of Investigation, and a
112.11 governmental agency or entity authorized to receive the information for a state, national,
112.12 and international criminal history background check; and

112.13 (2) personal history and experience in a form prescribed by the Nationwide
112.14 Mortgage Licensing System and Registry, including the submission of authorization for
112.15 the Nationwide Mortgage Licensing System and Registry and the commissioner to obtain:

112.16 (i) an independent credit report obtained from a consumer reporting agency
112.17 described in United States Code, title 15, section 1681a(p); and

112.18 (ii) information related to administrative, civil, or criminal findings by a
112.19 governmental jurisdiction.

112.20 Subd. 5. **Agent for purposes of requesting and distributing criminal**
112.21 **information.** For the purposes of this section and in order to reduce the points of
112.22 contact which the Federal Bureau of Investigation may have to maintain for purposes of
112.23 subdivision 4, clauses (1) and (2), the commissioner may use the Nationwide Mortgage
112.24 Licensing System and Registry as a channeling agent for requesting information from and
112.25 distributing information to the Department of Justice or any governmental agency.

112.26 Subd. 6. **Agent for purposes of requesting and distributing noncriminal**
112.27 **information.** For the purposes of this section and in order to reduce the points of contact
112.28 which the commissioner may have to maintain for purposes of subdivision 4, clause (2)(i)
112.29 and (ii), the commissioner may use the Nationwide Mortgage Licensing System and
112.30 Registry as a channeling agent for requesting and distributing information to and from any
112.31 source so directed by the commissioner.

112.32 Sec. 5. **[58A.045] TERM OF LICENSE AND FEES.**

112.33 Subdivision 1. **Term.** Licenses for mortgage loan originators issued under this
112.34 chapter expire on December 31 and are renewable on January 1 of each year after that date.

112.35 Subd. 2. **Fees.** The following fees must be paid to the commissioner:

113.1 (1) for a mortgage loan originator license, \$90; and

113.2 (2) for a renewal mortgage loan originator license, \$50.

113.3 **Sec. 6. [58A.05] ISSUANCE OF LICENSE.**

113.4 The commissioner shall not issue a mortgage loan originator license unless the
113.5 commissioner finds at a minimum, that:

113.6 (1) the applicant has never had a mortgage loan originator license revoked in a
113.7 governmental jurisdiction, except that a subsequent formal vacation of a revocation shall
113.8 not be deemed a revocation;

113.9 (2) the applicant has not been convicted of, or pled guilty or nolo contendere to, a
113.10 felony in a domestic, foreign, or military court:

113.11 (i) during the seven-year period preceding the date of the application for licensing
113.12 and registration;

113.13 (ii) at any time preceding the date of application, if the felony involved an act of
113.14 fraud, dishonesty, or a breach of trust, or money laundering; or

113.15 (iii) provided that a pardon of a conviction is not a conviction for purposes of this
113.16 clause;

113.17 (3) the applicant has demonstrated financial responsibility, character, and general
113.18 fitness such as to command the confidence of the community and to warrant a
113.19 determination that the mortgage loan originator will operate honestly, fairly, and efficiently
113.20 within the purposes of this chapter. For purposes of this chapter, a person has shown that
113.21 the person is not financially responsible when the person has shown a disregard in the
113.22 management of the person's own financial condition. A determination that an individual
113.23 has not shown financial responsibility may include, but is not limited to:

113.24 (i) current outstanding judgments, except judgments solely as a result of medical
113.25 expenses;

113.26 (ii) current outstanding tax liens or other government liens and filings;

113.27 (iii) foreclosures within the past three years; and

113.28 (iv) a pattern of seriously delinquent accounts within the past three years;

113.29 (4) the applicant has completed the preclicensing education requirement described
113.30 in section 58A.06;

113.31 (5) the applicant has passed a written test that meets the test requirement described
113.32 in section 58A.07; and

113.33 (6) the applicant has met the surety bond requirement as required under section
113.34 58A.13.

114.1 Sec. 7. **[58A.06] PRELICENSING AND RELICENSING EDUCATION OF**
114.2 **LOAN ORIGINATORS.**

114.3 Subdivision 1. **Minimum educational requirements.** In order to meet the
114.4 prelicensing education requirement referred to in section 58A.05, clause (4), a person
114.5 shall complete at least 20 hours of education approved according to subdivision 2, that
114.6 includes at least:

114.7 (1) three hours of federal law and regulations;

114.8 (2) three hours of ethics, which includes instruction on fraud, consumer protection,
114.9 and fair lending issues; and

114.10 (3) two hours of training related to lending standards for the nontraditional mortgage
114.11 product marketplace.

114.12 Subd. 2. **Approved educational courses.** For purposes of subdivision 1,
114.13 prelicensing education courses must be reviewed, and approved by the Nationwide
114.14 Mortgage Licensing System and Registry based upon reasonable standards. Review
114.15 and approval of a prelicensing education course must include review and approval of
114.16 the course provider.

114.17 Subd. 3. **Approval of employer and affiliate educational courses.** Nothing in
114.18 this section precludes a prelicensing education course, as approved by the Nationwide
114.19 Mortgage Licensing System and Registry, that is provided by the employer of the applicant
114.20 or an entity that is affiliated with the applicant by an agency contract, or any subsidiary or
114.21 affiliate of the employer or entity.

114.22 Subd. 4. **Venue of education.** Prelicensing education may be offered in a classroom,
114.23 online, or by any other means approved by the Nationwide Mortgage Licensing System
114.24 and Registry.

114.25 Subd. 5. **Reciprocity of education.** The prelicensing education requirements
114.26 approved by the Nationwide Mortgage Licensing System and Registry in subdivision
114.27 1 for a state must be accepted as credit toward completion of prelicensing education
114.28 requirements in Minnesota.

114.29 Subd. 6. **Relicensing education requirements.** A person previously licensed under
114.30 this chapter after the effective date of this chapter applying to be licensed again must
114.31 prove that the person has completed all of the continuing education requirements for
114.32 the year in which the license was last held.

114.33 Sec. 8. **[58A.07] TESTING OF LOAN ORIGINATORS.**

114.34 Subdivision 1. **Generally.** In order to meet the written test requirement referred to
114.35 in section 58A.05, clause (5), an individual shall pass, in accordance with the standards

115.1 established under this section, a qualified written test developed by the Nationwide
115.2 Mortgage Licensing System and Registry and administered by a test provider approved
115.3 by the Nationwide Mortgage Licensing System and Registry based upon reasonable
115.4 standards.

115.5 Subd. 2. **Qualified test.** A written test must not be treated as a qualified written
115.6 test for purposes of subdivision 1 unless the test adequately measures the applicant's
115.7 knowledge and comprehension in appropriate subject areas, including:

115.8 (1) ethics;

115.9 (2) federal law and regulation pertaining to mortgage origination;

115.10 (3) state law and rule pertaining to mortgage origination; and

115.11 (4) federal and state law and rule, including instruction on fraud, consumer
115.12 protection, the nontraditional mortgage marketplace, and fair lending issues.

115.13 Subd. 3. **Testing location.** Nothing in this section prohibits a test provider approved
115.14 by the Nationwide Mortgage Licensing System and Registry from providing a test at the
115.15 location of the employer of the applicant or the location of a subsidiary or affiliate of the
115.16 employer of the applicant, or the location of an entity with which the applicant holds an
115.17 exclusive arrangement to conduct the business of a mortgage loan originator.

115.18 Subd. 4. **Minimum competence.** (a) An individual is not considered to have
115.19 passed a qualified written test unless the individual achieves a test score of not less than
115.20 75 percent correct answers to questions.

115.21 (b) An individual may retake a test three consecutive times with each consecutive
115.22 taking occurring at least 30 days after the preceding test.

115.23 (c) After failing three consecutive tests, an individual shall wait at least six months
115.24 before taking the test again.

115.25 (d) A licensed mortgage loan originator who fails to maintain a valid license for a
115.26 period of five years or longer shall retake the test, not taking into account any time during
115.27 which the individual is a registered mortgage loan originator.

115.28 Sec. 9. **[58A.08] STANDARDS FOR LICENSE RENEWAL.**

115.29 Subdivision 1. **Generally.** The minimum standards for license renewal for a
115.30 mortgage loan originator include that the mortgage loan originator:

115.31 (1) continues to meet the minimum standards for license issuance under section
115.32 58A.05;

115.33 (2) has satisfied the annual continuing education requirements described in section
115.34 58A.09; and

115.35 (3) has paid all required fees for renewal of the license.

116.1 Subd. 2. **Failure to satisfy minimum standards of license renewal.** The license of
116.2 a mortgage loan originator failing to satisfy the minimum standards for license renewal
116.3 expires. The commissioner may adopt procedures for the reinstatement of expired licenses
116.4 consistent with the standards established by the Nationwide Mortgage Licensing System
116.5 and Registry.

116.6 Sec. 10. **[58A.09] CONTINUING EDUCATION FOR MORTGAGE LOAN**
116.7 **ORIGINATORS.**

116.8 Subdivision 1. **Generally.** In order to meet the annual continuing education
116.9 requirements referred to in section 58A.08, subdivision 1, clause (2), a licensed mortgage
116.10 loan originator shall complete at least eight hours of education approved according to
116.11 subdivision 2 that includes at least:

116.12 (1) three hours of federal law and regulations;

116.13 (2) two hours of ethics, which includes instruction on fraud, consumer protection,
116.14 and fair lending issues; and

116.15 (3) two hours of training related to lending standards for the nontraditional mortgage
116.16 product marketplace.

116.17 Subd. 2. **Approved educational courses.** For purposes of subdivision 1, continuing
116.18 education courses must be reviewed and approved by the Nationwide Mortgage Licensing
116.19 System and Registry based upon reasonable standards. Review and approval of a
116.20 continuing education course must include review and approval of the course provider.

116.21 Subd. 3. **Approval of employer and affiliate educational courses.** Nothing in
116.22 this section precludes an education course, as approved by the Nationwide Mortgage
116.23 Licensing System and Registry, that is provided by the employer of the mortgage loan
116.24 originator or an entity that is affiliated with the mortgage loan originator by an agency
116.25 contract, or a subsidiary or affiliate of the employer or entity.

116.26 Subd. 4. **Venue of education.** Continuing education may be offered either in a
116.27 classroom, online, or by other means approved by the Nationwide Mortgage Licensing
116.28 System and Registry.

116.29 Subd. 5. **Calculation of continuing education credits.** A licensed mortgage loan
116.30 originator:

116.31 (1) except for subdivision 9 and section 58A.08, subdivision 2, may only receive
116.32 credit for a continuing education course in the year in which the course is taken; and

116.33 (2) may not take the same approved course in the same or successive years to meet
116.34 the annual requirements for continuing education.

117.1 Subd. 6. **Instructor credit.** A licensed mortgage loan originator who is an approved
117.2 instructor of an approved continuing education course may receive credit for the licensed
117.3 mortgage loan originator's own annual continuing education requirement at the rate of
117.4 two hours credit for every one hour taught.

117.5 Subd. 7. **Reciprocity of education.** A person having successfully completed the
117.6 education requirements approved by the Nationwide Mortgage Licensing System and
117.7 Registry in subdivision 1 for a state must be accepted as credit toward completion of
117.8 continuing education requirements in Minnesota.

117.9 Subd. 8. **Lapse in license.** A licensed mortgage loan originator who subsequently
117.10 becomes unlicensed must complete the continuing education requirements for the last year
117.11 in which the license was held before a new or renewed license is issued.

117.12 Subd. 9. **Deficiency.** A person meeting the requirements of section 58A.08,
117.13 subdivision 1, clauses (1) and (3), may make up a deficiency in continuing education as
117.14 established by rule of the commissioner.

117.15 Sec. 11. **[58A.10] AUTHORITY TO REQUIRE LICENSE.**

117.16 In addition to any other duties imposed upon the commissioner by law, the
117.17 commissioner shall require mortgage loan originators to be licensed and registered
117.18 through the Nationwide Mortgage Licensing System and Registry. In order to carry out
117.19 this requirement, the commissioner may participate in the Nationwide Mortgage Licensing
117.20 System and Registry. For this purpose, the commissioner may establish by rule or order
117.21 requirements as necessary, including but not limited to:

117.22 (1) background checks for:

117.23 (i) criminal history through fingerprint or other databases;

117.24 (ii) civil or administrative records;

117.25 (iii) credit history; or

117.26 (iv) other information as determined necessary by the Nationwide Mortgage
117.27 Licensing System and Registry;

117.28 (2) the payment of fees to apply for or renew licenses through the Nationwide
117.29 Mortgage Licensing System and Registry;

117.30 (3) the setting or resetting as necessary of renewal or reporting dates; and

117.31 (4) requirements for amending or surrendering a license or other activities the
117.32 commissioner considers necessary for participation in the Nationwide Mortgage Licensing
117.33 System and Registry.

118.1 Sec. 12. [58A.11] NATIONWIDE MORTGAGE LICENSING SYSTEM AND
118.2 REGISTRY INFORMATION CHALLENGE PROCESS.

118.3 The commissioner shall establish a process that allows mortgage loan originators
118.4 to challenge information entered into the Nationwide Mortgage Licensing System and
118.5 Registry by the commissioner.

118.6 Sec. 13. [58A.12] ENFORCEMENT AUTHORITIES, VIOLATIONS, AND
118.7 PENALTIES.

118.8 (a) In order to ensure the effective supervision and enforcement of this chapter, the
118.9 commissioner may, pursuant to chapter 14:

118.10 (1) deny, suspend, revoke, condition, or decline to renew a license for a violation of
118.11 this chapter, rules issued under this chapter, or order or directive entered under this chapter;

118.12 (2) deny, suspend, revoke, condition, or decline to renew a license if an applicant
118.13 or licensee fails at anytime to meet the requirements of section 58A.05 or 58A.08, or
118.14 withholds information or makes a material misstatement in an application for a license
118.15 or renewal of a license;

118.16 (3) order restitution against persons subject to this chapter for violations of this
118.17 chapter;

118.18 (4) impose fines on persons subject to this chapter pursuant to paragraphs (b)
118.19 to (d); and

118.20 (5) issue orders or directives under this chapter as follows:

118.21 (i) order or direct persons subject to this chapter to cease and desist from conducting
118.22 business, including immediate temporary orders to cease and desist;

118.23 (ii) order or direct persons subject to this chapter to cease any harmful activities or
118.24 violations of this chapter, including immediate temporary orders to cease and desist;

118.25 (iii) enter immediate temporary orders to cease business under a license or interim
118.26 license issued pursuant to the authority granted under section 58A.03, subdivision 4, if
118.27 the commissioner determines that the license was erroneously granted or the licensee is
118.28 currently in violation of this chapter; and

118.29 (iv) order or direct other affirmative action the commissioner considers necessary.

118.30 (b) The commissioner may impose a civil penalty on a mortgage loan originator or
118.31 person subject to this chapter, if the commissioner finds, on the record after notice and
118.32 opportunity for hearing, that the mortgage loan originator or person subject to this chapter
118.33 has violated or failed to comply with any requirement of this chapter or any rule prescribed
118.34 by the commissioner under this chapter or order issued under authority of this chapter.

119.1 (c) The maximum amount of penalty for each act or omission described in paragraph
119.2 (b) is \$25,000.

119.3 (d) Each violation or failure to comply with any directive or order of the
119.4 commissioner is a separate and distinct violation or failure.

119.5 Sec. 14. **[58A.13] SURETY BOND REQUIRED.**

119.6 Subdivision 1. Coverage, form, and rules. (a) Each mortgage loan originator must
119.7 be covered by a surety bond meeting the requirements of this section. In the event that
119.8 the mortgage loan originator is an employee or exclusive agent of a person subject to this
119.9 chapter, the surety bond of the person subject to this chapter can be used in lieu of the
119.10 mortgage loan originator's surety bond requirement.

119.11 (b) The surety bond shall provide coverage for each mortgage loan originator in
119.12 an amount as prescribed in subdivision 2.

119.13 (c) The surety bond must be in a form as prescribed by the commissioner.

119.14 Subd. 2. Penal sum of surety bond. The penal sum of the surety bond must be
119.15 maintained in an amount that reflects the dollar amount of loans originated as determined
119.16 by the commissioner.

119.17 Subd. 3. Action on bond. When an action is commenced on a licensee's bond the
119.18 commissioner may require the filing of a new bond.

119.19 Subd. 4. New bond. Immediately upon recovery upon any action on the bond
119.20 the licensee shall file a new bond.

119.21 Sec. 15. **[58A.14] CONFIDENTIALITY.**

119.22 Subdivision 1. Protections. Except as otherwise provided in Public Law 110-289,
119.23 section 1512, the requirements under chapter 13 or any federal law regarding the privacy
119.24 or confidentiality of any information or material provided to the Nationwide Mortgage
119.25 Licensing System and Registry, and any privilege arising under federal or state law,
119.26 including the rules of any federal or state court, with respect to the information or material,
119.27 continue to apply to the information or material after the information or material has been
119.28 disclosed to the Nationwide Mortgage Licensing System and Registry. The information
119.29 and material may be shared with all state and federal regulatory officials with mortgage
119.30 industry oversight authority without the loss of privilege or the loss of confidentiality
119.31 protections provided by chapter 13 or federal law.

119.32 Subd. 2. Agreements and sharing arrangements. For purposes of this section,
119.33 the commissioner is authorized to enter agreements or sharing arrangements with
119.34 other governmental agencies, the Conference of State Bank Supervisors, the American

120.1 Association of Residential Mortgage Regulators, or other associations representing
120.2 governmental agencies as established by rule or order of the commissioner.

120.3 Subd. 3. **Nonapplicability of certain requirements.** Information or material that is
120.4 subject to a privilege or confidentiality under subdivision 1 is not subject to:

120.5 (1) disclosure under any federal or state law governing the disclosure to the public of
120.6 information held by an officer or an agency of the federal government or the respective
120.7 state; or

120.8 (2) subpoena or discovery, or admission into evidence, in any private civil action
120.9 or administrative process, unless with respect to any privilege held by the Nationwide
120.10 Mortgage Licensing System and Registry with respect to the information or material,
120.11 the person to whom the information or material pertains waives, in whole or in part, in
120.12 the discretion of the person, that privilege.

120.13 Subd. 4. **Coordination with Minnesota Government Data Practices Act.** Chapter
120.14 13 relating to the disclosure of confidential supervisory information or any information or
120.15 material described in subdivision 1 that is inconsistent with subdivision 1 is superseded by
120.16 the requirements of this section.

120.17 Subd. 5. **Public access to information.** This section does not apply with respect to
120.18 the information or material relating to the employment history of, and publicly adjudicated
120.19 disciplinary and enforcement actions against, mortgage loan originators that are included
120.20 in the Nationwide Mortgage Licensing System and Registry for access by the public.

120.21 **Sec. 16. [58A.15] INVESTIGATION AND EXAMINATION AUTHORITY.**

120.22 Subdivision 1. **Generally.** In addition to any authority allowed under this chapter,
120.23 the commissioner may conduct investigations and examinations according to subdivisions
120.24 2 to 9.

120.25 Subd. 2. **Authority to access information.** For purposes of initial licensing, license
120.26 renewal, license suspension, license conditioning, license revocation or termination, or
120.27 general or specific inquiry or investigation to determine compliance with this chapter, the
120.28 commissioner may access, receive and use any books, accounts, records, files, documents,
120.29 information or evidence including but not limited to:

120.30 (1) criminal, civil, and administrative history information, including nonconviction
120.31 data;

120.32 (2) personal history and experience information including independent credit reports
120.33 obtained from a consumer reporting agency described in United States Code, title 15,
120.34 section 1681a(p); and

121.1 (3) any other documents, information, or evidence the commissioner considers
121.2 relevant to the inquiry or investigation regardless of the location, possession, control, or
121.3 custody of the documents, information, or evidence.

121.4 Subd. 3. **Investigation, examination, and subpoena authority.** For the purposes
121.5 of investigating violations or complaints arising under this chapter, or for the purposes of
121.6 examination, the commissioner may review, investigate, or examine a licensee, individual,
121.7 or person subject to this chapter, as often as necessary in order to carry out the purposes
121.8 of this chapter. The commissioner may direct, subpoena, or order the attendance of and
121.9 examine under oath all persons whose testimony may be required about the loans or the
121.10 business or subject matter of any such examination or investigation, and may direct,
121.11 subpoena, or order such person to produce books, accounts, records, files, and any other
121.12 documents the commissioner considers relevant to the inquiry.

121.13 Subd. 4. **Availability of books and records.** A licensee, individual, or person
121.14 subject to this chapter shall make available to the commissioner upon request the books
121.15 and records relating to the operations of the licensee, individual, or person subject to this
121.16 chapter. The commissioner shall have access to the books and records and interview
121.17 the officers, principals, mortgage loan originators, employees, independent contractors,
121.18 agents, and customers of the licensee, individual, or person subject to this chapter
121.19 concerning the licensee's, individual's, or person's business.

121.20 Subd. 5. **Reports and other information as directed.** A licensee, individual, or
121.21 person subject to this chapter shall make or compile reports or prepare other information
121.22 as directed by the commissioner in order to carry out the purposes of this section including
121.23 but not limited to:

121.24 (1) accounting compilations;

121.25 (2) information lists and data concerning loan transactions in a format prescribed
121.26 by the commissioner; or

121.27 (3) other information the commissioner considers necessary to carry out the
121.28 purposes of this section.

121.29 Subd. 6. **Control access to records.** In making an examination or investigation
121.30 authorized by this chapter, the commissioner may control access to documents and records
121.31 of the licensee or person under examination or investigation. The commissioner may
121.32 take possession of the documents and records or place a person in exclusive charge of
121.33 the documents and records in the place where they are usually kept. During the period of
121.34 control, no individual or person shall remove or attempt to remove any of the documents
121.35 and records except pursuant to a court order or with the consent of the commissioner.
121.36 Unless the commissioner has reasonable grounds to believe the documents or records

122.1 of the licensee have been, or are at risk of being, altered or destroyed for purposes of
122.2 concealing a violation of this chapter, the licensee or owner of the documents and records
122.3 has access to the documents or records as necessary to conduct its ordinary business affairs.

122.4 Subd. 7. **Additional authority.** In order to carry out the purposes of this section,
122.5 the commissioner may:

122.6 (1) retain attorneys, accountants, or other professionals and specialists as examiners,
122.7 auditors, or investigators to conduct or assist in the conduct of examinations or
122.8 investigations;

122.9 (2) enter into agreements or relationships with other government officials or
122.10 regulatory associations in order to improve efficiencies and reduce regulatory burden
122.11 by sharing resources, standardized or uniform methods or procedures, and documents,
122.12 records, information, or evidence obtained under this section;

122.13 (3) use, hire, contract, or employ public or privately available analytical systems,
122.14 methods, or software to examine or investigate the licensee, individual, or person subject
122.15 to this chapter;

122.16 (4) accept and rely on examination or investigation reports made by other
122.17 government officials, within or without this state; or

122.18 (5) accept audit reports made by an independent certified public accountant for the
122.19 licensee, individual, or person subject to this chapter in the course of that part of the
122.20 examination covering the same general subject matter as the audit and incorporate the
122.21 audit report in the report of the examination, report of investigation or other writing of
122.22 the commissioner.

122.23 Subd. 8. **Effect of authority.** The authority of this section remains in effect,
122.24 whether a licensee, individual, or person subject to this chapter acts or claims to act under
122.25 any licensing or registration law of this state, or claims to act without such authority.

122.26 Subd. 9. **Withhold records.** A licensee, individual, or person subject to
122.27 investigation or examination under this section shall not knowingly withhold, abstract,
122.28 remove, mutilate, destroy, or secrete any books, records, computer records, or other
122.29 information.

122.30 **Sec. 17. [58A.16] PROHIBITED ACTS AND PRACTICES.**

122.31 Subdivision 1. **Generally.** It is a violation of this chapter for a person or individual
122.32 subject to this chapter to:

122.33 (1) directly or indirectly employ any scheme, device, or artifice to defraud or mislead
122.34 borrowers or lenders or to defraud any person;

122.35 (2) engage in any unfair or deceptive practice toward any person;

- 123.1 (3) obtain property by fraud or misrepresentation;
- 123.2 (4) solicit or enter into a contract with a borrower that provides in substance that the
- 123.3 person or individual subject to this chapter may earn a fee or commission through "best
- 123.4 efforts" to obtain a loan even though no loan is actually obtained for the borrower;
- 123.5 (5) solicit, advertise, or enter into a contract for specific interest rates, points, or
- 123.6 other financing terms unless the terms are actually available at the time of soliciting,
- 123.7 advertising, or contracting;
- 123.8 (6) conduct any business covered by this chapter without holding a valid license as
- 123.9 required under this chapter, or assist or aide and abet any person in the conduct of business
- 123.10 under this chapter without a valid license as required under this chapter;
- 123.11 (7) fail to make disclosures as required by this chapter and any other applicable
- 123.12 state or federal law or regulations;
- 123.13 (8) fail to comply with this chapter or rules adopted under this chapter or fail
- 123.14 to comply with any other state or federal law or regulations applicable to any business
- 123.15 authorized or conducted under this chapter;
- 123.16 (9) make, in any manner, any false or deceptive statement or representation
- 123.17 including, with regard to the rates, points, or other financing terms or conditions for a
- 123.18 residential mortgage loan; or engage in bait-and-switch advertising;
- 123.19 (10) negligently make a false statement or knowingly and willfully make an omission
- 123.20 of material fact in connection with any information or reports filed with a governmental
- 123.21 agency or the Nationwide Mortgage Licensing System and Registry or in connection with
- 123.22 an investigation conducted by the commissioner or another governmental agency;
- 123.23 (11) make a payment, threat, or promise, directly or indirectly, to a person for the
- 123.24 purposes of influencing the independent judgment of the person in connection with a
- 123.25 residential mortgage loan, or make a payment threat or promise, directly or indirectly, to
- 123.26 an appraiser of a property, for the purposes of influencing the independent judgment of the
- 123.27 appraiser with respect to the value of the property;
- 123.28 (12) collect, charge, attempt to collect or charge, or use or propose an agreement
- 123.29 purporting to collect or charge a fee prohibited by this chapter;
- 123.30 (13) cause or require a borrower to obtain property insurance coverage in an amount
- 123.31 that exceeds the replacement cost of the improvements as established by the property
- 123.32 insurer; or
- 123.33 (14) fail to truthfully account for money belonging to a party to a residential
- 123.34 mortgage loan transaction.
- 123.35 **Subd. 2. Loan processor or underwriter activities. An individual engaging solely**
- 123.36 **in loan processor or underwriter activities shall not represent to the public, through**

124.1 advertising or other means of communicating or providing information, including the use
124.2 of business cards, stationery, brochures, signs, rate lists, or other promotional items, that
124.3 the individual can or will perform any of the activities of a mortgage loan originator.

124.4 Sec. 18. **[58A.17] MORTGAGE CALL REPORTS.**

124.5 A mortgage licensee shall submit to the Nationwide Mortgage Licensing System and
124.6 Registry reports of condition, which must be in the form and contain the information the
124.7 Nationwide Mortgage Licensing System and Registry requires.

124.8 Sec. 19. **[58A.18] REPORT TO NATIONWIDE MORTGAGE LICENSING**
124.9 **SYSTEM AND REGISTRY.**

124.10 The commissioner shall regularly report violations of this chapter, as well as
124.11 enforcement actions and other relevant information, to the Nationwide Mortgage
124.12 Licensing System and Registry subject to the provisions contained in section 58A.14.

124.13 Sec. 20. **[58A.20] UNIQUE IDENTIFIER SHOWN.**

124.14 The unique identifier of any person originating a residential mortgage loan shall
124.15 be clearly shown on all residential mortgage loan application forms, solicitations, or
124.16 advertisements, including business cards or Web sites, and any other documents as
124.17 established by rule or order of the commissioner.

124.18 Sec. 21. **[58A.22] INCORPORATION BY REFERENCE.**

124.19 The final rules adopted by the United States Department of Housing and Urban
124.20 Development under the Secure and Fair Enforcement for Mortgage Licensing Act of 2008,
124.21 and subsequent amendments, are incorporated by reference.

124.22 Sec. 22. **EFFECTIVE DATE.**

124.23 This article is effective July 31, 2010.

124.24 **ARTICLE 5**

124.25 **CONFORMING AND TRANSITIONAL PROVISIONS RELATING TO**
124.26 **MINNESOTA STATUTES, CHAPTER 58**

124.27 Section 1. Minnesota Statutes 2008, section 58.04, subdivision 1, is amended to read:

124.28 Subdivision 1. **Residential mortgage originator licensing requirements.** (a)

124.29 No person shall act as a residential mortgage originator, or make residential mortgage
124.30 loans without first obtaining a license from the commissioner according to the licensing
124.31 procedures provided in this chapter.

125.1 (b) A licensee must be either a partnership, limited liability partnership, association,
125.2 limited liability company, corporation, or other form of business organization, and must
125.3 have and maintain ~~at all times one of the following: approval as a mortgagee by either the~~
125.4 ~~federal Department of Housing and Urban Development or the Federal National Mortgage~~
125.5 ~~Association; a minimum net worth, net of intangibles, of at least \$250,000; or a surety~~
125.6 ~~bond or irrevocable letter of credit in the amount of \$50,000~~ amounts prescribed under
125.7 section 58.08. ~~Net worth, net of intangibles, must be calculated in accordance with~~
125.8 ~~generally accepted accounting principles.~~

125.9 (c) The following persons are exempt from the residential mortgage originator
125.10 licensing requirements:

125.11 (1) a person who is not in the business of making residential mortgage loans and who
125.12 makes no more than three such loans, with its own funds, during any 12-month period;

125.13 (2) a financial institution as defined in section 58.02, subdivision 10;

125.14 (3) an agency of the federal government, or of a state or municipal government;

125.15 (4) an employee or employer pension plan making loans only to its participants;

125.16 (5) a person acting in a fiduciary capacity, such as a trustee or receiver, as a result of
125.17 a specific order issued by a court of competent jurisdiction; or

125.18 (6) a person exempted by order of the commissioner.

125.19 Sec. 2. Minnesota Statutes 2009 Supplement, section 58.06, subdivision 2, is amended
125.20 to read:

125.21 Subd. 2. **Application contents.** (a) The application must contain the name and
125.22 complete business address or addresses of the license applicant. The license applicant
125.23 must be a partnership, limited liability partnership, association, limited liability company,
125.24 corporation, or other form of business organization, and the application must contain the
125.25 names and complete business addresses of each partner, member, director, and principal
125.26 officer. The application must also include a description of the activities of the license
125.27 applicant, in the detail and for the periods the commissioner may require.

125.28 (b) A residential mortgage originator applicant must submit ~~one of the following:~~

125.29 ~~(1) evidence which shows, to the commissioner's satisfaction, that either the federal~~
125.30 ~~Department of Housing and Urban Development or the Federal National Mortgage~~
125.31 ~~Association has approved the residential mortgage originator applicant as a mortgagee;~~

125.32 ~~(2) a surety bond or irrevocable letter of credit in the amount of not less than~~
125.33 ~~\$50,000 in a form approved by the commissioner, issued by an insurance company or bank~~
125.34 ~~authorized to do so in this state. The bond or irrevocable letter of credit must be available~~
125.35 ~~for the recovery of expenses, fines, and fees levied by the commissioner under this chapter~~

126.1 ~~and for losses incurred by borrowers. The bond or letter of credit must be submitted with~~
126.2 ~~the license application, and evidence of continued coverage must be submitted with each~~
126.3 ~~renewal. Any change in the bond or letter of credit must be submitted for approval by the~~
126.4 ~~commissioner within ten days of its execution; or~~

126.5 ~~(3) a copy of the residential mortgage originator applicant's most recent audited~~
126.6 ~~financial statement, including balance sheet, statement of income or loss, statements of~~
126.7 ~~changes in shareholder equity, and statement of changes in financial position. Financial~~
126.8 ~~statements must be as of a date within 12 months of the date of application. a surety bond~~
126.9 ~~that meets the requirements of section 58.08, subdivision 1a.~~

126.10 (c) The application must also include all of the following:

126.11 (1) an affirmation under oath that the applicant:

126.12 (i) is in compliance with the requirements of section 58.125;

126.13 ~~(ii) will maintain a perpetual roster of individuals employed as residential mortgage~~
126.14 ~~originators, including employees and independent contractors, which includes the dates~~
126.15 ~~that mandatory testing, initial education, and continuing education were completed. In~~
126.16 ~~addition, the roster must be made available to the commissioner on demand, within three~~
126.17 ~~business days of the commissioner's request;~~

126.18 ~~(iii) (ii)~~ will advise the commissioner of any material changes to the information
126.19 submitted in the most recent application within ten days of the change;

126.20 ~~(iv) (iii)~~ will advise the commissioner in writing immediately of any bankruptcy
126.21 petitions filed against or by the applicant or licensee;

126.22 ~~(v) (iv)~~ will maintain at all times ~~either a net worth, net of intangibles, of at least~~
126.23 ~~\$250,000 or a surety bond or irrevocable letter of credit in the amount of at least \$50,000~~
126.24 ~~\$100,000;~~

126.25 ~~(vi) (v)~~ complies with federal and state tax laws; and

126.26 ~~(vii) (vi)~~ complies with sections 345.31 to 345.60, the Minnesota unclaimed
126.27 property law;

126.28 (2) information as to the mortgage lending, servicing, or brokering experience of the
126.29 applicant and persons in control of the applicant;

126.30 (3) information as to criminal convictions, excluding traffic violations, of persons in
126.31 control of the license applicant;

126.32 (4) whether a court of competent jurisdiction has found that the applicant or persons
126.33 in control of the applicant have engaged in conduct evidencing gross negligence, fraud,
126.34 misrepresentation, or deceit in performing an act for which a license is required under
126.35 this chapter;

127.1 (5) whether the applicant or persons in control of the applicant have been the subject
 127.2 of: an order of suspension or revocation, cease and desist order, or injunctive order, or
 127.3 order barring involvement in an industry or profession issued by this or another state or
 127.4 federal regulatory agency or by the Secretary of Housing and Urban Development within
 127.5 the ten-year period immediately preceding submission of the application; and

127.6 (6) other information required by the commissioner.

127.7 Sec. 3. Minnesota Statutes 2008, section 58.08, is amended by adding a subdivision to
 127.8 read:

127.9 Subd. 1a. Residential mortgage originators. (a) An applicant for a residential
 127.10 mortgage originator license must file with the department a surety bond in the amount of
 127.11 \$100,000, issued by an insurance company authorized to do so in this state. The bond
 127.12 must cover all mortgage loan originators who are employees or independent agents of
 127.13 the applicant. The bond must be available for the recovery of expenses, fines, and fees
 127.14 levied by the commissioner under this chapter and for losses incurred by borrowers as
 127.15 a result of a licensee's noncompliance with the requirements of this chapter, sections
 127.16 325D.43 to 325D.48, and 325F.67 to 325F.69, or breach of contract relating to activities
 127.17 regulated by this chapter.

127.18 (b) The bond must be submitted with the originator's license application and
 127.19 evidence of continued coverage must be submitted with each renewal. Any change in the
 127.20 bond must be submitted for approval by the commissioner, within ten days of its execution.
 127.21 The bond or a substitute bond shall remain in effect during all periods of licensing.

127.22 (c) Upon filing of the mortgage call report as required by section 58A.17, a licensee
 127.23 shall maintain or increase its surety bond to reflect the total dollar amount of the closed
 127.24 residential mortgage loans originated in this state in the preceding year according to the
 127.25 table in this paragraph. A licensee may decrease its surety bond according to the table in
 127.26 this paragraph if the surety bond required is less than the amount of the surety bond on
 127.27 file with the department.

127.28 <u>Dollar Amount of Closed Residential</u> 127.29 <u>Mortgage Loans</u>	127.28 <u>Surety Bond Required</u>
127.30 <u>\$0 to \$5,000,000</u>	127.30 <u>\$100,000</u>
127.31 <u>\$5,000,000.01 to \$10,000,000</u>	127.31 <u>\$125,000</u>
127.32 <u>\$10,000,000.01 to \$25,000,000</u>	127.32 <u>\$150,000</u>
127.33 <u>Over \$25,000,000</u>	127.33 <u>\$200,000</u>

127.34 For purposes of this subdivision, "mortgage loan originator" has the meaning given
 127.35 the term in section 58A.02, subdivision 7.

128.1 Sec. 4. Minnesota Statutes 2008, section 58.09, is amended to read:

128.2 **58.09 TERM OF LICENSE.**

128.3 ~~Initial~~ Licenses for residential mortgage originators and residential mortgage
128.4 servicers issued under this chapter expire on ~~July 31, 2001,~~ December 31 and are
128.5 renewable on ~~August 1, 2001, and on August 1~~ January 1 of each ~~odd-numbered~~ year
128.6 after that date. ~~A new licensee whose license expires less than 12 months from the date~~
128.7 ~~of issuance shall pay a fee equal to one-half the applicable initial license fee set forth in~~
128.8 ~~section 58.10, subdivision 1, clause (1) or (3).~~

128.9 Sec. 5. Minnesota Statutes 2008, section 58.10, subdivision 1, is amended to read:

128.10 Subdivision 1. **Amounts.** The following fees must be paid to the commissioner:

128.11 (1) for ~~an initial~~ a residential mortgage originator license, ~~\$2,125~~ \$1,000, \$50 of
128.12 which is credited to the consumer education account in the special revenue fund;

128.13 (2) for a renewal license, ~~\$1,125~~ \$500, \$50 of which is credited to the consumer
128.14 education account in the special revenue fund;

128.15 (3) for ~~an initial~~ a residential mortgage servicer's license, ~~\$1,000~~ \$500;

128.16 (4) for a renewal license, ~~\$500~~ \$250; and

128.17 (5) for a certificate of exemption, \$100.

128.18 Sec. 6. Minnesota Statutes 2008, section 58.11, is amended to read:

128.19 **58.11 LICENSE RENEWAL.**

128.20 Subdivision 1. **Term.** Licenses are renewable on ~~August 1, 2001, and on August 1~~
128.21 January 1 of each ~~odd-numbered~~ year ~~after that date.~~

128.22 Subd. 2. **Timely renewal.** (a) A person whose application is properly and timely
128.23 filed who has not received notice of denial of renewal is considered approved for renewal
128.24 and the person may continue to transact business as a residential mortgage originator or
128.25 servicer whether or not the renewed license has been received on or before ~~August~~ January
128.26 1 of the renewal year. Application for renewal of a license is considered timely filed if
128.27 received by the commissioner by, or mailed with proper postage and postmarked by, ~~July~~
128.28 December 15 of the renewal year. An application for renewal is considered properly filed
128.29 if made upon forms duly executed and sworn to, accompanied by fees prescribed by this
128.30 chapter, and containing any information that the commissioner requires.

128.31 (b) A person who fails to make a timely application for renewal of a license and
128.32 who has not received the renewal license as of ~~August~~ January 1 of the renewal year is
128.33 unlicensed until the renewal license has been issued by the commissioner and is received
128.34 by the person.

129.1 Subd. 3. **Contents of renewal application.** Application for the renewal of an
129.2 existing license must contain the information specified in section 58.06, subdivision 2;
129.3 however, only the requested information having changed from the most recent prior
129.4 application need be submitted.

129.5 Subd. 4. **Cancellation.** A licensee ceasing an activity or activities regulated by this
129.6 chapter and desiring to no longer be licensed shall so inform the commissioner in writing
129.7 and, at the same time, surrender the license and all other symbols or indicia of licensure.
129.8 The licensee shall include a plan for the withdrawal from regulated business, including a
129.9 timetable for the disposition of the business.

129.10 Sec. 7. **RESIDENTIAL MORTGAGE ORIGINATORS AND SERVICERS;**
129.11 **TRANSITIONAL LICENSE FEE AND TERMS.**

129.12 A residential mortgage originator licensee and a residential mortgage service
129.13 licensee operating under a valid license under Minnesota Statutes 2008, chapter 58,
129.14 with an expiration date of July 31, 2011, shall pay a prorated renewal fee of \$200 for a
129.15 residential mortgage originator, and \$100 for a residential mortgage servicer. The prorated
129.16 license renewal fee must be paid by December 31, 2010, and such payment extends the
129.17 license term until December 31, 2011.

129.18 Sec. 8. **REPEALER.**

129.19 Minnesota Statutes 2009 Supplement, section 58.126, is repealed.

129.20 Sec. 9. **EFFECTIVE DATE.**

129.21 This article is effective July 31, 2010.

129.22 **ARTICLE 6**

129.23 **COMMERCE**

129.24 Section 1. Minnesota Statutes 2008, section 60K.36, subdivision 2, is amended to read:

129.25 Subd. 2. **Examination not required.** A resident individual applying for a limited
129.26 lines credit insurance, title insurance, travel baggage insurance, ~~mobile telephone~~
129.27 ~~insurance~~, or bail bonds license is not required to take a written examination.

129.28 Sec. 2. Minnesota Statutes 2008, section 60K.38, subdivision 1, is amended to read:

129.29 Subdivision 1. **Issuance.** (a) Unless denied a license under section 60K.43, a person
129.30 who has met the requirements of sections 60K.36 and 60K.37 must be issued an insurance

130.1 producer license. An insurance producer may receive qualification for a license in one or
130.2 more of the lines of authority in paragraphs (b) and (c).

130.3 (b) An individual insurance producer may receive qualification for a license in
130.4 one or more of the following major lines:

130.5 (1) life insurance: coverage on human lives including benefits of endowment and
130.6 annuities, and may include benefits in the event of death or dismemberment by accident
130.7 and benefits for disability income;

130.8 (2) accident and health or sickness insurance: coverage for sickness, bodily injury,
130.9 or accidental death, and may include benefits for disability income;

130.10 (3) property insurance: coverage for the direct or consequential loss or damage to
130.11 property of every kind;

130.12 (4) casualty insurance: coverage against legal liability, including that for death,
130.13 injury, or disability, or damage to real or personal property;

130.14 (5) variable life and variable annuity products insurance: coverage provided under
130.15 variable life insurance contracts and variable annuities; and

130.16 (6) personal lines: property and casualty insurance coverage sold to individuals and
130.17 families for primarily noncommercial purposes.

130.18 (c) An individual insurance producer may receive qualification for a license in
130.19 one or more of the following limited lines:

130.20 (1) limited line credit insurance;

130.21 (2) farm property and liability insurance;

130.22 (3) title insurance;

130.23 (4) travel baggage insurance; and

130.24 ~~(5) mobile telephone insurance; and~~

130.25 ~~(6) (5) bail bonds.~~

130.26 **Sec. 3. [60K.381] SALE OF PORTABLE ELECTRONICS INSURANCE.**

130.27 **Subdivision 1. Definitions.** For purposes of this section, the following terms have
130.28 the following meanings:

130.29 (a) "Customer" means a person who purchases portable electronics or services.

130.30 (b) "Covered customer" means a customer who elects coverage under a portable
130.31 electronics insurance policy issued to a vendor of portable electronics.

130.32 (c) "Portable electronics" means electronic devices that are portable in nature, their
130.33 accessories, and services related to the use of the device.

130.34 (d)(1) "Portable electronics insurance" means insurance providing coverage for
130.35 the repair or replacement of portable electronics, which may cover portable electronics

131.1 against any one or more of the following causes of loss: loss, theft, mechanical failure,
131.2 malfunction, damage, or other applicable perils.

131.3 (2) "Portable electronics insurance" does not include:

131.4 (i) a service contract governed by chapter 59B;

131.5 (ii) a policy of insurance covering a seller's or a manufacturer's obligations under
131.6 a warranty; or

131.7 (iii) a homeowner's, renter's, private passenger automobile, commercial multiperil,
131.8 or similar policy that covers loss or theft of portable electronics.

131.9 (e) "Portable electronics transaction" means:

131.10 (1) the sale or lease of portable electronics by a vendor to a customer; or

131.11 (2) the sale of a service related to the use of portable electronics by a vendor to a
131.12 customer.

131.13 (f) "Supervising agency" means a business entity that is a licensed insurance
131.14 producer.

131.15 (g) "Vendor" means a business entity in the business of engaging in portable
131.16 electronics transactions, directly or indirectly.

131.17 Subd. 2. **Licensure of vendors.** (a) A vendor is required to hold a limited lines
131.18 license issued under this section to sell or offer coverage under a policy of portable
131.19 electronics insurance in connection with, and incidental to, a portable electronics
131.20 transaction with a customer.

131.21 (b) A limited lines license issued under this section shall authorize any employee or
131.22 authorized representative of the vendor to sell or offer coverage under a policy of portable
131.23 electronics insurance to a customer in connection with, and incidental to, a portable
131.24 electronics transaction at each location at which the vendor engages in portable electronics
131.25 transactions. The application for such a limited lines license shall set forth each location at
131.26 which the vendor offers coverage under a policy of portable electronics insurance. The
131.27 vendor shall notify the commissioner within 30 days of adding or eliminating such a
131.28 location.

131.29 (c) Notwithstanding any other provision of law, a license issued pursuant to this
131.30 section shall authorize the licensee and its employees or authorized representatives to
131.31 engage only in those activities that are expressly permitted in this section.

131.32 Subd. 3. **Requirements for sale of portable electronics insurance.** (a) At every
131.33 location where portable electronics insurance is offered to customers, brochures, or other
131.34 written materials must be made available to a prospective customer which:

132.1 (1) disclose that portable electronics insurance may provide a duplication of
132.2 coverage already provided by a customer's homeowner's insurance policy, renter's
132.3 insurance policy, or other source of coverage;

132.4 (2) state that the enrollment by the customer in a portable electronics insurance
132.5 program is not required in order to purchase or lease portable electronics or services;

132.6 (3) summarize the material terms of the insurance coverage, including:

132.7 (i) the identity of the insurer;

132.8 (ii) the identity of the supervising agency;

132.9 (iii) the amount of any applicable deductible and how it is to be paid;

132.10 (iv) benefits of the coverage;

132.11 (v) the terms for terminating or modifying coverage as set forth in the policy of
132.12 portable electronics insurance; and

132.13 (vi) any material exclusions, conditions, or other limitations of coverage including
132.14 whether portable electronics may be repaired or replaced with similar make and model
132.15 reconditioned or nonoriginal manufacturer parts or equipment;

132.16 (4) describe the process for filing a claim, including a description of any
132.17 requirements:

132.18 (i) to return portable electronics and the maximum fee applicable in the event the
132.19 customer fails to comply with any equipment return requirements; and

132.20 (ii) any proof of loss requirements; and

132.21 (5) state that the customer may cancel enrollment for coverage under a portable
132.22 electronics insurance policy at any time and any unearned premium will be refunded
132.23 on a pro rata basis.

132.24 (b) Portable electronics insurance may be offered on a month to month or other
132.25 periodic basis as a group or master commercial inland marine policy issued to a vendor of
132.26 portable electronics under which individual customers may elect to enroll for coverage.

132.27 (c) Notwithstanding any other provision of Minnesota law regarding the termination
132.28 or modification of coverage under a policy of insurance, the terms for the termination
132.29 or modification of coverage under a policy of portable electronics insurance issued in
132.30 compliance with this chapter shall be as set forth in the policy.

132.31 (d) Eligibility and underwriting standards for customers electing to enroll in
132.32 coverage shall be established for each portable electronics insurance program.

132.33 Subd. 4. **Authority of vendors of portable electronics.** (a) The employees and
132.34 authorized representatives of vendors may sell or offer portable electronics insurance to
132.35 customers and shall not be subject to licensure as an insurance producer under this chapter
132.36 provided that:

133.1 (1) the vendor obtains a limited lines license to authorize its employees or authorized
133.2 representatives to sell or offer portable electronics insurance pursuant to this section;

133.3 (2) the insurer issuing the portable electronics insurance appoints a supervising
133.4 agency to supervise the administration of the program including development of a training
133.5 program for employees and authorized representatives of the vendors. The training
133.6 required by this subdivision shall comply with the following:

133.7 (i) the training shall be delivered to all employees and authorized representatives of
133.8 the vendors who sell or offer portable electronics insurance;

133.9 (ii) the training may be provided in electronic form. However, if conducted in
133.10 an electronic form, the supervising agency shall implement a program of in-person
133.11 training conducted by licensed employees of the supervising agency to supplement the
133.12 electronic training; and

133.13 (iii) each employee and authorized representative shall receive basic instruction
133.14 about the portable electronics insurance offered to customers and the disclosures required
133.15 under subdivision 3; and

133.16 (3) no employee or authorized representative of a vendor of portable electronics
133.17 shall advertise, represent, or otherwise hold himself or herself out as a nonlimited lines
133.18 licensed insurance producer.

133.19 (b) The charges for insurance coverage may be billed and collected by the vendor of
133.20 portable electronics. If billed and collected by the vendor, the charges shall be separately
133.21 itemized from the charges for the purchase or lease of portable electronics or services.
133.22 Vendors billing and collecting such charges shall not be required to maintain such funds
133.23 in a segregated account provided that the vendor is authorized by the insurer to hold
133.24 such funds in an alternative manner and remits such amounts to the supervising agency
133.25 within 60 days of receipt. All funds received by a vendor from a customer for the sale of
133.26 portable electronics insurance shall be considered funds held by the vendor in a fiduciary
133.27 capacity for the benefit of the insurer. Vendors may receive compensation for billing
133.28 and collection services.

133.29 Sec. 4. Minnesota Statutes 2009 Supplement, section 60K.55, subdivision 2, is
133.30 amended to read:

133.31 Subd. 2. **Licensing fees.** (a) In addition to fees provided for examinations and the
133.32 technology surcharge required under paragraph (d), each insurance producer licensed
133.33 under this chapter shall pay to the commissioner a fee of:

133.34 (1) \$50 for an initial life, accident and health, property, or casualty license issued to
133.35 an individual insurance producer, and a fee of \$50 for each renewal;

134.1 (2) \$50 for an initial variable life and variable annuity license issued to an individual
134.2 insurance producer, and a fee of \$50 for each renewal;

134.3 (3) \$50 for an initial personal lines license issued to an individual insurance
134.4 producer, and a fee of \$50 for each renewal;

134.5 (4) \$50 for an initial limited lines license issued to an individual insurance producer,
134.6 and a fee of \$50 for each renewal;

134.7 (5) \$200 for an initial license issued to a business entity, and a fee of \$200 for each
134.8 renewal; ~~and~~

134.9 (6) \$500 for an initial surplus lines license, and a fee of \$500 for each renewal;

134.10 (7) \$100 per location for the initial and renewal of a portable electronics insurance
134.11 limited lines license issued to a vendor, as defined in section 60K.381, subdivision 1,
134.12 paragraph (g), engaged in portable electronics transactions at ten or fewer locations in
134.13 this state as set forth in its application and any subsequent notice under section 60K.381,
134.14 subdivision 2, paragraph (b); and

134.15 (8) \$6,500 for the initial and renewal of a portable electronics insurance limited lines
134.16 license issued to a vendor, as defined in section 60K.381, subdivision 1, paragraph (g),
134.17 engaged in portable electronics transactions at more than ten locations in this state as set
134.18 forth in its application and any subsequent notice under section 60K.381, subdivision 2,
134.19 paragraph (b).

134.20 (b) Initial licenses issued to a business entity under this chapter and section 60K.381
134.21 are valid for a period not to exceed 24 months and expire on October 31 of the renewal
134.22 year assigned by the commissioner. Initial licenses issued to an individual insurance
134.23 producer under this chapter before August 1, 2010, are valid for a period not to exceed 24
134.24 months and expire on October 31 of the renewal year assigned by the commissioner. Each
134.25 individual license initially issued or renewed on or after August 1, 2010, expires on the last
134.26 day of the birth month of the producer in the year that will result in the term of the license
134.27 being at least 12 months, but no more than 24 months. Beginning with the first license
134.28 expiration on the last day of the birth month of an individual producer as set forth in this
134.29 paragraph, all such licenses must after this date expire biennially on the last day of the birth
134.30 month of the individual producer that is two years subsequent to the preceding expiration
134.31 date. Each renewal insurance producer license is valid for a period of 24 months.

134.32 (c) All fees are nonreturnable, except that an overpayment of any fee may be
134.33 refunded upon proper application.

134.34 (d) In addition to the fees required under paragraph (a), individual insurance
134.35 producers shall pay, for each initial license and renewal, a technology surcharge of up to

135.1 \$40 under section 45.24, unless the commissioner has adjusted the surcharge as permitted
135.2 under that section.

135.3 Sec. 5. Minnesota Statutes 2009 Supplement, section 82B.05, subdivision 1, is
135.4 amended to read:

135.5 Subdivision 1. **Members.** The Real Estate Appraiser Advisory Board consists of
135.6 ~~15~~ nine members appointed by the commissioner of commerce. Three of the members
135.7 must be ~~public members~~, ~~four~~ must be consumers of appraisal services, of whom one
135.8 member must be employed in the financial lending industry, and ~~eight~~ six must be real
135.9 estate appraisers who are currently licensed in good standing, of whom ~~not less than two~~
135.10 three members must be ~~trainee real property appraisers, licensed real property appraisers,~~
135.11 ~~or~~ certified residential real property appraisers, ~~not less than two~~ and three members must
135.12 be certified general real property appraisers, ~~and not less than~~. At least one member of the
135.13 board must be certified by the Appraisal Qualification Board of the Appraisal Foundation
135.14 to teach the Uniform Standards of Professional Appraisal Practice. Each of the three
135.15 categories of members must include at least one member who lives or works outside of the
135.16 seven-county metropolitan area. The board is governed by section 15.0575.

135.17 **EFFECTIVE DATE.** This section is effective January 1, 2011.

135.18 Sec. 6. Minnesota Statutes 2008, section 82B.05, subdivision 5, is amended to read:

135.19 Subd. 5. **Conduct of meetings.** Places of regular board meetings must be decided
135.20 by the vote of members. Written notice must be given to each member of the time and
135.21 place of each meeting of the board at least ten days before the scheduled date of regular
135.22 board meetings. The board shall establish procedures for emergency board meetings and
135.23 other operational procedures, subject to the approval of the commissioner.

135.24 The members of the board shall elect a chair from among the members to preside
135.25 at board meetings.

135.26 A quorum of the board is ~~eight~~ five members.

135.27 The board shall meet at least once every six months as determined by a majority
135.28 vote of the members or a call of the commissioner.

135.29 **EFFECTIVE DATE.** This section is effective January 1, 2011.

135.30 Sec. 7. Minnesota Statutes 2008, section 82B.05, is amended by adding a subdivision
135.31 to read:

136.1 Subd. 7. **Enforcement data.** The commissioner shall, on a regular basis, provide
136.2 the board with the commissioner's public enforcement data.

136.3 **EFFECTIVE DATE.** This section is effective January 1, 2011.

136.4 Sec. 8. Minnesota Statutes 2008, section 82B.06, is amended to read:

136.5 **82B.06 POWERS OF THE BOARD.**

136.6 The board shall make recommendations to the commissioner as the commissioner
136.7 requests or at the board's own initiative on:

136.8 (1) rules with respect to each category of licensed real estate appraiser, the type of
136.9 educational experience, appraisal experience, and equivalent experience that will meet
136.10 the requirements of this chapter;

136.11 (2) examination specifications for each category of licensed real estate appraiser,
136.12 to assist in providing or obtaining appropriate examination questions and answers, and
136.13 procedures for grading examinations;

136.14 (3) rules with respect to each category of licensed real estate appraiser, the
136.15 continuing education requirements for the renewal of licensing that will meet the
136.16 requirements provided in this chapter;

136.17 (4) periodic review of the standards for the development and communication of
136.18 real estate appraisals provided in this chapter and rules explaining and interpreting the
136.19 standards; and

136.20 (5) other matters necessary in carrying out the provisions of this chapter.

136.21 **EFFECTIVE DATE.** This section is effective January 1, 2011.

136.22 Sec. 9. **[82C.01] TITLE.**

136.23 This chapter shall be known as the Minnesota Appraisal Management Company
136.24 Licensing and Regulation Act.

136.25 Sec. 10. **[82C.02] DEFINITIONS.**

136.26 Subdivision 1. **Terms.** As used in this chapter, the terms in this section have the
136.27 meanings given them.

136.28 Subd. 2. **Appraisal.** In conformance with the Uniform Standards of Professional
136.29 Appraisal Practice (USPAP), "appraisal" is defined as: (noun) the act or process of
136.30 developing an opinion of value; an opinion of value; (adjective) of or pertaining to
136.31 appraising and related functions such as appraisal practice or appraisal services. For

137.1 purposes of this chapter, all appraisals or assignments that are referred to involve one to
137.2 four unit single-family properties.

137.3 Subd. 3. **Appraisal assignment.** "Appraisal assignment" means an engagement for
137.4 which an appraiser is employed or retained to act, as a disinterested third party in giving
137.5 an unbiased analysis, opinion, or conclusion relating to the nature, quality, value, or utility
137.6 of named interests in, or aspects of, identified real estate.

137.7 Subd. 4. **Appraisal management company.** "Appraisal management company"
137.8 means a corporation, partnership, sole proprietorship, subsidiary, unit, or other business
137.9 entity that directly or indirectly performs the following appraisal management services:

137.10 (1) administers networks of independent contractors and/or employee appraisers to
137.11 perform residential real estate appraisal assignments for clients;

137.12 (2) receives requests for residential real estate appraisal services from clients and, for
137.13 a fee paid by the client, enters into an agreement with one or more independent appraisers
137.14 to perform the real estate appraisal services contained in the request; or

137.15 (3) serves as a third-party broker of appraisal management services between clients
137.16 and appraisers.

137.17 Subd. 5. **Appraisal management services.** "Appraisal management services"
137.18 means the process of directly or indirectly performing any of the following functions on
137.19 behalf of a lender, financial institution, client, or any other person to:

137.20 (1) administer an appraiser panel;

137.21 (2) recruit, qualify, verify licensing or certification, and negotiate fees and service
137.22 level expectations with persons who are part of an appraiser panel;

137.23 (3) receive an order for an appraisal from one person, and deliver the order for the
137.24 appraisal to an appraiser that is part of an appraiser panel for completion;

137.25 (4) track and determine the status of orders for appraisals;

137.26 (5) conduct quality control of a completed appraisal prior to the delivery of the
137.27 appraisal to the person that ordered the appraisal; or

137.28 (6) provide a completed appraisal performed by an appraiser to one or more clients.

137.29 Subd. 6. **Appraiser.** "Appraiser" means a person who is expected to perform
137.30 valuation services competently and in a manner that is independent, impartial, and
137.31 objective, and who is licensed under chapter 82B.

137.32 Subd. 7. **Appraiser panel.** "Appraiser panel" means a network of licensed or
137.33 certified appraisers who are independent contractors to the appraisal management
137.34 company that have:

137.35 (1) responded to an invitation, request, or solicitation from an appraisal management
137.36 company, in any form, to perform appraisals for persons that have ordered appraisals

138.1 through the appraisal management company, or to perform appraisals for the appraisal
138.2 management company directly, on a periodic basis, as requested and assigned by the
138.3 appraisal management company; and

138.4 (2) been selected and approved by an appraisal management company to perform
138.5 appraisals for any client of the appraisal management company that has ordered an
138.6 appraisal through the appraisal management company, or to perform appraisals for the
138.7 appraisal management company directly, on a periodic basis, as assigned by the appraisal
138.8 management company.

138.9 Subd. 8. **Appraisal review.** "Appraisal review" means the act of developing
138.10 and communicating an opinion about the quality of another appraiser's work that was
138.11 performed as part of an appraisal assignment, except that an examination of an appraisal
138.12 for grammatical, typographical, or other similar errors that do not make a substantive
138.13 valuation change shall not be an appraisal review.

138.14 Subd. 9. **Client.** "Client" means any person or entity that contracts with, or
138.15 otherwise enters into an agreement with, an appraisal management company for the
138.16 performance of real estate appraisal services or appraisal management services. For
138.17 purposes of this chapter, the appraisal management company is the party engaging the
138.18 independent appraiser and can be the appraiser's client. However, this does not preclude
138.19 an appraisal management company from acting as a duly authorized agent for a lender.

138.20 Subd. 10. **Commissioner.** "Commissioner" means the commissioner of commerce.

138.21 Subd. 11. **Controlling person.** "Controlling person" means:

138.22 (1) any owner, officer, or director of an appraisal management company seeking to
138.23 offer appraisal management services in this state;

138.24 (2) an individual employed, appointed, or authorized by an appraisal management
138.25 company that has the authority to enter into a contractual relationship with other persons
138.26 for the performance of appraisal management services and has the authority to enter into
138.27 agreements with appraisers for the performance of appraisals;

138.28 (3) an individual who possesses, directly or indirectly, the power to direct or cause
138.29 the direction of the management or policies of an appraisal management company; or

138.30 (4) an individual who enters into:

138.31 (i) contractual relationships with clients for the performance of appraisal
138.32 management services; and

138.33 (ii) agreements with employed and independent appraisers for the performance
138.34 of real estate appraisal services.

138.35 Subd. 12. **Employee.** "Employee" means an individual who is treated as an
138.36 employee for purposes of compliance with federal income tax laws.

139.1 Subd. 13. **Person.** "Person" means a natural person, firm, partnership, limited
139.2 liability partnership, corporation, association, limited liability company, or other form of
139.3 business organization and the officers, directors, employees, or agents of that person.

139.4 Subd. 14. **USPAP.** "USPAP" means the Uniform Standards of Professional
139.5 Appraisal Practice as established by the Appraisal Foundation. State and federal regulatory
139.6 authorities enforce the content of the current or applicable edition of USPAP.

139.7 Sec. 11. **[82C.03] LICENSING.**

139.8 Subdivision 1. **Requirement.** It is unlawful for a person, corporation, partnership,
139.9 sole proprietorship, subsidiary, unit, or other business entity to directly or indirectly
139.10 engage or attempt to engage in business as an appraisal management company, to directly
139.11 or indirectly engage or attempt to perform appraisal management services, or to advertise
139.12 or hold itself out as engaging in or conducting business as an appraisal management
139.13 company without first obtaining a license issued by the commissioner under the provisions
139.14 of this chapter.

139.15 Subd. 2. **Owner requirements.** (a) An appraisal management company applying to
139.16 the commissioner for a license in this state may not be more than ten percent owned by
139.17 any person that is currently subject to any cease and desist order or injunctive order that
139.18 would preclude involvement with an appraisal management company, or that has ever:

139.19 (1) voluntarily surrendered in lieu of disciplinary action an appraiser certification,
139.20 registration or license, or an appraisal management company license;

139.21 (2) been the subject of a final order revoking or denying an appraiser certification,
139.22 registration or license, or an appraisal management company license; or

139.23 (3) a final order barring involvement in any industry or profession issued by this or
139.24 another state or federal regulatory agency.

139.25 (b) A person that owns more than ten percent of an appraisal management company
139.26 in this state shall:

139.27 (1) be of good moral character, as determined by the commissioner;

139.28 (2) submit to a background investigation, as determined by the commissioner; and

139.29 (3) certify to the commissioner that the person has never been the subject of an order
139.30 of certificate, registration or license suspension, revocation, or denial; cease and desist
139.31 order; injunctive order; or order barring involvement in an industry or profession issued
139.32 by this or another state or federal regulatory agency.

139.33 Subd. 3. **Designated controlling person requirements.** (a) **Designation.** Each
139.34 appraisal management company applying to the commissioner for a license in this state

140.1 shall designate a controlling person that will be the main contact for all communication
140.2 between the commissioner and the appraisal management company.

140.3 (b) **Requirements.** In order to serve as a designated controlling person of an
140.4 appraisal management company, a person must:

140.5 (1) certify to the commissioner that the person is not currently subject to any cease
140.6 and desist order or injunctive order that would preclude involvement with an appraisal
140.7 management company, and has never been the subject of an order suspending, revoking,
140.8 or denying a certification, registration, or license for real estate services, or a final order
140.9 barring involvement in any industry or profession issued by this or another state or federal
140.10 regulatory agency;

140.11 (2) be of good moral character, as determined by the commissioner; and

140.12 (3) submit to a background investigation, as determined by the commissioner.

140.13 Subd. 4. **Application for license.** Application for an appraisal management
140.14 company license must be submitted on a form prescribed by the commissioner.

140.15 Subd. 5. **Minimum information.** The application must, at a minimum, include
140.16 the following information:

140.17 (1) the name of the entity seeking registration;

140.18 (2) the business address or addresses of the entity seeking registration;

140.19 (3) telephone contact and e-mail information of the entity seeking registration;

140.20 (4) if the entity is not a corporation that is domiciled in this state, the name and
140.21 contact information for the company's agent for service of process in this state;

140.22 (5) the name, address, and contact information for an individual or corporation,
140.23 partnership, limited liability company, association, or other business entity that owns ten
140.24 percent or more of the appraisal management company;

140.25 (6) the name, address, and contact information for a controlling person or persons;

140.26 (7) a certification that the entity has a system and process in place to verify that a
140.27 person being added to the employment or appraiser panel of the appraisal management
140.28 company for appraisal services within this state holds an active appraisal license in this
140.29 state pursuant to chapter 82B if a license is required to perform appraisals;

140.30 (8) a certification that the entity has a system in place to review the work of all
140.31 employed and independent appraisers that are performing real estate appraisal services
140.32 for the appraisal management company on a periodic basis to verify that the real estate
140.33 appraisal assignments are being conducted in accordance with USPAP and chapter 82B;

140.34 (9) a certification that the entity maintains a detailed record of each service request
140.35 that it receives and the independent appraiser that performs the real estate appraisal
140.36 services for the appraisal management company, pursuant to section 82C.13;

141.1 (10) a certification that the employees of the appraisal management company will be
141.2 appropriately trained and familiar with the appraisal process;

141.3 (11) a certification that the appraisal management company has a system and
141.4 process in place to verify that a person being added to the appraiser panel of the appraisal
141.5 management company holds a license in good standing in this state pursuant to chapter
141.6 82B; and

141.7 (12) an irrevocable Uniform Consent to Service of Process, pursuant to section
141.8 82C.07.

141.9 Subd. 6. **Effective date of license.** Initial licenses issued under this chapter are
141.10 effective upon issuance and remain valid, subject to denial, suspension, or revocation
141.11 under this chapter, until the following August 31.

141.12 Sec. 12. **[82C.04] TERM OF LICENSE.**

141.13 Initial licenses issued under this chapter are valid for a period not to exceed one
141.14 year. Each initial license must expire on August 31 of the expiration year assigned by
141.15 the commissioner.

141.16 Sec. 13. **[82C.05] LICENSE RENEWAL.**

141.17 Subdivision 1. **Term.** Licenses renewed under this chapter are valid for a period
141.18 of 12 months.

141.19 Subd. 2. **Timely renewal.** (a) Application for timely renewal of a license is
141.20 considered timely filed if received by the commissioner before the date of the license
141.21 expiration.

141.22 (b) An application for renewal is considered properly filed if made upon a form
141.23 prescribed by the commissioner, accompanied by fees prescribed by this chapter, and
141.24 containing any information the commissioner requires.

141.25 (c) A licensee failing to make timely application for renewal of the license is
141.26 unlicensed until the renewal license has been issued by the commissioner and is received
141.27 by the licensee.

141.28 Subd. 3. **Contents of renewal application.** Application for the renewal of an
141.29 existing license must contain the information specified in section 82C.03. However, only
141.30 the requested information having changed from the most recent prior application need
141.31 be submitted.

141.32 Subd. 4. **Cancellation.** A licensee ceasing an activity or activities regulated by this
141.33 chapter and desiring to no longer be licensed shall so inform the commissioner in writing
141.34 and, at the same time, surrender the license and all other symbols or indicia of licensure.

142.1 Sec. 14. **[82C.06] EXEMPTIONS.**

142.2 This chapter does not apply to:

142.3 (1) a person that exclusively employs appraisers on an employer and employee
142.4 basis for the performance of appraisals, and:

142.5 (i) the employer is responsible for ensuring that the appraisals are performed by
142.6 employees in accordance with USPAP; and

142.7 (ii) the employer accepts all liability associated with the performance of the
142.8 appraisal by the employee;

142.9 (2) a department or unit within a financial institution that is subject to direct
142.10 regulation by an agency of the United States government, or to regulation by an agency of
142.11 this state, that receives a request for the performance of an appraisal from one employee of
142.12 the financial institution, and another employee of the same financial institution assigns the
142.13 request for the appraisal to an appraiser that is an independent contractor to the institution,
142.14 except that an appraisal management company that is a wholly owned subsidiary of
142.15 a financial institution shall not be considered a department or unit within a financial
142.16 institution to which the provisions of this chapter do not apply;

142.17 (3) a person that enters into an agreement, whether written or otherwise, with an
142.18 appraiser for the performance of an appraisal, and upon the completion of the appraisal,
142.19 the report of the appraiser performing the appraisal is signed by both the appraiser who
142.20 completed the appraisal and the appraiser who requested the completion of the appraisal,
142.21 except that an appraisal management company may not avoid the requirements of this
142.22 chapter by requiring that an employee of the appraisal management company that is an
142.23 appraiser to sign an appraisal that is completed by an appraiser that is part of the appraisal
142.24 panel of the appraisal management company; or

142.25 (4) any governmental agency performing appraisals on behalf of that level of
142.26 government or any agency performing ad valorem tax appraisals for county assessors.

142.27 Sec. 15. **[82C.07] CONSENT TO SERVICE OF PROCESS.**

142.28 Each entity applying for a license as an appraisal management company in this state
142.29 shall complete an irrevocable Uniform Consent to Service of Process as prescribed by
142.30 the commissioner.

142.31 Sec. 16. **[82C.08] LICENSING FEES.**

142.32 Subdivision 1. **Establishment and retention.** The fees shall be retained by the
142.33 commissioner for the sole purpose of administering this licensing and regulation program.

143.1 Subd. 2. **Amounts.** (a) Each application for initial licensure shall be accompanied
143.2 by a fee of \$5,000.

143.3 (b) Each application for renewal of the license must be received prior to the two-year
143.4 expiration period with the renewal fee of \$2,500.

143.5 Subd. 3. **Forfeiture.** All fees are nonrefundable except that an overpayment of a fee
143.6 must be refunded upon proper application.

143.7 Sec. 17. **[82C.09] INVESTIGATIONS AND SUBPOENAS.**

143.8 The commissioner has under this chapter the same powers with respect to chapter
143.9 45.027, including the authority to impose a civil penalty not to exceed \$10,000 per
143.10 violation.

143.11 Sec. 18. **[82C.10] EMPLOYEE REQUIREMENTS.**

143.12 An employee of the appraisal management company that has the responsibility to
143.13 review the work of employed and independent appraisers where the subject properties are
143.14 located within this state, which include the reviewer's opinion of value or concurrence
143.15 with the original appraiser's value, must be licensed according to chapter 82B and perform
143.16 the review assignments in compliance with USPAP and chapter 82B. This requirement
143.17 does not apply to employees who review appraisals for completeness and compliance in
143.18 connection with an appraisal management company's internal quality control processes,
143.19 but who do not perform appraisal reviews that are subject to Standard 3 of USPAP.

143.20 Sec. 19. **[82C.11] LIMITATIONS.**

143.21 An appraisal management company licensed in this state pursuant to this chapter
143.22 may enter into contracts or agreements for appraisal assignments in this state only with
143.23 an employee or independent appraiser holding an active Minnesota real estate appraiser
143.24 license pursuant to chapter 82B.

143.25 Sec. 20. **[82C.12] ADHERENCE TO STANDARDS.**

143.26 An appraisal management company must have a system in place to review the
143.27 work of all employed and independent appraisers that are performing real estate appraisal
143.28 assignments for the appraisal management company on a periodic basis to verify that
143.29 the real estate appraisal services are being conducted in accordance with USPAP and
143.30 chapter 82B. An appraisal management company is required to make referrals directly to
143.31 state appraiser regulatory authorities when a state licensed or certified appraiser violates
143.32 USPAP, applicable state law, or engages in other unethical or unprofessional conduct.

144.1 Sec. 21. **[82C.13] RECORD KEEPING.**

144.2 An appraisal management company must maintain a detailed record of each service
144.3 request that it receives and the employee appraiser or independent appraiser that performs
144.4 the appraisal assignment for the appraisal management company.

144.5 Records must be kept for a period of at least five years after the appraisal assignment
144.6 request is sent to the independent appraiser or completion of the appraisal report,
144.7 whichever period expires later.

144.8 Sec. 22. **[82C.14] APPRAISER INDEPENDENCE; PROHIBITIONS.**

144.9 (a) It is unlawful for any employee, director, officer, or agent of an appraisal
144.10 management company licensed in this state pursuant to this chapter to influence or attempt
144.11 to influence the development, reporting, or review of an appraisal through coercion,
144.12 extortion, collusion, compensation, inducement, intimidation, or bribery, including but
144.13 not limited to:

144.14 (1) withholding or threatening to withhold timely payment for an appraisal;

144.15 (2) withholding or threatening to withhold future business or assignments for an
144.16 employed or independent appraiser, or demoting or terminating or threatening to demote
144.17 or terminate an employed or independent appraiser;

144.18 (3) expressly or impliedly promising future business, assignments, promotions, or
144.19 increased compensation for an employed or independent appraiser;

144.20 (4) conditioning the request for an appraisal assignment on the payment of an
144.21 appraisal fee or salary or bonus on the opinion, conclusion, or valuation to be reached,
144.22 or on a preliminary estimate or opinion requested from an employed or independent
144.23 appraiser;

144.24 (5) requesting that an employed or independent appraiser provide an estimated,
144.25 predetermined, or desired valuation in an appraisal report, or provide estimated values or
144.26 comparable sales at any time prior to the completion of an appraisal assignment;

144.27 (6) providing to an employed or independent appraiser an anticipated, estimated,
144.28 encouraged, or desired value for a subject property or a proposed or target amount to be
144.29 loaned to the borrower, except that a copy of the sales contract for purchase transactions
144.30 may be provided;

144.31 (7) providing to an employed or independent appraiser, or any entity or person
144.32 related to the appraiser, stock, or other financial or nonfinancial benefits;

144.33 (8) allowing the removal of an employed or independent appraiser from a list of
144.34 qualified appraisers used by any entity, without prior written notice to the appraiser, which

145.1 notice must include documented evidence of the appraiser's violation of USPAP, chapter
145.2 82B, substandard performance, or otherwise improper or unprofessional behavior;

145.3 (9) request or require any employed or independent appraiser to provide the
145.4 appraisal management company or any of its employees, or any of its clients, with the
145.5 appraiser's digital signature;

145.6 (10) alter, amend, or change an appraisal report submitted by an appraiser, to include
145.7 removing or applying a signature, adding or deleting information from the appraisal report;

145.8 (11) require the appraiser to collect the fee from a borrower, homeowner, or other
145.9 person;

145.10 (12) require an appraiser to sign any indemnification agreement that would require
145.11 the appraiser to defend and hold harmless the appraisal management company or any of its
145.12 agents, or employees for any liability, damage, losses, or claims arising out of the services
145.13 performed by the appraisal management company or its agents, employees, or independent
145.14 contractors and not the services performed by the appraiser;

145.15 (13) use an appraiser directly selected or referred by any member of a loan
145.16 production staff for an individual assignment; or

145.17 (14) any other act or practice that impairs or attempts to impair an appraiser's
145.18 independence, objectivity, or impartiality.

145.19 (b) Nothing in paragraph (a) prohibits the appraisal management company from
145.20 requesting that an independent appraiser:

145.21 (1) consider additional appropriate property information;

145.22 (2) provide further detail, substantiation, or explanation for the appraiser's value
145.23 conclusion; or

145.24 (3) correct objective factual errors in an appraisal report.

145.25 **Sec. 23. [82C.15] ADJUDICATION OF DISPUTES BETWEEN AN APPRAISAL**
145.26 **MANAGEMENT COMPANY AND AN INDEPENDENT APPRAISER.**

145.27 Except within the first 30 days after an independent appraiser is first added to the
145.28 appraiser panel of an appraisal management company, an appraisal management company
145.29 may not remove an appraiser from its appraiser panel, or otherwise refuse to assign
145.30 requests for real estate appraisal services to an independent appraiser without:

145.31 (1) notifying the appraiser in writing of the reasons why the appraiser is being
145.32 removed from the appraiser panel or is not receiving appraisal requests from the appraisal
145.33 management company;

146.1 (2) if the appraiser is being removed from the panel for illegal conduct, having
146.2 determined that the appraiser has violated USPAP, or chapter 82B, taking into account the
146.3 nature of the alleged conduct or violation; and

146.4 (3) providing an opportunity for the appraiser to respond and appeal the notification
146.5 of the appraisal management company.

146.6 Sec. 24. **[82C.16] DENIAL, SUSPENSION, REVOCATION OF LICENSES.**

146.7 Subdivision 1. Powers of commissioner. The commissioner may by order take any
146.8 or all of the following actions:

146.9 (1) bar a person from serving as an officer, director, partner, controlling person, or
146.10 any similar role at an appraisal management company, if such person has ever been the
146.11 subject of a final order suspending, revoking or denying a certification, registration or
146.12 license as a real estate agent, broker, or appraiser, or a final order barring involvement in
146.13 any industry or profession issued by this or another state or federal regulatory agency;

146.14 (2) deny, suspend, or revoke an appraisal management company license;

146.15 (3) censure an appraisal management company license; and

146.16 (4) impose a civil penalty as provided for in chapter 45.027.

146.17 (b) In order to take the action in paragraph (a), the commissioner must find:

146.18 (1) that the order is in the public interest; and

146.19 (2) that an officer, director, partner, employee, agent, controlling person or persons,
146.20 or any person occupying a similar status or performing similar functions, has:

146.21 (i) violated any provision of this chapter;

146.22 (ii) filed an application for a license that is incomplete in any material respect or
146.23 contains a statement that, in light of the circumstances under which it is made, is false or
146.24 misleading with respect to a material fact;

146.25 (iii) failed to maintain compliance with the affirmations made under section 80C.03,
146.26 subdivision 5;

146.27 (iv) violated a standard of conduct or engaged in a fraudulent, coercive, deceptive,
146.28 or dishonest act or practice, whether or not the act or practice involves the appraisal
146.29 management company;

146.30 (v) engaged in an act or practice, whether or not the act or practice involves the
146.31 business of appraisal management, appraisal assignments, or real estate mortgage related
146.32 practices, that demonstrates untrustworthiness, financial irresponsibility, or incompetence;

146.33 (vi) pled guilty, with or without explicitly admitting guilt, pled nolo contendere,
146.34 or been convicted of a felony, gross misdemeanor, or a misdemeanor involving moral
146.35 turpitude;

147.1 (vii) paid a civil penalty or been the subject of disciplinary action by the
147.2 commissioner, or an order of suspension or revocation, cease and desist order, or
147.3 injunction order, or an order barring involvement in an industry or profession issued by
147.4 this or any other state or federal regulatory agency or government-sponsored enterprise,
147.5 or by the secretary of Housing and Urban Development;

147.6 (viii) been found by a court of competent jurisdiction to have engaged in conduct
147.7 evidencing gross negligence, fraud, misrepresentation, or deceit;

147.8 (ix) refused to cooperate with an investigation or examination by the commissioner;

147.9 (x) failed to pay any fee or assessment imposed by the commissioner; or

147.10 (xi) failed to comply with state and federal tax obligations.

147.11 Subd. 2. **Orders of the commissioner.** To begin a proceeding under this section,
147.12 the commissioner shall issue an order requiring the subject of the proceeding to show
147.13 cause why action should not be taken against the licensee according to this section. The
147.14 order must be calculated to give reasonable notice of the time and place for the hearing
147.15 and must state the reasons for entry of the order. The commissioner may by order
147.16 summarily suspend a license pending a final determination of an order to show cause. If a
147.17 license is summarily suspended, pending final determination of an order to show cause, a
147.18 hearing on the merits must be held within 30 days of the issuance of the order of summary
147.19 suspension. All hearings must be conducted under chapter 14. After the hearing, the
147.20 commissioner shall enter an order disposing of the matter as the facts require. If the
147.21 subject of the order fails to appear at a hearing after having been duly notified of it, the
147.22 subject is considered in default, and the proceeding may be determined against the subject
147.23 of the order upon consideration of the order to show cause, the allegations of which may
147.24 be considered to be true.

147.25 Subd. 3. **Actions against lapsed license.** If a license lapses, is surrendered,
147.26 withdrawn, terminated, or otherwise becomes ineffective, the commissioner may institute
147.27 a proceeding under this subdivision within two years after the license was last effective
147.28 and enter a revocation or suspension order as of the last date which the license was in
147.29 effect, and may impose a civil penalty as provided for in this section or section 45.027.

147.30 Sec. 25. Minnesota Statutes 2008, section 115C.08, subdivision 1, is amended to read:

147.31 Subdivision 1. **Revenue sources.** Revenue from the following sources must be
147.32 deposited in the state treasury and credited to a petroleum tank fund:

147.33 (1) the proceeds of the fee imposed by subdivision 3;

- 148.1 (2) money recovered by the state under sections 115C.04, 115C.05, and 116.491,
148.2 including administrative expenses, civil penalties, and money paid under an agreement,
148.3 stipulation, or settlement;
- 148.4 (3) interest attributable to investment of money in the fund;
- 148.5 (4) money received by the board and agency in the form of gifts, grants other than
148.6 federal grants, reimbursements, or appropriations from any source intended to be used for
148.7 the purposes of the fund;
- 148.8 (5) fees charged for the operation of the tank installer certification program
148.9 established under section 116.491; ~~and~~
- 148.10 (6) money obtained from the return of reimbursements, civil penalties, or other
148.11 board action under this chapter; and
- 148.12 (7) the proceeds from the sales of all properties acquired by the agency under
148.13 subdivision 4.

148.14 Sec. 26. Minnesota Statutes 2009 Supplement, section 115C.08, subdivision 4, is
148.15 amended to read:

148.16 Subd. 4. **Expenditures.** (a) Money in the fund may only be spent:

148.17 (1) to administer the petroleum tank release cleanup program established in this
148.18 chapter;

148.19 (2) for agency administrative costs under sections 116.46 to 116.50, sections
148.20 115C.03 to 115C.06, and costs of corrective action taken by the agency under section
148.21 115C.03, including investigations;

148.22 (3) for costs of recovering expenses of corrective actions under section 115C.04;

148.23 (4) for training, certification, and rulemaking under sections 116.46 to 116.50;

148.24 (5) for agency administrative costs of enforcing rules governing the construction,
148.25 installation, operation, and closure of aboveground and underground petroleum storage
148.26 tanks;

148.27 (6) for reimbursement of the environmental response, compensation, and compliance
148.28 account under subdivision 5 and section 115B.26, subdivision 4;

148.29 (7) for administrative and staff costs as set by the board to administer the petroleum
148.30 tank release program established in this chapter;

148.31 (8) for corrective action performance audits under section 115C.093;

148.32 (9) for contamination cleanup grants, as provided in paragraph (c); ~~and~~

148.33 (10) to assess and remove abandoned underground storage tanks under section
148.34 115C.094 and, if a release is discovered, to pay for the specific consultant and contractor
148.35 services costs necessary to complete the tank removal project, including, but not limited

149.1 to, excavation soil sampling, groundwater sampling, soil disposal, and completion of
149.2 an excavation report; and

149.3 (11) for property acquisition by the agency when the agency has determined that
149.4 purchasing a property where a release has occurred is the most appropriate corrective
149.5 action. The acquisition of all properties is subject to approval by the board.

149.6 (b) Except as provided in paragraph (c), money in the fund is appropriated to the
149.7 board to make reimbursements or payments under this section.

149.8 (c) \$6,200,000 is annually appropriated from the fund to the commissioner of
149.9 employment and economic development for contamination cleanup grants under section
149.10 116J.554. Of this amount, the commissioner may spend up to \$225,000 annually for
149.11 administration of the contamination cleanup grant program. The appropriation does not
149.12 cancel and is available until expended. The appropriation shall not be withdrawn from
149.13 the fund nor the fund balance reduced until the funds are requested by the commissioner
149.14 of employment and economic development. The commissioner shall schedule requests
149.15 for withdrawals from the fund to minimize the necessity to impose the fee authorized by
149.16 subdivision 2. Unless otherwise provided, the appropriation in this paragraph may be
149.17 used for:

149.18 (1) project costs at a qualifying site if a portion of the cleanup costs are attributable
149.19 to petroleum contamination or new and used tar and tar-like substances, including but not
149.20 limited to bitumen and asphalt, but excluding bituminous or asphalt pavement, that consist
149.21 primarily of hydrocarbons and are found in natural deposits in the earth or are distillates,
149.22 fractions, or residues from the processing of petroleum crude or petroleum products as
149.23 defined in section 296A.01; and

149.24 (2) the costs of performing contamination investigation if there is a reasonable basis
149.25 to suspect the contamination is attributable to petroleum or new and used tar and tar-like
149.26 substances, including but not limited to bitumen and asphalt, but excluding bituminous or
149.27 asphalt pavement, that consist primarily of hydrocarbons and are found in natural deposits
149.28 in the earth or are distillates, fractions, or residues from the processing of petroleum crude
149.29 or petroleum products as defined in section 296A.01.

149.30 Sec. 27. **[325E.3891] CADMIUM IN CHILDREN'S JEWELRY.**

149.31 **Subdivision 1. Definitions.** (a) As used in this section, the term:

149.32 (1) "accessible" has the meaning given in section 3.1.2 of the ASTM International
149.33 Safety Specification on Toy Safety, F-963;

149.34 (2) "child" means an individual who is six years of age or younger; and

150.1 (3) "children's jewelry" shall have the meaning set forth in section 325E.389,
150.2 subdivision 1, paragraph (c).

150.3 Subd. 2. **Prohibitions.** Cadmium in any surface coating or accessible substrate
150.4 material of metal or plastic components of children's jewelry shall not exceed 75 parts per
150.5 million, as determined through solubility testing for heavy metals defined in the ASTM
150.6 International Safety Specification on Toy Safety, ASTM standard F-963 and subsequent
150.7 versions of this standard, if the product is sold in this state unless this requirement is
150.8 superseded by a federal standard regulating cadmium in children's jewelry. This section
150.9 shall not regulate any product category for which an existing federal standard regulates
150.10 cadmium exposure in surface coatings and accessible substrate materials as required
150.11 under ASTM F-963.

150.12 Subd. 3. **Manufacturer or wholesaler.** No manufacturer or wholesaler may sell
150.13 or offer for sale in this state children's jewelry that fails to meet the requirements of
150.14 subdivision 2.

150.15 Subd. 4. **Retailer.** No retailer may sell or offer for sale in this state children's
150.16 jewelry that fails to meet the requirements of subdivision 2. This subdivision does not
150.17 apply to sales or free distribution of jewelry by a nonprofit organization described in
150.18 section 501(c)(3) of the Internal Revenue Code or to isolated and occasional sales of
150.19 jewelry not made in the normal course of business.

150.20 Subd. 5. **Enforcement.** The attorney general shall enforce this section under section
150.21 8.31.

150.22 **EFFECTIVE DATE.** This section is effective January 1, 2011, except that
150.23 subdivision 4 is effective March 1, 2011.

150.24 Sec. 28. **APPROPRIATIONS.**

150.25 Subdivision 1. **Total appropriation.** \$523,000 is appropriated from the general fund
150.26 to the commissioner of commerce for the purposes indicated in the following subdivisions,
150.27 to be available for the fiscal year ending June 30, 2011.

150.28 Subd. 2. **Mortgage originators and servicers.** \$261,000 in fiscal year 2011 is
150.29 appropriated from the general fund to the commissioner of commerce for implementing
150.30 articles 4 and 5. The base appropriation for this program is \$138,000 in fiscal year 2012
150.31 and \$142,000 in fiscal year 2013.

150.32 Subd. 3. **Appraisal management companies.** \$223,000 in fiscal year 2011 is
150.33 appropriated from the general fund to the commissioner of commerce for implementing

151.1 sections 9 to 24. The base appropriation for this program is \$119,000 in fiscal year 2012
151.2 and \$123,000 in fiscal year 2013.

151.3 Subd. 4. **Portable electronics insurance vendors.** \$39,000 is to license vendors
151.4 of portable electronics insurance.

151.5 **ARTICLE 7**

151.6 **IRON RANGE RESOURCES**

151.7 Section 1. Laws 2010, chapter 216, section 58, is amended to read:

151.8 **Sec. 58. 2010 DISTRIBUTIONS ONLY.**

151.9 For distributions in 2010 only, a special fund is established to receive ~~28.757~~ 31.463
151.10 cents per ton that otherwise would be allocated under Minnesota Statutes, section 298.28,
151.11 subdivision 6. The following amounts are allocated to St. Louis County acting as the fiscal
151.12 agent for the recipients for the specific purposes:

151.13 (1) 0.764 cent per ton must be paid to Northern Minnesota Dental to provide
151.14 incentives for at least two dentists to establish dental practices in high-need areas of the
151.15 taconite tax relief area;

151.16 (2) 0.955 cent per ton must be paid to the city of Virginia for repairs and geothermal
151.17 heat at the Olcott Park Greenhouse/Virginia Commons project;

151.18 (3) 0.796 cent per ton must be paid to the city of Virginia for health and safety
151.19 repairs at the Miners Memorial;

151.20 (4) 1.114 cents per ton must be paid to the city of Eveleth for the reconstruction
151.21 of Highway 142/Grant and Park Avenues;

151.22 (5) 0.478 cent per ton must be paid to the Greenway Joint Recreation Board for
151.23 upgrades and capital improvements to the public arena in Coleraine;

151.24 (6) 0.796 cent per ton must be paid to the city of Calumet for water treatment and
151.25 pumphouse modifications;

151.26 (7) 0.159 cent per ton must be paid to the city of Bovey for residential and
151.27 commercial claims for water damage due to water and flood-related damage caused by
151.28 the Canisteo Pit;

151.29 (8) 0.637 cent per ton must be paid to the city of Nashwauk for a community and
151.30 child care center;

151.31 (9) 0.637 cent per ton must be paid to the city of Keewatin for water and sewer
151.32 upgrades;

151.33 (10) 0.637 cent per ton must be paid to the city of Marble for the city hall and
151.34 library project;

- 152.1 (11) 0.955 cent per ton must be paid to the city of Grand Rapids for extension of
152.2 water and sewer services for Lakewood Housing;
- 152.3 (12) 0.159 cent per ton must be paid to the city of Grand Rapids for exhibits at
152.4 the Children's Museum;
- 152.5 (13) 0.637 cent per ton must be paid to the city of Grand Rapids for Block 20/21 soil
152.6 corrections. This amount must be matched by local sources;
- 152.7 (14) 0.605 cent per ton must be paid to the city of Aitkin for three water loops;
- 152.8 (15) 0.048 cent per ton must be paid to the city of Aitkin for signage;
- 152.9 (16) 0.159 cent per ton must be paid to Aitkin County for a trail;
- 152.10 (17) 0.637 cent per ton must be paid to the city of Cohasset for the Beiers Road
152.11 railroad crossing;
- 152.12 (18) 0.088 cent per ton must be paid to the town of Clinton for expansion and
152.13 striping of the community center parking lot;
- 152.14 (19) 0.398 cent per ton must be paid to the city of Kinney for water line replacement;
- 152.15 (20) 0.796 cent per ton must be paid to the city of Gilbert for infrastructure
152.16 improvements, milling, and overlay for Summit Street between Alaska Avenue and
152.17 Highway 135;
- 152.18 (21) 0.318 cent per ton must be paid to the city of Gilbert for sanitary sewer main
152.19 replacements and improvements in the Northeast Lower Alley area;
- 152.20 (22) 0.637 cent per ton must be paid to the town of White for replacement of the
152.21 Stepetz Road culvert;
- 152.22 (23) 0.796 cent per ton must be paid to the city of Buhl for reconstruction of Sharon
152.23 Street and associated infrastructure;
- 152.24 (24) 0.796 cent per ton must be paid to the city of Mountain Iron for site
152.25 improvements at the Park Ridge development;
- 152.26 (25) 0.796 cent per ton must be paid to the city of Mountain Iron for infrastructure
152.27 and site preparation for its renewable and sustainable energy park;
- 152.28 (26) 0.637 cent per ton must be paid to the city of Biwabik for sanitary sewer
152.29 improvements;
- 152.30 (27) 0.796 cent per ton must be paid to the city of Aurora for alley and road
152.31 rebuilding for the Summit Addition;
- 152.32 (28) 0.955 cent per ton must be paid to the city of Silver Bay for bioenergy facility
152.33 improvements;
- 152.34 (29) 0.318 cent per ton must be paid to the city of Grand Marais for water and
152.35 sewer infrastructure improvements;

153.1 (30) 0.318 cent per ton must be paid to the city of Orr for airport, water, and sewer
153.2 improvements;

153.3 (31) 0.716 cent per ton must be paid to the city of Cook for street and bridge
153.4 improvements and land purchase, provided that if the city sells or otherwise disposes of
153.5 any of the land purchased with the money provided under this clause within a period of
153.6 ten years after it was purchased, the city must transfer a portion of the proceeds of the
153.7 sale equal to the amount of the purchase price paid from the money provided under this
153.8 clause to the commissioner of Iron Range Resources and Rehabilitation for deposit in the
153.9 taconite environmental protection fund to be used for the purposes of the fund under
153.10 Minnesota Statutes, section 298.223;

153.11 (32) 0.955 cent per ton must be paid to the city of Ely for street, water, and sewer
153.12 improvements;

153.13 (33) 0.318 cent per ton must be paid to the city of Tower for water and sewer
153.14 improvements;

153.15 (34) 0.955 cent per ton must be paid to the city of Two Harbors for water and sewer
153.16 improvements;

153.17 (35) 0.637 cent per ton must be paid to the city of Babbitt for water and sewer
153.18 improvements;

153.19 (36) 0.096 cent per ton must be paid to the township of Duluth for infrastructure
153.20 improvements;

153.21 (37) 0.096 cent per ton must be paid to the township of Tofte for infrastructure
153.22 improvements;

153.23 (38) 3.184 cents per ton must be paid to the city of Hibbing for sewer improvements;

153.24 (39) 1.273 cents per ton must be paid to the city of Chisholm for NW Area Project
153.25 infrastructure improvements;

153.26 (40) 0.318 cent per ton must be paid to the city of Chisholm for health and safety
153.27 improvements at the athletic facility;

153.28 (41) 0.796 cent per ton must be paid to the city of Hoyt Lakes for residential street
153.29 improvements;

153.30 (42) 0.796 cent per ton must be paid to the Bois Forte Indian Reservation for
153.31 infrastructure related to a housing development;

153.32 (43) 0.159 cent per ton must be paid to Balkan Township for building improvements;

153.33 (44) 0.159 cent per ton must be paid to the city of Grand Rapids for a grant to
153.34 a nonprofit for a signage kiosk;

153.35 (45) 0.318 cent per ton must be paid to the city of Crane Lake for sanitary sewer
153.36 lines and adjacent development near County State-Aid Highway 24; ~~and~~

154.1 (46) 0.159 cent per ton must be paid to the city of Chisholm to rehabilitate historic
154.2 wall infrastructure around the athletic complex; and

154.3 (47) 2.706 cents per ton must be paid to the Virginia Regional Medical Center for
154.4 operating room equipment and renovations.

154.5 **EFFECTIVE DATE.** This section is effective ~~for the 2010 distribution, all of which~~
154.6 ~~must be made in the August 2010 payment~~ the day following final enactment.

154.7 **EFFECTIVE DATE.** This section is effective retroactively from April 2, 2010.

154.8 Sec. 2. **GRANT AGREEMENT.**

154.9 The 2008 Producer Grant and Loan Fund Grant Agreement between the state of
154.10 Minnesota acting through the office of the commissioner of Iron Range resources and
154.11 rehabilitation and St. Louis County for "The Pike River Road Project" and "St. Louis
154.12 County Maintenance Garage Project" shall remain in effect until the project is completed
154.13 and all obligations set forth in the agreement have been satisfactorily fulfilled.

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

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

154.16 The revisor of statutes shall code section 1 as Minnesota Statutes, section 298.2961,
154.17 subdivision 7.

154.18 Sec. 4. **REPEALER.**

154.19 Laws 2010, chapter 215, article 9, section 3, is repealed."

154.20 Delete the title and insert:

154.21 "A bill for an act
154.22 relating to economic development; amending the definition of green economy
154.23 to include the concept of green chemistry; creating a fast-action economic
154.24 response team; expanding the Minnesota investment fund; removing a grant
154.25 program restriction; expanding loan program to veteran-owned small businesses;
154.26 creating the Minnesota Science and Technology Authority; providing for a
154.27 comparative study of state laws affecting small business start-ups; modifying
154.28 certain unemployment insurance administrative, benefit, and tax provisions;
154.29 protecting customers from injuries resulting from use of inflatable play
154.30 equipment; modifying labor and industry licensing and certain license fee
154.31 provisions; modifying enforcement requirements of the State Building Code;
154.32 modifying the requirements of the Manufactured Home Building Code; allowing
154.33 expedited rulemaking; providing for licensing and regulation of individuals
154.34 engaged in mortgage loan origination or mortgage loan business; providing for
154.35 licensing and regulation of appraisal management companies; providing for
154.36 property acquisition from petroleum tank fund proceeds; regulating cadmium
154.37 in children's jewelry; regulating the sale and termination of portable electronics
154.38 insurance; authorizing amendments to a municipal comprehensive plan for

155.1 affordable housing; amending Iron Range resources provisions; requiring certain
 155.2 reports; appropriating money; amending Minnesota Statutes 2008, sections
 155.3 58.04, subdivision 1; 58.08, by adding a subdivision; 58.09; 58.10, subdivision
 155.4 1; 58.11; 60K.36, subdivision 2; 60K.38, subdivision 1; 82B.05, subdivision 5,
 155.5 by adding a subdivision; 82B.06; 115C.08, subdivision 1; 116J.437, subdivision
 155.6 1; 116J.8731, subdivisions 1, 4; 116J.996; 116L.665, subdivisions 3, 6, by
 155.7 adding a subdivision; 136F.06, by adding a subdivision; 181.723, subdivision
 155.8 5; 268.035, subdivision 20, by adding a subdivision; 268.046, subdivision 1;
 155.9 268.051, subdivisions 2, 5, 7; 268.07, as amended; 268.085, subdivisions 9, 16;
 155.10 268.095, subdivision 5; 268.101, by adding a subdivision; 268.184, subdivision
 155.11 1; 326B.106, subdivision 9; 326B.133, subdivisions 1, 3, 8, 11, by adding
 155.12 subdivisions; 326B.16; 326B.197; 326B.33, subdivisions 18, 20, 21; 326B.42,
 155.13 by adding subdivisions; 326B.44; 326B.46, as amended; 326B.47; 326B.475,
 155.14 subdivision 2; 326B.50, by adding subdivisions; 326B.54; 326B.55, as amended;
 155.15 326B.56, as amended; 326B.805, subdivision 6; 326B.83, subdivisions 1, 3, 6;
 155.16 326B.865; 326B.921, subdivisions 2, 4, 7; 326B.922; 326B.978, subdivision
 155.17 2, by adding a subdivision; 327.31, subdivision 17, by adding subdivisions;
 155.18 327.32, subdivision 1, by adding subdivisions; 327.34, subdivision 1; 327B.04,
 155.19 subdivision 2; 363A.42, as added; 363A.43, as added; 462.355, subdivision
 155.20 3; 469.1082, subdivision 5; 471.59, subdivision 10; Minnesota Statutes 2009
 155.21 Supplement, sections 58.06, subdivision 2; 60K.55, subdivision 2; 82B.05,
 155.22 subdivision 1; 115C.08, subdivision 4; 116J.8731, subdivision 3; 268.035,
 155.23 subdivisions 19a, 23a; 268.052, subdivision 2; 268.053, subdivision 1; 268.085,
 155.24 subdivision 1; 268.095, subdivisions 2, 6; 268.105, subdivision 1; 268.136,
 155.25 subdivision 1; 326B.33, subdivision 19; 326B.475, subdivision 4; 326B.49,
 155.26 subdivision 1; 326B.58; 326B.815, subdivision 1; 326B.86, subdivision 1;
 155.27 326B.94, subdivision 4; 326B.986, subdivision 5; 327B.04, subdivisions 7, 7a, 8;
 155.28 327B.041; Laws 2009, chapter 78, article 1, section 3, subdivision 2; Laws 2010,
 155.29 chapter 216, section 58; proposing coding for new law in Minnesota Statutes,
 155.30 chapters 60K; 116J; 116L; 184B; 325E; 326B; proposing coding for new law
 155.31 as Minnesota Statutes, chapters 58A; 82C; 116W; repealing Minnesota Statutes
 155.32 2008, sections 116J.657; 326B.133, subdivisions 9, 10; 326B.37, subdivision 13;
 155.33 326B.475, subdivisions 5, 6; 326B.56, subdivision 3; 326B.885, subdivisions
 155.34 3, 4; 326B.976; 327.32, subdivision 4; 327C.07, subdivisions 3a, 8; Minnesota
 155.35 Statutes 2009 Supplement, sections 58.126; 326B.56, subdivision 4; 326B.986,
 155.36 subdivision 2; Laws 2010, chapter 215, article 9, section 3; Minnesota Rules,
 155.37 parts 1301.0500; 1301.0900; 1301.1100, subparts 2, 3, 4; 1350.7200, subpart 3;
 155.38 1350.8000, subpart 2."

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

Senate Conferees:

.....
David Tomassoni

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Dan Sparks

.....
Kathy Saltzman

.....
Kenneth Kelash

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Katie Sieben

House Conferees:

.....
Mike Obermueller

.....
Tom Rukavina

.....
Tim Mahoney

.....
Larry Haws

.....
Bob Gunther