

CHAPTER 4—S.F.No. 2

An act relating to economic development; modifying certain economic development fees, licensing provisions, and programs; modifying certain occupational continuing education requirements; clarifying and modifying regulation of medical gas system and manufactured home provisions; requiring reports; appropriating money for jobs, economic development, and housing purposes; amending Minnesota Statutes 2010, sections 116J.035, by adding a subdivision; 116J.551, subdivision 1; 181.723, subdivision 5; 182.6553, subdivision 6; 268A.15, subdivision 4; 326B.04, subdivision 2; 326B.091; 326B.098; 326B.13, subdivision 8; 326B.148, subdivision 1; 326B.42, subdivisions 8, 9, 10, by adding subdivisions; 326B.435, subdivision 2; 326B.438; 326B.46, subdivisions 1, 1a, 1b, 2, 3; 326B.47, subdivisions 1, 3; 326B.49, subdivision 1; 326B.56, subdivision 1; 326B.58; 326B.82, subdivisions 2, 3, 7, 9; 326B.821, subdivisions 1, 5, 5a, 6, 7, 8, 9, 10, 11, 12, 15, 16, 18, 19, 20, 22, 23; 326B.865; 326B.89, subdivisions 6, 8; 327.32, subdivisions 1a, 1b, 1e, 1f, 7; 327.33, subdivision 2; 327C.095, subdivision 12; 341.321; Laws 2009, chapter 78, article 1, section 18; proposing coding for new law in Minnesota Statutes, chapters 116J; 326B; repealing Minnesota Statutes 2010, sections 326B.82, subdivisions 4, 6; 326B.821, subdivision 3; Laws 2007, chapter 135, article 2, section 34.

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

ARTICLE 1

JOBS, ECONOMIC DEVELOPMENT, AND HOUSING APPROPRIATIONS

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

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

	<u>2012</u>	<u>2013</u>	<u>Total</u>
<u>General</u>	\$ 87,189,000	\$ 82,189,000	\$ 169,378,000
<u>Workforce Development</u>	17,451,000	17,451,000	34,902,000
<u>Remediation</u>	700,000	700,000	1,400,000
<u>Workers' Compensation</u>	22,574,000	22,574,000	45,148,000
<u>Total</u>	\$ 127,914,000	\$ 122,914,000	\$ 250,828,000

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

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

APPROPRIATIONS
Available for the Year
Ending June 30
2012 **2013**

Sec. 3. DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

Subdivision 1. Total Appropriation \$ **61,198,000** \$ **56,198,000**

Appropriations by Fund

	<u>2012</u>	<u>2013</u>
<u>General</u>	<u>44,076,000</u>	<u>39,076,000</u>
<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
<u>Workforce Development</u>	<u>16,422,000</u>	<u>16,422,000</u>

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

Subd. 2. Business and Community Development

13,281,000 8,281,000

Appropriations by Fund

<u>General</u>	<u>12,242,000</u>	<u>7,242,000</u>
<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
<u>Workforce Development</u>	<u>339,000</u>	<u>339,000</u>

(a) \$700,000 the first year and \$700,000 the second year are from the remediation fund for contaminated site cleanup and development grants under Minnesota Statutes, section 116J.554. This appropriation is available until expended.

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(b) \$1,022,000 the first year and \$1,022,000 the second year are from the general fund for contaminated site cleanup and development grants under Minnesota Statutes, section 116J.554. The base funding for this program is \$1,272,000 each year beginning in fiscal year 2014 and thereafter.

(c) \$150,000 the first year is from the general fund for a grant to WomenVenture for women's business development programs and for programs that encourage and assist women to enter nontraditional careers in the trades; manual and technical occupations; science, technology, engineering, and mathematics-related occupations; and green jobs. This appropriation may be matched dollar for dollar with any resources available from the federal government for these purposes with priority given to initiatives that have a goal of increasing by at least ten percent the number of women in occupations where women currently comprise less than 25 percent of the workforce. This is a onetime appropriation.

(d) \$79,000 the first year is from the general fund and \$50,000 the first year is from the workforce development fund for a grant to the Metropolitan Economic Development Association for continuing minority business development programs in the metropolitan area. This appropriation must be used for the sole purpose of providing free or reduced fee business consulting services to minority entrepreneurs and contractors. This is a onetime appropriation.

(e)(1) \$356,000 the first year is a onetime appropriation from the general fund for a grant to BioBusiness Alliance of Minnesota for bioscience business development programs to promote and position the state as a global leader in bioscience business activities. These funds may be used to create, recruit, retain, and expand biobusiness activity in Minnesota; implement the destination 2025 statewide plan; update a statewide assessment of the bioscience industry and the competitive position of Minnesota-based bioscience businesses

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

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

(f) \$37,000 the first year is from the general fund for a grant to the Minnesota Inventors Congress, of which at least \$3,700 must be used for youth inventors. This is a onetime appropriation.

(g)(1) \$100,000 the first year is from the workforce development fund for a grant under Minnesota Statutes, section 116J.421, to the Rural Policy and Development Center at St. Peter, Minnesota. The grant shall be used for research and policy analysis on emerging economic and social issues in rural Minnesota, to serve as a policy resource center for rural Minnesota communities, to encourage collaboration across higher education institutions, to provide interdisciplinary team approaches to research and problem-solving in rural communities, and to administer overall operations of the center. This is a onetime appropriation.

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

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(h) \$189,000 the first year is from the workforce development fund for entrepreneur and small business development direct professional business assistance in Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Watonwan, and Waseca Counties. These services must include, but are not limited to, preventure assistance for individuals considering starting a business. Funds must be awarded to an organization or organizations that can demonstrate leverage of at least an equal amount of federal funds. Any balance in the first year does not cancel but is available in the second year. The grant recipient must report to the commissioner by February 1 of each year that the organization receives a grant with the number of customers served; the amount of direct consulting hours delivered; the number of new businesses started; the amount of capital accessed for business start-up or expansion; and the number of jobs created and retained in each county. The commissioner must report to the house of representatives and senate committees with jurisdiction over economic development finance on the effectiveness of these programs for assisting in the development of entrepreneurs and small businesses. This is a onetime appropriation.

(i) \$757,000 the second year is from the general fund and \$339,000 the second year is from the workforce development fund for the business development competitive grant pilot program.

(1) The commissioner shall develop and implement a competitive grant program for business development assistance and services including, but not limited to: minority business development, women's business development, rural business development, bioscience business development, entrepreneur development, and services to inventors. Of this amount, up to five percent is for administration and monitoring of the business development competitive grant program.

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(2) The commissioner must report to the legislative committees having jurisdiction over economic development issues by January 10 each year on the following: methodologies and processes for soliciting and evaluating grant proposals; criteria and methodology for selecting grant recipients; methods and procedures for monitoring the use of grant awards including expenditures for administrative expenses by grant recipients; and methods for measuring outcomes and accomplishments of grant recipients including but not limited to the total number of new jobs created by each grant recipient, average wage of new jobs created, amount of private funds leveraged, number of new businesses created and the number of new jobs per business, return on investment to the state, and ongoing solicitation and feedback from interested parties regarding ongoing improvement and enhancement to the competitive grant program. The commissioner must also report on department expenditures related to the administration and monitoring of grants under this subdivision.

(j) \$1,492,000 each year is from the general fund for the Minnesota Trade Office.

(k) \$3,000,000 the first year is from the general fund for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. This is a onetime appropriation and is available until spent.

(l) \$2,000,000 the first year is from the general fund for grants under Minnesota Statutes, section 116J.571, for the redevelopment program. This is a onetime appropriation and is available until spent.

(m) \$135,000 the first year is from the general fund for a grant to Advocating Change Together for training, technical assistance, and resource materials for persons with developmental and mental illness disabilities. This is a onetime appropriation.

(n) \$250,000 each year is from the general fund for a grant to Enterprise Minnesota, Inc., for the small business growth acceleration

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program under Minnesota Statutes, section 116O.115. This is a onetime appropriation.

Subd. 3. Workforce Development46,898,00046,898,000Appropriations by Fund

<u>General</u>	<u>30,815,000</u>	<u>30,815,000</u>
<u>Workforce Development</u>	<u>16,083,000</u>	<u>16,083,000</u>

(a) \$4,196,000 each year is from the general fund for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until spent.

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

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

(d) \$2,261,000 each year is from the general fund for grants to centers for independent living under Minnesota Statutes, section 268A.11.

(e) \$315,000 the first year is from the general fund and \$105,000 the first year is from the workforce development fund for a grant under Minnesota Statutes, section 116J.8747, to Twin Cities RISE! to provide training to hard-to-train individuals. This is a onetime appropriation.

(f) \$135,000 the first year is from the general fund and \$50,000 the first year is from the workforce development fund for a grant to Northern Connections in Perham to implement and operate a workforce program that provides one-stop supportive services to individuals as they transition into the workforce. This is a onetime appropriation.

(g) \$5,245,000 each year is from the general fund and \$6,830,000 each year is from the workforce development fund for extended

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employment services for persons with severe disabilities or related conditions under Minnesota Statutes, section 268A.15. Of the general fund appropriation, \$125,000 each year is to supplement funds paid for wage incentives for the community support fund established in Minnesota Rules, part 3300.2045. Notwithstanding Minnesota Rules, parts 3300.2030 to 3300.2055, the commissioner may adjust contracts with eligible extended employment providers in order to achieve required reductions through June 30, 2013.

(h) \$1,555,000 each year is from the general fund for grants to programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14. Grants may be used for special projects for young people with mental illness transitioning from school to work and people with serious mental illness receiving services through a mental health court or civil commitment court. Special projects must demonstrate interagency collaboration.

(i) \$130,000 the first year is from the general fund and \$175,000 the first year is from the workforce development fund for a grant under Minnesota Statutes, section 268A.03, to Rise, Inc. for the Minnesota Employment Center for People Who are Deaf or Hard of Hearing. Money not expended the first year is available the second year. This is a onetime appropriation.

(j) \$90,000 the first year is from the general fund and \$200,000 the first year is from the workforce development fund for a grant to Lifetrack Resources for its immigrant and refugee collaborative program, including those related to job-seeking skills and workplace orientation, intensive job development, functional work English, and on-site job coaching. This appropriation may also be used in Rochester. This is a onetime appropriation.

(k) \$1,375,000 the first year is from the workforce development fund for the Opportunities Industrialization Center

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programs. The OIC State Council must not be colocated with the Department of Employment and Economic Development. Of this amount, \$3,000 may be used for relocation expenses. This is a onetime appropriation.

(l) \$160,000 the first year is from the general fund for a grant to Minnesota Diversified Industries, Inc., to provide progressive development and employment opportunities for people with disabilities. This is a onetime appropriation.

(m) \$830,000 the second year is from the general fund and \$1,905,000 the second year is from the workforce development fund for the adult workforce development competitive grant pilot program.

(1) The commissioner in consultation with the Governor's Workforce Development Council shall develop and implement a competitive grant program for adult workforce development activities including, but not limited to: job training, job search, job placement, preemployment and job readiness skills, progressive development and employment opportunities for people with disabilities, employment services targeted to people who are deaf or hard of hearing, and transition to work from public assistance. Of this amount, up to five percent is for administration and monitoring of the adult workforce development competitive grant pilot program.

(2) The commissioner must report to the legislative committees having jurisdiction over economic development issues by January 10 each year on the following: methodologies and processes for soliciting and evaluating grant proposals; criteria and methodology for selecting grant recipients; methods and procedures for monitoring the use of grant awards including expenditures for administrative expenses by grant recipients; and methods for measuring outcomes and accomplishments of grant recipients including but not limited to the total number of job placements by each grant recipient, average wage of jobs in which

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clients served by grant recipients are placed, specific job skills developed and measures of improved employability or employment opportunities by the clients of the grant recipients, amount of private funds leveraged, return on investment to the state, and ongoing solicitation and feedback from interested parties regarding ongoing improvement and enhancement to the competitive grant program. The commissioner must also report on department expenditures related to the administration and monitoring of grants under this subdivision.

(n) \$3,500,000 each year is from the workforce development fund for the Minnesota youth program under Minnesota Statutes, sections 116L.56 and 116L.561.

(o) \$900,000 the first year is a onetime appropriation from the workforce development fund for grants for the Minneapolis summer youth employment program. The commissioner shall establish criteria for awarding the grant.

(p) \$300,000 the first year is from the workforce development fund for a grant to the Minneapolis learn-to-earn summer youth employment program. This is a onetime appropriation.

(q) \$750,000 the first year is a onetime appropriation from the workforce development fund for a grant to the Minnesota Alliance of Boys and Girls Clubs to administer a statewide project of youth jobs skills development. This project, which may have career guidance components, including health and life skills, is to encourage, train, and assist youth in job-seeking skills, workplace orientation, and job site knowledge through coaching. This grant requires a 25 percent match from nonstate resources.

(r) \$558,000 the first year is a onetime appropriation from the workforce development fund for grants to fund summer youth employment in St. Paul. The commissioner shall establish criteria for awarding the grant.

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(s) \$1,000,000 each year is from the workforce development fund for the youthbuild program under Minnesota Statutes, sections 116L.361 to 116L.366.

(t) \$340,000 the first year is a onetime appropriation from the workforce development fund for grants to provide interpreters for a regional transition program that specializes in providing culturally appropriate transition services leading to employment for deaf, hard-of-hearing, and deafblind students.

(u) \$2,848,000 the second year is from the workforce development fund for the youth workforce development competitive grant pilot program.

(1) The commissioner in consultation with the Governor's Workforce Development Council shall develop and implement a competitive grant program to provide workforce development activities and training to youth in Minnesota. Of this amount, up to five percent is for administration and monitoring of the youth workforce development competitive grant pilot program.

(2) The commissioner must report to the legislative committees having jurisdiction over economic development issues by January 10 each year on the following: methodologies and processes for soliciting and evaluating grant proposals; criteria and methodology for selecting grant recipients; methods and procedures for monitoring the use of grant awards including expenditures for administrative expenses by grant recipients; and methods for measuring outcomes and accomplishments of grant recipients including but not limited to the total number of youth served by each grant recipient, number of job placements, job search, training or placement services, education or other employment-related services, preemployment skill development, average wage of jobs, amount of private funds leveraged, return on investment to the state, and ongoing solicitation and feedback from interested parties

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regarding ongoing improvement and enhancement to the competitive grant program. The commissioner must also report on department expenditures related to the administration and monitoring of grants under this subdivision.

(3) In awarding grants under this subdivision, consideration must be given to programs that target deaf, hard of hearing, and deaf/blind students.

Subd. 4. State-Funded Administration1,019,0001,019,000**Subd. 5. Competitive Grant Limitations**

An organization that receives a direct appropriation under this section is not eligible to participate in competitive grant programs established under this section during the fiscal years in which the direct appropriations are received.

Sec. 4. HOUSING FINANCE AGENCY**Subdivision 1. Total Appropriation**\$38,048,000\$38,048,000

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

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

Subd. 2. Challenge Program6,955,0006,955,000

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

Subd. 3. <u>Housing Trust Fund</u>	<u>9,555,000</u>	<u>9,555,000</u>
<u>For deposit in the housing trust fund account, for the purposes provided under Minnesota Statutes, section 462A.201.</u>		
Subd. 4. <u>Rental Assistance for Mentally Ill</u>	<u>2,638,000</u>	<u>2,638,000</u>
<u>For the rental housing assistance program for persons with a mental illness or families with an adult member with a mental illness under Minnesota Statutes, section 462A.2097.</u>		
Subd. 5. <u>Family Homeless Prevention</u>	<u>7,465,000</u>	<u>7,465,000</u>
<u>For the family homeless prevention and assistance programs under Minnesota Statutes, section 462A.204.</u>		
Subd. 6. <u>Home Ownership Assistance Fund</u>	<u>797,000</u>	<u>797,000</u>
<u>For the home ownership assistance program under Minnesota Statutes, section 462A.21, subdivision 8.</u>		
Subd. 7. <u>Affordable Rental Investment Fund</u>	<u>7,313,000</u>	<u>7,313,000</u>
<u>(a) For the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b. The appropriation is to finance the acquisition, rehabilitation, and debt restructuring of federally assisted rental property and for making equity take-out loans under Minnesota Statutes, section 462A.05, subdivision 39.</u>		
<u>(b) The owner of federally assisted rental property must agree to participate in the applicable federally assisted housing program and to extend any existing low-income affordability restrictions on the housing for the maximum term permitted. The owner must also enter into an agreement that gives local units of government, housing and redevelopment authorities, and nonprofit housing organizations the right of first refusal if the rental property is offered for sale. Priority must be given among comparable federally assisted rental properties to properties with the longest remaining term under an agreement for</u>		

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federal assistance. Priority must also be given among comparable rental housing developments to developments that are or will be owned by local government units, a housing and redevelopment authority, or a nonprofit housing organization.

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

Subd. 8. Housing Rehabilitation2,449,0002,449,000

For the housing rehabilitation program under Minnesota Statutes, section 462A.05, subdivision 14, for rental housing developments.

Subd. 9. Homeownership Education, Counseling, and Training751,000751,000

For the homeownership education, counseling, and training program under Minnesota Statutes, section 462A.209. Notwithstanding Minnesota Statutes, section 462A.209, subdivision 7, paragraph (b), more than one-half of the funds awarded for foreclosure prevention and assistance activities may be used for mortgage or financial counseling services.

Subd. 10. Capacity-Building Grants125,000125,000

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

Sec. 5. DEPARTMENT OF LABOR AND INDUSTRY**Subdivision 1. Total Appropriation****\$****22,717,000****\$****22,717,000**

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Appropriations by Fund

	<u>2012</u>	<u>2013</u>
<u>General</u>	<u>817,000</u>	<u>817,000</u>
<u>Workers' Compensation</u>	<u>20,871,000</u>	<u>20,871,000</u>
<u>Workforce Development</u>	<u>1,029,000</u>	<u>1,029,000</u>

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

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

This appropriation is from the workers' compensation fund.

\$200,000 each year is for grants to the Vinland Center for rehabilitation services. Grants shall be distributed as the department refers injured workers to the Vinland Center for rehabilitation services.

Subd. 3. **Labor Standards and Apprenticeship** 1,846,000 1,846,000

Appropriations by Fund

<u>General</u>	<u>817,000</u>	<u>817,000</u>
<u>Workforce Development</u>	<u>1,029,000</u>	<u>1,029,000</u>

(a) \$817,000 each year is from the general fund for the labor standards and apprenticeship program.

(b) \$879,000 each year is appropriated from the workforce development fund for the apprenticeship program under Minnesota Statutes, chapter 178, and includes \$100,000 for labor education and advancement program grants and to expand and promote registered apprenticeship training in nonconstruction trade programs.

(c) \$150,000 each year is appropriated from the workforce development fund for prevailing wage enforcement.

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

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This appropriation is from the workers' compensation fund.

Sec. 6. BUREAU OF MEDIATION SERVICES

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>1,584,000</u>	<u>\$</u>	<u>1,584,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Mediation Services</u>		<u>1,516,000</u>		<u>1,516,000</u>
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<u>Subd. 3. Labor Management Cooperation Grants</u>		<u>68,000</u>		<u>68,000</u>
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\$68,000 each year is for grants to area labor management committees. Grants may be awarded for a 12-month period beginning July 1 each year. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.

Sec. 7. WORKERS' COMPENSATION COURT OF APPEALS

	<u>\$</u>	<u>1,703,000</u>	<u>\$</u>	<u>1,703,000</u>
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This appropriation is from the workers' compensation fund.

<u>Sec. 8. BOARD OF ACCOUNTANCY</u>	<u>\$</u>	<u>480,000</u>	<u>\$</u>	<u>480,000</u>
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Sec. 9. BOARD OF ARCHITECTURE, ENGINEERING, LAND SURVEYING, LANDSCAPE ARCHITECTURE, GEOSCIENCE, AND INTERIOR DESIGN

	<u>\$</u>	<u>774,000</u>	<u>\$</u>	<u>774,000</u>
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Sec. 10. BOARD OF COSMETOLOGIST EXAMINERS

	<u>\$</u>	<u>1,046,000</u>	<u>\$</u>	<u>1,046,000</u>
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<u>Sec. 11. BOARD OF BARBER EXAMINERS</u>	<u>\$</u>	<u>257,000</u>	<u>\$</u>	<u>257,000</u>
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Sec. 12. MINNESOTA SCIENCE AND TECHNOLOGY AUTHORITY

	<u>\$</u>	<u>107,000</u>	<u>\$</u>	<u>107,000</u>
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Sec. 13. TRANSFERS

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The unexpended balance as of June 30, 2011, estimated to be \$1,575,000, of funds collected for unemployment insurance state administration under Minnesota Statutes, section 268.18, is transferred to the general fund before the closing of fiscal year 2011.

In fiscal years 2012 and 2013, the unexpended balance of funds collected for unemployment insurance state administration under Minnesota Statutes, section 268.18, estimated to be \$900,000 each year, is transferred to the general fund before the closing of each fiscal year.

The deposits in each year of the biennium into the contingent account created under Minnesota Statutes, section 268.199, estimated to be \$6,450,000 each year, shall be transferred before the closing of each fiscal year to the general fund.

ARTICLE 2**MISCELLANEOUS ECONOMIC DEVELOPMENT PROVISIONS**

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

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

Sec. 2. Minnesota Statutes 2010, section 116J.551, subdivision 1, is amended to read:

Subdivision 1. **Grant account.** A contaminated site cleanup and development grant account is created in the special revenue fund, general fund, petroleum tank fund, and remediation fund. Money in the any account may be used, as appropriated by law, to make grants as provided in section 116J.554 and to pay for the commissioner's costs in reviewing applications and making grants. Notwithstanding section 16A.28, money appropriated to the account accounts for this program from any source is available until spent.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2010.

Sec. 3. **[116J.881] SMALL BUSINESS LOAN GUARANTEE PROGRAM.**

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

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(b) "Borrower" means a small business receiving an eligible loan under this section.

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

(d) "Eligible loan" means a loan to a small business to be used for business purposes exclusively in Minnesota, including: construction; remodeling or renovation; leasehold improvements; the purchase of land and buildings; business acquisitions, including employee stock ownership plan financing; machinery or equipment purchases, maintenance, or repair; expenses related to moving into or within Minnesota; and working capital when the working capital is secured by fixed assets.

(e) "Loan guarantee" means a guarantee of 70 percent of the loan amount provided by a QED lender. The guaranteed portion of the loan must not exceed \$1,500,000.

(f) "Loan guarantee trust fund" means a dedicated fund established under this section for the purpose of compensation for defaulted loan guarantees and for program administration.

(g) "Loan purchaser" means an institutional investor that purchases, holds, and services small business loans on a nonrecourse basis from QED lenders participating in the small business loan guarantee program.

(h) "Qualified economic development lender" or "QED lender" means a public entity or a private nonprofit economic development organization whose headquarters is located in Minnesota with not less than three years of active lending experience that provides financing to small businesses in partnership with banks and other commercial lenders, and that originates subordinated loans to small businesses for sale to the secondary market.

(i) "Secondary market" means the market in which loans are sold to investors, either directly or through an intermediary.

(j) "Small business" means a business employing no more than 500 persons in Minnesota.

(k) "Subordinated loan" means a loan secured by a lien that is lower in priority than one or more specified other liens.

Subd. 2. **Loan guarantee program.** A small business loan guarantee program to support the origination and sale of eligible subordinated loans to the secondary market by providing a credit enhancement in the form of a partial guarantee of small business loans that are made to Minnesota businesses by a QED lender is created in the Department of Employment and Economic Development. A loan guarantee shall be provided for eligible loans under this section only when a bank or other commercial lender provides at least 50 percent of the total amount loaned to the small business. The loan guarantee shall apply only to the portion of the loan that was made by the QED lender.

Subd. 3. **Required provisions.** Loan guarantees under this section for loans to be sold on the secondary market by QED lenders shall provide that:

(1) principal and interest payments made by the borrower under the terms of the loan are applied by the loan purchaser to reduce the guaranteed and nonguaranteed portion of the loan on a proportionate basis. The nonguaranteed portion shall not receive preferential treatment over the guaranteed portion;

(2) the loan purchaser shall not accelerate repayment of the loan or exercise other remedies if the borrower defaults, unless:

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- (i) the borrower fails to make a required payment of principal or interest;
- (ii) the commissioner consents in writing; or
- (iii) the loan guarantee agreement provides for accelerated repayment or other remedies.

In the event of a default, the loan purchaser may not make a demand for payment pursuant to the guarantee unless the commissioner agrees in writing that the default has materially affected the rights or security of the parties, and finds that the loan purchaser is entitled to receive payment pursuant to the loan guarantee;

(3) there is a written commitment from one or more secondary market investors to purchase the loan, subject to the provision of a state loan guarantee;

(4) the QED lender has timely prepared and delivered to the commissioner, annually by the date specified in the loan guarantee, an audited or reviewed financial statement for the loan, prepared by a certified public accountant according to generally accepted accounting principles, and documentation that the borrower used the loan proceeds solely for purposes of its Minnesota operations;

(5) the commissioner has access to the original loan documents prior to approval of the state credit enhancement to facilitate the sale of the loan to the secondary market;

(6) the QED lender maintains adequate records and documents concerning the original loan so that the commissioner may determine the borrower's financial condition and compliance with program requirements; and

(7) orderly liquidation of collateral securing the original loan is provided for in the event of default, with an option on the part of the commissioner to acquire the loan purchaser's interest in the assets pursuant to the loan guarantee.

Subd. 4. **Loan guarantee trust fund established.** A loan guarantee trust fund account in the special revenue fund is created in the state treasury to pay for defaulted loan guarantees. The commissioner shall administer this fund and provide annual reports concerning the performance of the fund to the chairs of the standing committees of the house of representatives and senate having jurisdiction over economic development issues.

Subd. 5. **Limitation.** At no time shall total outstanding loan guarantees for loans sold to the secondary market exceed five times the amount on deposit in the loan guarantee trust fund.

Subd. 6. **Guarantee fee.** Participating QED lenders shall pay a fee to the fund of 0.25 percent of the principal amount of each guaranteed loan upon approval of each loan guarantee. The guarantee fee, along with any interest earnings from the trust fund, shall be used only for the administration of the small business loan guarantee program and as additional loan loss reserves.

Subd. 7. **Loan guarantee application.** The commissioner shall prepare a form for QED lenders to use in applying for loan guarantees under this section. The form shall include the following information:

(1) the name and contact information for the QED lender, including the name and title of a contact person;

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(2) the names of the financial institutions, including the names and titles of contact persons, that are participating in the total financing being provided to the small business borrower, along with the dollar amount of the loan provided by the financial institution;

(3) the percentage and dollar amount of the subordinated debt loan provided to the Minnesota small business by the QED lender; and

(4) the loan guarantee amount that is requested from the program.

Subd. 8. **Notice and application process.** Subject to the availability of funds under subdivision 4, the commissioner shall publish a notice regarding the opportunity for QED lenders to originate loans for which the loan guarantee may be secured as the loans are prepared for sale to the secondary market. The commissioner shall decide whether to provide a loan guarantee for each loan based on:

(1) the completeness of the loan guarantee application;

(2) the availability of funds in the loan guarantee trust fund; and

(3) execution of agreements that satisfy requirements established in subdivision 3.

Sec. 4. Minnesota Statutes 2010, section 268A.15, subdivision 4, is amended to read:

Subd. 4. **Evaluation.** The commissioner of employment and economic development shall evaluate the extended employment program to determine whether the purpose of extended employment as defined in subdivision 2 is being achieved. The evaluation must include information for the preceding funding year derived from the independent compliance audits of extended employment service providers submitted to the department on or before October 31 of each year. The evaluation must include an assessment of whether workers in the extended employment program are satisfied with their employment. A written report of this evaluation must be prepared at least every two years and made available to the public.

Sec. 5. Minnesota Statutes 2010, section 341.321, is amended to read:

341.321 FEE SCHEDULE.

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

(1) referees, ~~\$25~~ \$45 for each initial license and each renewal;

(2) promoters, \$400 for each initial license and each renewal;

(3) judges and knockdown judges, ~~\$25~~ \$45 for each initial license and each renewal;

(4) trainers, ~~\$25~~ \$45 for each initial license and each renewal;

(5) ring announcers, ~~\$25~~ \$45 for each initial license and each renewal;

(6) seconds, ~~\$25~~ \$45 for each initial license and each renewal;

(7) timekeepers, ~~\$25~~ \$45 for each initial license and each renewal;

(8) combatants, ~~\$25~~ \$45 for each initial license and each renewal;

(9) managers, ~~\$25~~ \$45 for each initial license and each renewal; and

(10) ringside physicians, ~~\$25~~ \$45 for each initial license and each renewal.

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

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

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

(c) The commission shall establish a contest fee for each combative sport contest. The professional combative sport contest fee is \$1,500 per event or not more than four percent of the gross ticket sales, whichever is greater, as determined by the commission when the combative sport contest is scheduled, except that the amateur combative sport contest fee shall be ~~\$150~~ \$500 or not more than four percent of the gross ticket sales, whichever is greater. The commission shall consider the size and type of venue when establishing a contest fee. The commission may establish the maximum number of complimentary tickets allowed for each event by rule. ~~Am~~ A professional or amateur combative sport contest fee is nonrefundable.

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

Sec. 6. Laws 2009, chapter 78, article 1, section 18, is amended to read:

Sec. 18. **COMBATIVE SPORTS**

COMMISSION	\$	80,000	\$	80,000
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This is a onetime appropriation. ~~The~~
~~Combative Sports Commission expires on~~
~~July 1, 2011, unless the commissioner of~~
~~finance determines that the commission's~~
~~projected expenditures for the fiscal biennium~~
~~ending June 30, 2013, will not exceed the~~
~~commission's projected revenues for the~~
~~fiscal biennium ending June 30, 2013, from~~
~~fees and penalties authorized in Minnesota~~
~~Statutes 2008, chapter 341.~~

Sec. 7. **REPEALER.**

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Laws 2007, chapter 135, article 2, section 34, is repealed.

ARTICLE 3**LABOR AND INDUSTRY**

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

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

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

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

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

(b) Individuals who are applying for or renewing a residential building contractor or residential remodeler license under sections 326B.197, 326B.802, 326B.805, 326B.81, 326B.815, 326B.821 to 326B.86, 326B.87 to 326B.885, and 327B.041, and any rules promulgated pursuant thereto, may simultaneously apply for or renew an independent contractor exemption certificate. The commissioner shall create an application form that allows for the simultaneous application for both a residential building contractor or residential remodeler license and an independent contractor exemption certificate. If individuals simultaneously apply for or renew a residential building contractor or residential remodeler license and an independent contractor exemption certificate using the form created by the commissioner, individuals shall only be required to provide, in addition to the information required by section 326B.83 and rules promulgated pursuant thereto, the sworn statement required by paragraph (a), clause (8), and any additional information required by this subdivision that is not also required by section 326B.83 and any rules promulgated thereto. ~~When individuals submit a simultaneous application on the form created by the commissioner for both a residential building contractor or residential remodeler license and an independent contractor exemption certificate, the application fee shall be \$150.~~ An independent contractor exemption certificate that is in effect before March 1, 2009, shall remain in effect until March 1, 2013, unless revoked by the commissioner or canceled by the individual.

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

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

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

(e) An individual or person to whom the commissioner issues an order under paragraph (d) shall have 30 days after service of the order to request a hearing. The request for hearing must be in writing and must be served on or faxed to the commissioner at the address or facsimile number specified in the order by the 30th day after service of the order. If the individual does not request a hearing or if the individual's request for a hearing is not served on or faxed to the commissioner by the 30th day after service of the

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order, the order shall become a final order of the commissioner and will not be subject to review by any court or agency. The date on which a request for hearing is served by mail shall be the postmark date on the envelope in which the request for hearing is mailed. If the individual serves or faxes a timely request for hearing, the hearing shall be a contested case hearing and shall be held in accordance with chapter 14.

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

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

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

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

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

326B.091 DEFINITIONS.

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

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

Subd. 3. **License.** "License" means any registration, certification, or other form of approval authorized by this chapter 326B and chapter 327B to be issued by the commissioner or department as a condition of doing business or conducting a trade, profession, or occupation in Minnesota. License includes specifically but not exclusively an authorization issued by the commissioner or department: to perform electrical work, plumbing or water conditioning work, high pressure piping work, or residential building work of a residential contractor, residential remodeler, or residential roofer; to install manufactured housing; to serve as a building official; or to operate a boiler or boat.

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

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

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

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

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

326B.098 CONTINUING EDUCATION.

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

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

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

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

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

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

Subd. 8. **Effective date of rules.** A rule to adopt or amend the State Building Code is effective 180 days after ~~the filing of the rule with the secretary of state under section 14.16 or 14.26~~ publication of the rule's notice of adoption in the State Register. The rule may provide for a later effective date. The rule may provide for an earlier effective date if the commissioner or board proposing the rule finds that an earlier effective date is necessary to protect public health and safety after considering, among other things, the need for time for training of individuals to comply with and enforce the rule.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (1) elect its chair, vice-chair, and secretary;
- (2) adopt bylaws that specify the duties of its officers, the meeting dates of the board, and containing such other provisions as may be useful and necessary for the efficient conduct of the business of the board;
- (3) adopt the plumbing code that must be followed in this state and any plumbing code amendments thereto. The plumbing code shall include the minimum standards described in sections 326B.43, subdivision 1, and 326B.52, subdivision 1. The board shall adopt the plumbing code and any amendments thereto pursuant to chapter 14 and as provided in subdivision 6, paragraphs (b), (c), and (d);
- (4) review requests for final interpretations and issue final interpretations as provided in section 326B.127, subdivision 5;
- (5) adopt rules that regulate the licensure, certification, or registration of plumbing contractors, journeymen, unlicensed individuals, master plumbers, restricted master plumbers, restricted journeymen, restricted plumbing contractors, backflow prevention rebuilders and testers, water conditioning contractors, and water conditioning installers, and other persons engaged in the design, installation, and alteration of plumbing systems or engaged in or working at the business of water conditioning installation or service, or engaged in or working at the business of medical gas system installation, maintenance, or repair, except for those individuals licensed under section 326.02, subdivisions 2 and 3. The board shall adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs (e) and (f);
- (6) adopt rules that regulate continuing education for individuals licensed as master plumbers, journeyman plumbers, restricted master plumbers, restricted journeyman plumbers, water conditioning contractors, and water conditioning installers, and for individuals certified under sections 326B.437 and 326B.438. The board shall adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs (e) and (f);
- (7) refer complaints or other communications to the commissioner, whether oral or written, as provided in subdivision 8, that allege or imply a violation of a statute, rule, or order that the commissioner has the authority to enforce pertaining to code compliance, licensure, or an offering to perform or performance of unlicensed plumbing services;
- (8) approve per diem and expenses deemed necessary for its members as provided in subdivision 3;
- (9) approve license reciprocity agreements;
- (10) select from its members individuals to serve on any other state advisory council, board, or committee; and
- (11) recommend the fees for licenses, registrations, and certifications.

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

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

(c) The commissioner shall coordinate the board's rulemaking and recommendations with the recommendations and rulemaking conducted by the other boards created pursuant to this chapter. The commissioner shall provide staff support to the board. The support includes professional, legal, technical, and clerical staff necessary to perform rulemaking and other duties assigned to the board. The commissioner of labor and industry shall supply necessary office space and supplies to assist the board in its duties.

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

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

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

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

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

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

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

326B.438 MEDICAL GAS SYSTEMS.

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

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

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

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

Subd. 3. **Exemptions.** ~~(a) A person~~ An individual who on August 1, 2010, holds possesses a valid certificate authorized by meeting the requirements of the American Society of Sanitary Engineering (ASSE) Standard 6010 and is a qualified brazer in accordance with standards recommended by the provisions required in the National Fire Protection Association under NFPA (NFPA) 99C is exempt from the licensing requirements of subdivision 2 and may install, maintain, and repair a medical gas system. This exemption applies only if the person individual maintains a valid certification authorized by the ASSE in accordance with ASSE Standard 6010 and the brazer qualifications in NFPA 99C, and is certified by the commissioner under rules adopted by the Minnesota Plumbing Board.

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

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

EFFECTIVE DATE. The requirement under subdivision 2 and subdivision 3 that a master journeyman plumber or exempt individual must be certified by the commissioner and the fee in subdivision 4 are not effective until 180 days after the Minnesota Plumbing Board adopts rules.

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

Subdivision 1. **License required.** (a) No individual shall engage in or work at the business of a master plumber, restricted master plumber, journeyman plumber, and restricted journeyman plumber unless licensed to do so by the commissioner. A license is not required for individuals performing building sewer or water service installation who have completed pipe laying training as prescribed by the commissioner. A master plumber may also work as a journeyman plumber, a restricted journeyman plumber, and a restricted master plumber. A journeyman plumber may also work as a restricted

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journeyman plumber. Anyone not so licensed may do plumbing work which complies with the provisions of the minimum standards prescribed by the Plumbing Board on premises or that part of premises owned and actually occupied by the worker as a residence, unless otherwise forbidden to do so by a local ordinance.

(b) No person shall engage in the business of planning, superintending, or installing plumbing or shall install plumbing in connection with the dealing in and selling of plumbing material and supplies unless at all times a licensed master plumber, or in cities and towns with a population of fewer than 5,000 according to the last federal census, a restricted master plumber, who shall be responsible for proper installation, is in charge of the plumbing work of the person.

(c) Except as provided in subdivision ~~2~~ 1a, no person shall perform or offer to perform plumbing work with or without compensation unless the person obtains a contractor's license. A contractor's license does not of itself qualify its holder to perform the plumbing work authorized by holding a master, journeyman, restricted master, or restricted journeyman license.

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

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

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

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

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

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Sec. 19. Minnesota Statutes 2010, section 326B.46, subdivision 1b, is amended to read:

Subd. 1b. **Employment of master plumber or restricted master plumber.** (a) Each contractor must designate a responsible licensed plumber, who shall be responsible for the performance of all plumbing work in accordance with sections 326B.41 to 326B.49, all rules adopted under these sections and sections 326B.50 to 326B.59, and all orders issued under section 326B.082. A plumbing contractor's responsible ~~licensed plumber individual~~ must be a master plumber. A restricted plumbing contractor's responsible ~~licensed plumber individual~~ must be a master plumber or a restricted master plumber. A plumbing contractor license authorizes the contractor to offer to perform and, through licensed and registered individuals, to perform plumbing work in all areas of the state. A restricted plumbing contractor license authorizes the contractor to offer to perform and, through licensed and registered individuals, to perform plumbing work in all areas of the state except in cities and towns with a population of more than 5,000 according to the last federal census.

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

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

Sec. 20. Minnesota Statutes 2010, section 326B.46, subdivision 2, is amended to read:

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

(b) Each person who performs or offers to perform plumbing work within the state shall give and maintain bond to the state in the amount of at least \$25,000 for (1) all plumbing work entered into within the state or (2) all plumbing work and subsurface sewage treatment work entered into within the state. If the bond is for both plumbing work and subsurface sewage treatment work, the bond must comply with the requirements of this section and section 115.56, subdivision 2, paragraph (e). The bond shall be for the benefit of persons injured or suffering financial loss by reason of failure to comply with the requirements of the State Plumbing Code and, if the bond is for both plumbing work and subsurface sewage treatment work, financial loss by reason of failure to comply with the requirements of sections 115.55 and 115.56. The bond shall be filed with the commissioner and shall be written by a corporate surety licensed to do business in the state.

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

Sec. 21. Minnesota Statutes 2010, section 326B.46, subdivision 3, is amended to read:

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

Sec. 22. Minnesota Statutes 2010, section 326B.47, subdivision 1, is amended to read:

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

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

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

Sec. 23. Minnesota Statutes 2010, section 326B.47, subdivision 3, is amended to read:

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

Sec. 24. Minnesota Statutes 2010, section 326B.49, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

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

Sec. 25. Minnesota Statutes 2010, section 326B.56, subdivision 1, is amended to read:

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Subdivision 1. **Bonds.** (a) As a condition of licensing, each water conditioning contractor shall give and maintain a bond to the state as described in paragraph (b). No applicant for a water conditioning contractor ~~or installer~~ license who maintains the bond under paragraph (b) shall be otherwise required to meet the bond requirements of any political subdivision.

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

Sec. 26. Minnesota Statutes 2010, section 326B.58, is amended to read:

326B.58 FEES; RENEWAL.

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

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

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

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

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

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

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

Sec. 27. Minnesota Statutes 2010, section 326B.82, subdivision 2, is amended to read:

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

Sec. 28. Minnesota Statutes 2010, section 326B.82, subdivision 3, is amended to read:

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

Sec. 29. Minnesota Statutes 2010, section 326B.82, subdivision 7, is amended to read:

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

Sec. 30. Minnesota Statutes 2010, section 326B.82, subdivision 9, is amended to read:

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

Sec. 31. Minnesota Statutes 2010, section 326B.821, subdivision 1, is amended to read:

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

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

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

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

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

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

(e) Continuing education credit in an approved course shall be awarded to presenting instructors on the basis of one credit for each hour ~~of preparation for the duration~~ of the initial presentation. Continuing education ~~credit may not be earned if the licensee has previously obtained credit for the same course as a licensee or as an instructor within the three years immediately prior~~ credits for completion of an approved course may only be used once for renewal of a specific license.

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

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

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

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

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

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

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

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

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

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

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

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

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

(h) Nothing in this subdivision shall limit an authority expressly granted to the Board of Electricity, Board of High Pressure Piping Systems, or Plumbing Board.

Sec. 33. Minnesota Statutes 2010, section 326B.821, subdivision 5a, is amended to read:

Subd. 5a. **Internet continuing education.** (a) The design and delivery of an Internet continuing education course must be approved by the International Distance Education Certification Center (IDECC) before the course is submitted for the commissioner's approval. The IDECC approval must accompany the course submitted.

(b) An Internet continuing education course must:

- (1) specify the minimum computer system requirements;
- (2) provide encryption that ensures that all personal information, including the student's name, address, and credit card number, cannot be read as it passes across the Internet;
- (3) include technology to guarantee seat time;
- (4) include a high level of interactivity;
- (5) include graphics that reinforce the content;
- (6) include the ability for the student to contact an instructor or course sponsor within a reasonable amount of time;
- (7) include the ability for the student to get technical support within a reasonable amount of time;
- (8) include a statement that the student's information will not be sold or distributed to any third party without prior written consent of the student. Taking the course does not constitute consent;
- (9) be available 24 hours a day, seven days a week, excluding minimal downtime for updating and administration, except that this provision does not apply to live courses taught by an actual instructor and delivered over the Internet;
- (10) provide viewing access to the online course at all times to the commissioner, excluding minimal downtime for updating and administration;
- (11) include a process to authenticate the student's identity;
- (12) inform the student and the commissioner how long after its purchase a course will be accessible;
- (13) inform the student that license education credit will not be awarded for taking the course after it loses its status as an approved course;
- (14) provide clear instructions on how to navigate through the course;
- (15) provide automatic bookmarking at any point in the course;
- (16) provide questions after each unit or chapter that must be answered before the student can proceed to the next unit or chapter;
- (17) include a reinforcement response when a quiz question is answered correctly;
- (18) include a response when a quiz question is answered incorrectly;
- (19) include a final examination in which the student must correctly answer 70 percent of the questions;
- (20) allow the student to go back and review any unit at any time, except during the final examination;
- (21) provide a course evaluation at the end of the course. At a minimum, the evaluation must ask the student to report any difficulties caused by the online education delivery method;

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

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

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

Sec. 34. Minnesota Statutes 2010, section 326B.821, subdivision 6, is amended to read:

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

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

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

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

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

Sec. 35. Minnesota Statutes 2010, section 326B.821, subdivision 7, is amended to read:

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

Sec. 36. Minnesota Statutes 2010, section 326B.821, subdivision 8, is amended to read:

Subd. 8. **Course sponsor.** (a) Each course of study shall have at least one sponsor, approved by the commissioner, who is responsible for supervising the program and ensuring compliance with all relevant law. Sponsors may engage an additional approved

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sponsor in order to assist the sponsor or to act as a substitute for the sponsor ~~in the event of an emergency or illness.~~

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

(c) A sponsor may also be an instructor.

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

Sec. 37. Minnesota Statutes 2010, section 326B.821, subdivision 9, is amended to read:

Subd. 9. **Responsibilities.** A sponsor is responsible for:

(1) ensuring compliance with all laws and rules relating to continuing educational offerings governed by the commissioner;

(2) ensuring that students are provided with current and accurate information relating to the laws and rules governing ~~their licensed activity~~ the regulated industry;

(3) supervising and evaluating courses and instructors. Supervision includes ensuring that all areas of the curriculum are addressed without redundancy and that continuity is present throughout the entire course;

(4) ensuring that instructors are qualified to teach the course offering;

(5) furnishing the commissioner, upon request, with copies of course ~~and instructor~~ evaluations ~~and~~. Evaluations must be completed by students at the time the course is offered;

~~(6) furnishing the commissioner, upon request, with copies of the qualifications of instructors. Evaluations must be completed by students at the time the course is offered and by sponsors within five days after the course offering;~~

~~(7)~~ (7) investigating complaints related to course offerings or instructors. A copy of the written complaint must be sent to the commissioner within ten days of receipt of the complaint and a copy of the complaint resolution must be sent not more than ten days after resolution is reached;

~~(8)~~ (8) maintaining accurate records relating to course offerings, instructors, tests taken by students if required, and student attendance for a period of three years from the date on which the course was completed. These records must be made available to the commissioner upon request. In the event the sponsor ceases operations before termination of the sponsor application, the sponsor must provide to the commissioner digital copies of all course and attendance records of courses held for the previous three years;

~~(9)~~ (9) attending workshops or instructional programs as reasonably required by the commissioner;

~~(10)~~ (10) providing course completion certificates within ten days of, but not before, completion of the entire course. A sponsor may require payment of the course tuition as a condition of receiving the course completion certificate. Course completion certificates must be completed in their entirety. ~~Course completion certificates must and shall~~ contain the following:

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(i) the statement: "If you have any comments about this course offering, please mail them to the Minnesota Department of Labor and Industry.";

~~(ii) the current address of the department must be included. A sponsor may require payment of the course tuition as a condition for receiving the course completion certificate, name of the provider, date and location of the course, educational program identification provided by the department, and hours of instruction or continuing education hours; and~~

~~(iii) the licensee's or attendee's name and license, certificate, or registration number or the last four digits of the licensee's or attendee's Social Security number; and~~

~~(10)~~ (11) notifying the commissioner in writing within ten days of any change in the information in an application for approval on file with the commissioner.

Sec. 38. Minnesota Statutes 2010, section 326B.821, subdivision 10, is amended to read:

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

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

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

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

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

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

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

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

(2) providing students with current and accurate information;

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

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

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

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

Sec. 39. Minnesota Statutes 2010, section 326B.821, subdivision 11, is amended to read:

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

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- (1) recommend ~~or~~, promote, or disparage the specific services, products, processes, procedures, or practices of a particular ~~business~~ person in the regulated industry;
- (2) encourage or recruit ~~individuals~~ students to engage the services of, or become associated with, a particular business;
- (3) use materials for the sole purpose of promoting a particular business;
- (4) require students to participate in other programs or services offered by an instructor or sponsor;
- (5) attempt, either directly or indirectly, to discover questions or answers on an examination for a license;
- (6) disseminate to any other person specific questions, problems, or information known or believed to be included in licensing examinations;
- (7) misrepresent any information submitted to the commissioner;
- (8) fail to reasonably cover, or ensure coverage of, all points, issues, and concepts contained in the course outline approved by the commissioner during the approved instruction; or
- (9) issue inaccurate course completion certificates.

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

Sec. 40. Minnesota Statutes 2010, section 326B.821, subdivision 12, is amended to read:

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

Sec. 41. Minnesota Statutes 2010, section 326B.821, subdivision 15, is amended to read:

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

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

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

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

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

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

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

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

Sec. 42. Minnesota Statutes 2010, section 326B.821, subdivision 16, is amended to read:

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

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

Sec. 43. Minnesota Statutes 2010, section 326B.821, subdivision 18, is amended to read:

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

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

Sec. 44. Minnesota Statutes 2010, section 326B.821, subdivision 19, is amended to read:

Subd. 19. **Waivers and extensions.** ~~If a licensee provides documentation to the commissioner that the licensee or its qualifying person is unable, and will continue to be unable, to attend actual classroom course work because of a physical disability, medical condition, or similar reason, attendance at continuing education courses shall be waived for a period not to exceed one year. The commissioner shall require that the licensee or its qualifying person satisfactorily complete a self-study program to include reading a sufficient number of textbooks, or listening to a sufficient number of tapes, related to the residential building contractor industry, as would be necessary for the licensee to satisfy continuing educational credit hour needs. The commissioner shall award the licensee~~

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~~credit hours for a self-study program by determining how many credit hours would be granted to a classroom course involving the same material and giving the licensee the same number of credit hours under this section. The licensee may apply each year for a new waiver upon the same terms and conditions as were necessary to secure the original waiver, and must demonstrate that in subsequent years, the licensee was unable to complete actual classroom course work. The commissioner may request documentation of the condition upon which the request for waiver is based as is necessary to satisfy the commissioner of the existence of the condition and that the condition does preclude attendance at continuing education courses.~~

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

Sec. 45. Minnesota Statutes 2010, section 326B.821, subdivision 20, is amended to read:

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

Sec. 46. Minnesota Statutes 2010, section 326B.821, subdivision 22, is amended to read:

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

Sec. 47. Minnesota Statutes 2010, section 326B.821, subdivision 23, is amended to read:

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

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

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

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

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

Sec. 48. Minnesota Statutes 2010, section 326B.865, is amended to read:

326B.865 SIGN CONTRACTOR; BOND.

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

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

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

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

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

Sec. 49. Minnesota Statutes 2010, section 326B.89, subdivision 6, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

Sec. 50. Minnesota Statutes 2010, section 326B.89, subdivision 8, is amended to read:

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

At the hearing the owner or the lessee shall have the burden of proving by substantial evidence under subdivision 6, clauses (1) to (8). Whenever an applicant's judgment is by default, stipulation, or consent, or whenever the action against the licensee was defended by a trustee in bankruptcy, the applicant shall have the burden of proving the cause of action for fraudulent, deceptive, or dishonest practices, conversion of funds, or failure of performance. Otherwise, the judgment shall create a rebuttable presumption of the fraudulent, deceptive, or dishonest practices, conversion of funds, or failure of performance. This presumption affects the burden of producing evidence.

The administrative law judge shall issue findings of fact, conclusions of law, and order. If the administrative law judge finds that compensation should be paid to the owner or the lessee, the administrative law judge shall order the commissioner to make payment from the fund of the amount it finds to be payable pursuant to the provisions of and in accordance with the limitations contained in this section. The order of the administrative law judge shall constitute the final decision of the agency in the contested case. The commissioner or the owner or lessee may seek judicial review of the administrative law

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judge's findings of fact, conclusions of law, and order ~~shall be~~ in accordance with sections 14.63 to 14.69.

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

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

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

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

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

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

Complies Correction required
Initialed by Responsible Party: Buyer Seller

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

Complies Correction required
Initialed by Responsible Party: Buyer Seller

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

Complies Correction required
Initialed by Responsible Party: Buyer Seller

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

Complies Correction required
Initialed by Responsible Party: Buyer Seller

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

Complies Correction required
Initialed by Responsible Party: Buyer Seller

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

Complies Correction required
Initialed by Responsible Party: Buyer Seller

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

Complies Correction required
Initialed by Responsible Party: Buyer Seller

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

Complies Correction required
Initialed by Responsible Party: Buyer Seller

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

Complies Correction required
Initialed by Responsible Party: Buyer Seller

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

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

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..... Print name as appears on purchase agreement Print name as appears on purchase agreement
Signature of Seller(s) of Homedate.....date.....
..... Print name and license number, if applicable (Street address of home at time of sale) Print name and license number, if applicable
..... (City/State/Zip).....	
Name of manufacturer of home.....	
Model and year.....	
Serial number....."	

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

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

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

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

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

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

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home is installed on a nonfrost-protected foundation and recommend that the purchaser have the home inspected to determine the effects of frost on the home.

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

Sec. 54. Minnesota Statutes 2010, section 327.32, subdivision 1f, is amended to read:

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

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

WHICH MAY VOID WARRANTY

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

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

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

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

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

Plain language notice.

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

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

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

Signature of Purchaser(s)

.....date..... date.....

Print name

Print name

(Street address of location where manufactured home is being reinstalled)

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

Name of manufacturer of home.....

Model and year.....

Serial number.....

Name of licensed installer and license number or homeowner responsible for the installation of the home as described above.

Installer name:.....

License number:....."

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

Sec. 55. Minnesota Statutes 2010, section 327.32, subdivision 7, is amended to read:

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

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

Sec. 56. Minnesota Statutes 2010, section 327.33, subdivision 2, is amended to read:

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

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fee distribution program require the secretary to distribute the fees collected from all manufactured home manufacturers among states approved and conditionally approved based on the number of new manufactured homes whose first location after leaving the manufacturer is on the premises of a distributor, dealer or purchaser in that state. Fees for inspections in areas that have not adopted the State Building Code must be equal to the fees for inspections in code areas of the state. Third party vendors may charge their usual and normal charge for inspections.

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

Sec. 57. Minnesota Statutes 2010, section 327C.095, subdivision 12, is amended to read:

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

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

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

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

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

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

(4) the manufactured home owner has a pending eviction action for nonpayment of lot rental amount under section 327C.09, which was filed against the manufactured home owner prior to the mailing date of the closure statement under subdivision 1, and the writ of recovery has been ordered by the district court;

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

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

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

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

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

Sec. 58. **REVISOR'S INSTRUCTION.**

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

<u>Column A</u>	<u>Column B</u>
<u>326B.82, subd. 2</u>	<u>326B.091, subd. 2a</u>
<u>326B.82, subd. 3</u>	<u>326B.091, subd. 2b</u>
<u>326b.82, subd. 5</u>	<u>326B.091, subd. 2c</u>
<u>326B.82, subd. 7</u>	<u>326B.091, subd. 4a</u>
<u>326B.82, subd. 8</u>	<u>326B.091, subd. 5a</u>
<u>326B.82, subd. 9</u>	<u>326B.091, subd. 5c</u>
<u>326B.82, subd. 10</u>	<u>326B.091, subd. 7</u>
<u>326B.821, subd. 4</u>	<u>326B.0981, subd. 17</u>
<u>326B.821, subd. 5</u>	<u>326B.0981, subd. 3</u>
<u>326B.821, subd. 5a</u>	<u>326B.0981, subd. 4</u>
<u>326B.821, subd. 6</u>	<u>326B.0981, subd. 5</u>

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<u>326B.821, subd. 7</u>	<u>326B.0981, subd. 6</u>
<u>326B.821, subd. 8</u>	<u>326B.099, subd. 1</u>
<u>326B.821, subd. 9</u>	<u>326B.099, subd. 2</u>
<u>326B.821, subd. 10</u>	<u>326B.099, subd. 3</u>
<u>326B.821, subd. 11</u>	<u>326B.099, subd. 4</u>
<u>326B.821, subd. 12</u>	<u>326B.0981, subd. 7</u>
<u>326B.821, subd. 13</u>	<u>326B.0981, subd. 8</u>
<u>326B.821, subd. 14</u>	<u>326B.0981, subd. 9</u>
<u>326B.821, subd. 15</u>	<u>326B.0981, subd. 10</u>
<u>326B.821, subd. 16</u>	<u>326B.0981, subd. 11</u>
<u>326B.821, subd. 17</u>	<u>326B.099, subd. 5</u>
<u>326B.821, subd. 18</u>	<u>326B.0981, subd. 12</u>
<u>326B.821, subd. 19</u>	<u>326B.0981, subd. 13</u>
<u>326B.821, subd. 20</u>	<u>326B.0981, subd. 14</u>
<u>326B.821, subd. 22</u>	<u>326B.0981, subd. 2</u>
<u>326B.821, subd. 23</u>	<u>326B.0981, subd. 15</u>
<u>326B.821, subd. 24</u>	<u>326B.0981, subd. 16</u>

Sec. 59. **REPEALER.**

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

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

ARTICLE 4**EFFECTIVE DATE**

Section 1. **EFFECTIVE DATE; RELATIONSHIP TO OTHER APPROPRIATIONS.**

Unless otherwise specified, this act is effective retroactively from July 1, 2011, and supersedes and replaces funding authorized by order of the Second Judicial District Court in Case No. 62-CV-11-5203.

Presented to the governor July 19, 2011

Signed by the governor July 20, 2011, 9:05 a.m.