

Subject Transportation, labor, and housing; supplemental appropriations and policy and finance

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Overview

This bill contains supplemental appropriations as well as policy and finance provisions related to transportation, labor, and housing.

Article 1: Transportation Appropriations

This article makes transportation-related supplemental appropriations and appropriation-related modifications for the FY 2024-2025 biennium, primarily to make additional fiscal year 2025 appropriations.

Section Description – Article 1: Transportation Appropriations

- 1 Transportation appropriations.**
Sets out the appropriations article structure and defines terms. Establishes that appropriations are from the Trunk Highway Fund unless another is named.
- 2 Department of Transportation.**
Makes supplemental appropriations to MnDOT for FY 2025.
- 3 Metropolitan Council.**
Makes a supplemental appropriation to the Metropolitan Council for FY 2025.
- 4 Department of Public Safety.**
Makes supplemental appropriations to the Department of Public Safety for FY 2025.
- 5 Multimodal systems.**
Establishes that a prior appropriation in fiscal year 2022 for a grant to the city of Karlstad is for Phase 1 of an airport project.

Section Description – Article 1: Transportation Appropriations

- 6 **Appropriation cancellation.**
Cancels \$8 million from a prior appropriation from the General Fund in fiscal year 2024 for Infrastructure Investment and Jobs Act (IIJA) discretionary matches. Effective the day after enactment.

Article 2: Transportation Finance

This article contains a variety of transportation finance and policy provisions.

Section Description – Article 2: Transportation Finance

- 1 **Intensive testing program data.**
Makes a technical change, to establish a cross reference.
- 2 **[Adds § 161.1258] Rumble strips.**
Directs MnDOT to establish in-road rumble strips at some locations on the trunk highway system. Sets an implementation timeline.
- 3 **Mayor Dave Smiglewski Memorial Bridge.**
Designates a bridge on U.S. Highway 212 in Granite Falls as the “Mayor Dave Smiglewski Memorial Bridge.”
- 4 **Gopher Gunners Memorial Bridge.**
Designates a bridge on Trunk Highways 55 and 62 over the Mississippi River as the “Gopher Gunners Memorial Bridge.”
- 5 **Transportation greenhouse gas emissions impact assessment.**
Revises and broadens requirements on assessment of trunk highway projects for impacts on greenhouse gas emissions and vehicle miles traveled, including to provide for a shift to portfolio-based assessments. Effective February 1, 2025.
- 6 **[Adds § 161.1782] Transportation impact assessment; technical advisory committee.**
Establishes a technical advisory committee to assist in the transportation greenhouse gas emissions impact assessment process. Effective the day after enactment.
- 7 **High voltage transmission; placement in right-of-way.**
Explicitly authorizes establishment of high-voltage transmission lines within trunk highway right-of-way. Effective the day after enactment.

Section Description – Article 2: Transportation Finance

- 8 **High voltage transmission; coordination required.**
Directs MnDOT to coordinate on transmission line placement. Effective the day after enactment.
- 9 **High voltage transmission; constructability report; advance notice.**
Requires reporting on a potential route for transmission line collocation on a trunk highway corridor. Provides for relocation costs in some circumstances. Effective the day after enactment.
- 10 **High voltage transmission; relocation reimbursement prohibited.**
Sets restrictions on high voltage transmission line relocation reimbursement from the trunk highway fund for costs resulting from trunk highway projects and provides for cost recovery by utilities. Effective the day after enactment.
- 11 **Definitions.**
Adds a definition of “high voltage transmission line” for a statute on utility relocation costs.
- 12 **Relocation of facilities; reimbursement.**
Removes a restriction on high voltage transmission line relocation reimbursement from the trunk highway fund. Makes technical changes.
- 13 **Display of temporary permit.**
Makes conforming and technical changes, including to remove obsolete language.
- 14 **60-day temporary vehicle permit.**
Extends the valid period, from 21 to 60 days, for a temporary permit for vehicle operation that can be issued to the buyer of a new motor vehicle. Effective October 1, 2024.
- 15 **Minnesota professional sports team philanthropy plates.**
Allows for designation of some Minnesota professional sports team special plate donations to go to the Minnesota Loon Restoration Project. Renames the special plate. Effective October 1, 2024.
- 16 **[Adds § 168.1283] Rotary International plates.**
Establishes a Rotary International special license plate and provides for plate requirements, eligibility, donations, design, and transfer.
- 17 **Late fee.**
Makes a conforming change.

Section Description – Article 2: Transportation Finance

- 18 **Application for new certificate.**
Extends the deadline, from ten to 20 calendar days, for submission of a title or title transfer application following the sale of a motor vehicle. Effective October 1, 2024.
- 19 **Requirements upon subsequent transfer; service fee.**
Makes a conforming change.
- 20 **Electric-assisted bicycle.**
Modifies the definition of an electric-assisted bicycle in the chapter of statutes governing traffic regulations.
- 21 **Multiple mode electric-assisted bicycle.**
Defines a “multiple mode electric-assisted bicycle” in the chapter of statutes governing traffic regulations.
- 22 **Vulnerable road user.**
Defines “vulnerable road user” in the chapter of statutes governing traffic regulations.
- 23 **Driver education; vulnerable road users.**
Broadens driver education curriculum rulemaking requirements of the Department of Public Safety to address additional considerations related to vulnerable road users.
- 24 **Electric-assisted bicycle; riding rules.**
Establishes that multiple mode e-bikes can be operated on bicycle paths and trails, unless prohibited.
- 25 **Electric-assisted bicycle; equipment.**
Revises labeling and operating equipment and capability requirements for e-bikes.
- 26 **[Adds § 169.515] Lights On grant program.**
Creates a Lights On grant program for vouchers that are provided to vehicle operators to replace or repair malfunctioning motor vehicle lights, including to set a \$250 voucher maximum, establish program eligibility, identify prioritization for grants, and require an annual report.
- 27 **Nonfelony violations.**
Amends the pretrial release requirements for certain individuals charged with a DWI offense, including to require the individual to abstain from nonprescribed controlled substances and allow the use of random testing to monitor abstinence.

Section Description – Article 2: Transportation Finance

- 28 **Reinstatement of driving privileges; multiple incidents.**
Establishes requirements for a person charged with a DWI involving controlled substances to recover driving privileges that mirrors the ignition interlock program, through mandated participation in an intensive testing program in place of interlock.
- 29 **Driver’s manual; vulnerable road users.**
Broadens direction to the Department of Public Safety on information to include in the driver’s manual, to specify traffic laws related to vulnerable road users. Effective the day after enactment, for editions of the manual published after that date.
- 30 **Examination subjects and locations; provisions for color blindness, disabled veterans.**
Broadens the driver knowledge exam to include testing on traffic laws related to vulnerable road users.
- 31 **Definitions.**
Adds and modifies definitions for the ignition interlock statute, which has the effect of narrowing participation in the ignition interlock program to incidents involving alcohol.
- 32 **Rulemaking.**
Makes a technical change.
- 33 **[Adds § 171.307] Intensive testing program.**
Establishes a program to test individuals convicted of certain DWI offenses involving controlled substances, including to require participants to submit to weekly urine analysis and authorize issuance of a restricted license to program participants. Establishes requirements related to the length of participation and consequences for violations that mirror the requirements of the ignition interlock program.
- 34 **Tribal worksite training program.**
Directs MnDOT to create a Tribal worksite training program for state-funded construction projects.
- 35 **[Adds § 174.249] Zero-emission transit buses.**
Authorizes and sets requirements for MnDOT to issue an exemption from zero-emission bus procurement mandates for transit providers in the Twin Cities metropolitan area. Provides for types of exemptions, application contents, and criteria for MnDOT to review an exemption request.

Section Description – Article 2: Transportation Finance

- 36 **Active transportation accounts.**
Makes technical and conforming changes.
- 37 **Use of funds.**
Provides funding under the Active Transportation program for the costs over four years of complete streets policy and guidance modifications.
- 38 **[Adds § 174.595] Transportation facilities capital program.**
Establishes a program on capital projects for MnDOT agency buildings and facilities, including to create program accounts, set project eligibility, and identify prioritization considerations. Effective the day after enactment.
- 39 **Passenger rail account; transfers; appropriation.**
Makes conforming and clarifying changes. Effective the day after enactment.
- 40 **Fee and revenue collection authorized.**
Authorizes MnDOT to arrange for fee and revenue collection related to passenger rail service. Effective the day after enactment.
- 41 **Definitions.**
Defines a term in the complete streets statute, by cross reference.
- 42 **Implementation.**
Specifies additional elements that MnDOT must include in their complete streets policy.
- 43 **Implementation guidance.**
Directs MnDOT to maintain guidance on the department’s complete streets policy. Specifies analysis to incorporate in it.
- 44 **Policy.**
Modifies a policy statement on electric power facility locations to explicitly identify high voltage transmission lines. Effective the day after enactment.
- 45 **Railroad company assessment; account; appropriation.**
Makes a conforming change, to amend uses of funds in the state rail safety inspection account.
- 46 **[Adds § 219.382] Wayside detector systems.**
Sets requirements for railroads to use wayside detector systems that monitor passing trains for some types of equipment defects. Effective January 1, 2025.

Section Description – Article 2: Transportation Finance

- 47 **[Adds § 219.5505] Train length.**
Limits train lengths in Minnesota to a maximum of 8,500 feet, sets a schedule of fine amounts for violation, and provides for civil actions. Effective August 1, 2024.
- 48 **[Adds § 219.756] Yardmaster hours of service.**
Sets limits for on-duty hours of some railroad employees who supervise and coordinate train activity in a railyard. Effective August 1, 2024.
- 49 **Motor carrier of railroad employees; requirements.**
Increases the minimum automobile insurance required of a motor carrier of railroad employees, from \$1 million to \$5 million in uninsured and underinsured coverage.
- 50 **Inspection and investigation authority.**
Provides for complaint-initiated investigation of motor carriers of railroad employees.
- 51 **Civil penalty.**
Sets a schedule of penalties for a violation of motor carrier of railroad employee requirements and provides for enforcement.
- 52 **[Adds § 325F.661] Sale of electric-assisted bicycles and powered cycles.**
Regulates sale and some advertising of electric-assisted bicycles and powered cycles.
- 53 **Transportation financial review.**
Directs the Metropolitan Council to submit an annual financial review to the legislature that provides various fiscal details about the transportation area of the council's budget and financials. Effective the day following enactment.
- 54 **Bus procurement.**
Requires suburban transit providers to only purchase zero-emission buses in their bus procurement for regular route or special transportation service, under a phase-in that starts January 1, 2030.
- 55 **Zero-emission and electric transit vehicles.**
Amends requirements for the Metropolitan Council on zero-emission transit vehicles, including to amend and broaden required contents of a transition plan and set a phase-in for procurement of zero-emission buses.
- 56 **Bus rapid transit project infrastructure.**
Requires the Metropolitan Council to include and fund the costs of specified aspects of all bus rapid transit (BRT) projects.

Section Description – Article 2: Transportation Finance

- 57 **Community roadside landscape partnerships.**
Specifies program expansion considerations for MnDOT’s community roadside landscape partnership program.
- 58 **Revisor instruction.**
Makes technical changes to move a subdivision.
- 59 **Revisor instruction.**
Makes technical changes to move a subdivision.
- 60 **Repealer.**
Paragraph (a) repeals a special plate provision (which is made obsolete by the Rotary International special plate established in this article).

Paragraph (b) repeals an administrative rule that mandates a minimum 180-hour length of instruction on commercial motor vehicle operation, which is required for a postsecondary institution that is approved as a third-party tester.

Article 3: Labor Appropriations

Modifies and makes appropriations to the Department of Labor and Industry (DLI), Bureau of Mediation Services (BMS), Department of Health (MDH), and Department of Employment and Economic Development (DEED) for fiscal year 2025. See fiscal spreadsheet for details.

Article 4: Combative Sports

Makes a variety of policy and technical changes to the regulation of combative sports. It also increases the maximum payment per licensee from the contractor recovery fund.

Section Description - Article 4: Combative Sports

- 1 **Payment limitations.**
Increases the maximum payment per licensee from the contractor recovery fund from \$75,000 to \$100,000.

Effective July 1, 2024.

Section Description - Article 4: Combative Sports

- 2 Rules.**
Adds the Unified Rules of Muay Thai to the list of rules incorporated into the chapter of law regulating combative sports. Allows a promoter to hold a kickboxing event governed by a different set of kickboxing rules if approved by the DLI commissioner.
- 3 Regulatory authority; martial arts and amateur boxing.**
Makes a conforming change allowing exceptions from combative sports regulations for youth competitions.
- 4 Regulatory authority; youth competition.**
Exempts combative sports and martial arts contests for minors from state regulation on combative sports provided that the contest is regulated by a local government or a widely recognized organization that regularly oversees youth competition.
- 5 Jurisdiction of commissioner.**
Removes convenience and necessity from the list of qualities that may warrant issuance of a combative sports license.
- 6 Prelicensure requirements.**
Requires as a precondition for licensure as an amateur combatant that an individual document six months of training in a combative sport or provide a letter of recommendation from a trainer or coach. Requires as a precondition for licensure as a professional combatant that an individual document participation in at least four sanctioned combative sports contests or evidence of sufficient skill and experience.
- 7 Fee schedule.**
Provides a structure for paying the combative sports event fee for combative sports contests in which promoters do not sell tickets but receive a flat payment for administration.
- 8 Medical records.**
Allows the DLI commissioner to provide a combatant's medical information to a physician involved in a combative sports contest.
- 9 Civil penalties.**
Expands the list of statutes the DLI commissioner may penalize a person for violating to include the regulations this bill would apply to youth competitions.

Article 5: Construction Codes and Licensing

Modifies construction codes and licensing provisions. Section 1 requires the commissioner to adopt a residential energy code at least as efficient as the International Energy Conservation Code, with the goal of reducing annual net energy consumption by 70 percent by 2038. Sections 2 to 4 add recovery related to a swimming pool installation to the possible grounds to seek recovery from the contractor recovery fund.

Section	Description - Article 5: Construction Codes and Licensing
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| 1 | <p>Adoption of code.</p> <p>Requires the DLI commissioner to adopt each new published edition of the International Energy Conservation Code, beginning in 2026. Requires the 2038 residential energy code to achieve a 70 percent reduction in annual net energy consumption reduction using the 2006 International Energy Conservation Code State Level Residential Codes Energy Use Index for Minnesota as a baseline. Requires annual reporting by the DLI commissioner to the legislature on progress towards these goals.</p> |
| 2 | <p>Residential real estate.</p> <p>Allows homeowners who have suffered financial harm due to a licensed swimming pool contractor or remodeler's fraud, negligence, or failure of performance, etc. to seek compensation from the contractor recovery fund if they meet existing statutory requirements. Among other requirements, the individual performing the work must be licensed, and the homeowner must obtain a judgment from the licensed contractor or remodeler to be able to apply for compensation.</p> |
| 3 | <p>Special skill.</p> <p>Along with section 4, clarifies that a swimming pool is part of the "residential real estate" so that swimming pool installers would be subject to existing contractor and remodeler licensure requirements and fees.</p> |
| 4 | <p>Definitions.</p> <p>Along with section 3, removes swimming pools from the special skills category of existing statute so that swimming pool installers would be subject to existing contractor and remodeler licensure requirements and fees.</p> |

Article 6: Bureau of Mediation Services

Requires the Bureau of Mediation Services (BMS) to pay for peace officer grievance arbitrator required training and repeals the Labor Management-Committee Grant Program laws and rules.

Section Description - Article 6: Bureau of Mediation Services

- 1 **Training.**
Removes obsolete language. Requires BMS to pay all costs for required training of peace officer grievance arbitrators.

Effective the day following final enactment.
- 2 **Repealer.**
Repeals sections 179.81 to 179.85 and related rules for the Labor Management-Committee Grant Program, consistent with the appropriations modifications in article 1.

Article 7: Public Employment Labor Relations

Makes several technical and policy changes to chapter 179A, the Public Employment Labor Relations Act (PELRA), to modernize language and provide additional clarity and organization.

- Sections 1, 3, 5, 7, 8, and 11 are purely technical.
- Section 2 makes technical changes modernizing the language and process for authorizing and remitting payroll deductions, including existing indemnification provisions for public employers.
- Section 4 makes technical language changes and clarifies exclusive representatives' existing access to public employees, including for orientation meetings and other communications and meetings related to collective bargaining, administration, and grievances.
- Section 10 requires rulemaking regarding clarifying petitions for majority verification. Sections 6 and 9 also make technical language changes related to majority verification procedure.

Article 8: University of Minnesota Collective Bargaining Units

Amends PELRA provisions regarding University of Minnesota (UMN) employees to allow the employees—including student employees—more flexibility in organizing their own distinct bargaining units.

Section Description - Article 8: University of Minnesota Collective Bargaining Units

- 1 **Public employee or employee.**
Amends the list of exceptions to PELRA's definition of "public employee" to delete provisions excepting student employees, and adds a provision that would specifically

Section Description - Article 8: University of Minnesota Collective Bargaining Units

include certain UMN student-employees into the definition of “public employee,” making them subject to the rules for collective bargaining under PELRA.

2 Units.

Amends the appropriate bargaining units for UMN employees to delete several specified units. Allows the commissioner of BMS to designate new UMN employee bargaining units for UMN employees whose positions are not part of the remaining units using the existing process for unit determination under PELRA, section 179A.09, and with special emphasis given to the desires of the petitioning employee representatives.

3 University of Minnesota employee severance.

Allows UMN employees to separate from the instructional and supervisory bargaining units by representation petition, through obtaining an election, decertification, or certification as outlined under PELRA, section 179A.12, or by excluding the group from a proposed unit in a representation petition.

4 Joint bargaining.

Permits UMN bargaining units to negotiate their contracts jointly or separately from one another. Requires jointly negotiated contracts to be ratified by each unit.

Article 9: Miscellaneous Labor Provisions

Contains miscellaneous labor provisions related to prevailing wage requirements, personnel records, and workplace blood lead standards.

Sections 1 and 2 expand prevailing wage requirements to financial assistance for certain tax increment financing (TIF) development projects and to certain local projects that qualify for a construction exemption. Section 3 expands all the rights and protections for personnel records review and access to an employer with one or more employees. Section 4 requires rulemaking to establish lower blood lead levels for workers.

Section Description - Article 9: Miscellaneous Labor Provisions

1 Definitions.

Modifies the definition of “financial assistance” in section 116J.871 to apply prevailing wage requirements to all TIF development projects that are for (1) a multifamily housing development of 25 or more units, or (2) any development receiving \$100,000 or more in TIF assistance. Also expands prevailing wage

Section Description - Article 9: Miscellaneous Labor Provisions

requirements to low-income housing credit allocations used for multifamily housing projects of more than 10 units, as defined in section 462A.222.

Effective for financial assistance provided after August 1, 2024.

2 Project.

Modifies the definition of “project” in section 177.42 to expand prevailing wage requirements to projects that alter, improve, or restore structures, land, facilities, public buildings or public works, which also includes work that is intended to be, or may be, used by the public or for the public benefit, provided that (1) the project is financed in whole or part by state funds, or (2) the project is owned by a city, county, or school district that uses materials or equipment that qualifies for a construction exemption from sales and use tax under chapter 297A or special law.

3 Employer.

Modifies the definition of “employer” for the purposes of personnel record review and access under Minnesota Statutes, sections 181.960 to 181.966. Currently, private employers with 20 or more employees are subject to these provisions. With this change, an employee of a private sector employer with one or more employees would have all of the rights and protections related to personnel record review and access, consistent with the existing law allowing employee review of personnel records for an employer with one or more employees.

4 Rulemaking; acceptable blood lead levels for workers.

Requires the DLI commissioner, in consultation with the commissioner of MDH, to adopt rules lowering acceptable blood lead levels for workers. MNOSHA has currently adopted by reference the federal OSHA standard for occupational exposure to lead, Lead Standard, [1910.1025](#). See Minnesota Rules, [part 5205.0010, subpart 2](#).

Article 10: Broadband and Pipeline Safety

Establishes and modifies safety-related provisions for broadband Internet installation and pipeline infrastructure.

Sections 1 to 4 require DEED to reserve a certain percentage of grants for applicants who agree to implement specified workplace safety standards; create a state Broadband, Equity, Access, and Deployment (BEAD) Program at DEED; require safety-qualified installers on underground telecommunications infrastructure near underground utility lines; and give the Public Utilities Commission authority to investigate and enforce damage or unreasonable interference with public utility or cooperative electric association infrastructure.

Sections 5 to 9 amend requirements related to work near pipelines or underground and repeal the prevailing wage exemption on some broadband projects.

Section Description - Article 10: Broadband and Pipeline Safety

- 1 Awarding grants.**
Requires DEED to reserve an increasing percentage of Border-to-Border Broadband Development grant dollars each year for those applicants that agree to implement the workforce best practices specified in this section.
- 2 Broadband, Equity, Access, and Deployment (BEAD).**
Requires DEED to implement a program that prioritizes applicants for state broadband funding that embraces the workforce hiring and training standards specified in this section. Requires DEED to make information submitted by applicants publicly available on the agency's website. Specifies that all workforce commitments made by grant applicants must become enforceable conditions of the grant. Requires grantees to provide biannual workforce reports that include specified information. Requires DEED to investigate a successful applicant's failure to fulfill their workforce requirements and take appropriate action, which may include banning the applicant from any future DEED broadband funding opportunity. Authorizes the DEED commissioner not to enforce any requirement that would prevent the state from receiving federal broadband grant funding.
- 3 Underground telecommunications infrastructure.**
Defines key terminology. Requires use of safety-qualified underground telecommunications installers when underground telecommunications infrastructure is installed within ten feet of underground utilities. Requires DLI to approve certification standards for safety-qualified underground telecommunications installers that include certain specified components. Requires DLI to develop an approval process for installer training providers.
- 4 Telecommunications and cable communication systems.**
Grants the Public Utilities Commission (PUC) authority to investigate telecommunications carriers, telephone companies, and cable communications system providers that impact public utility or cooperative electric association infrastructure. Authorizes the PUC to take action if the PUC determines that the entity's conduct damaged or unreasonably interfered with the infrastructure.
- 5 Authority of Office of Pipeline Safety.**
Makes technical changes, to update obsolete references to federal law.

Section Description - Article 10: Broadband and Pipeline Safety

- 6 **Utility corridor.**
Defines “utility corridor” in the chapter of statutes on pipeline safety, to refer to areas of land that provide access to utility infrastructure or to underground lines or utilities.
- 7 **Delegated duties.**
Makes technical changes, to update obsolete references to federal law.
- 8 **Adoption of federal pipeline inspection rules.**
Sets requirements for individuals who perform work near a utility corridor, to require (1) qualifications as established in federal regulations on pipeline facilities, and (2) drug and alcohol testing as provided under federal regulations adopted by the U.S. Department of Transportation. Makes technical changes, to update obsolete references to federal law.
- 9 **Repealer.**
Repeals an exemption from prevailing wage requirements for broadband projects funded through the state Border-to-Border Broadband Grant Program that connect a provider’s broadband network to a customer’s premises.

Article 11: Employee Misclassification Prohibited

Makes several changes to misclassification provisions in chapters 177, 181, and 326B. Creates a multiagency Intergovernmental Misclassification Enforcement and Education Partnership, allows for data sharing related to misclassification investigation, outreach, prevention, and enforcement. Clarifies and provides for additional penalties and enforcement of misclassification of employees and construction employees, including successor liability. And establishes a new multipart independent contractor test for building construction and improvement services.

Section Description - Article 11: Employee Misclassification Prohibited

- 1 **Examination of records.**
Allows examination of records and questioning of employers for any provisions subject to compliance order enforcement by DLI.
- 2 **Submission of records; penalty.**
Adds clarifying language about employment status records.

Section Description - Article 11: Employee Misclassification Prohibited

3 Adequacy of records.

Removes mediation language from adequacy of records provision.

4 Compliance orders.

Adds section 181.723, misclassification of construction employees, as amended in section 8, to the list of sections the commissioner can enforce through a compliance order.

5 Employer liability.

Clarifies that employer liability for an order to comply under this section is additional to any liability or remedies otherwise provided for in the specific violated section.

6 Civil action; damages.

Adds section 181.722, misclassification of employees, and section 181.723, misclassification of construction employees, as amended in sections 7 and 8 to the list of labor sections that can be enforced through a private civil cause of action under section 181.171.

7 Misclassification of employees.

Subdivision 1 specifies prohibited misclassification activities for an individual who is a person's employee, including failing to classify, represent, treat, report, disclose, document, or enter into an agreement with the individual as an employee, or requiring the employee to agree to be misclassified or treated as something other than an employee. Allows for personal liability for engaging in a misclassification violation. Also adds successor liability for outstanding misclassification violation compliance orders if three or more successor factors apply to the successor company or employer. Subdivision 1, paragraph (c), clauses (1) to (7) list the successor factors.

Subdivision 4 provides for additional penalties, investigation, and enforcement by the DLI commissioner for each separate misclassification violation. Damages include compensatory damages, and penalties ranging from \$1000 to up to \$10,000 depending on the type of violation.

Also adds definitions for this section in subdivision 1a, removes existing subdivision 2 prohibiting agreements to misclassify, and makes other minor technical and clarifying changes in subdivisions 3 and 5.

8 Misclassification of construction employees.

Subdivision 1 modifies the definitions used in this section, including a new definition of independent contractor based on the new requirements in subdivision 4.

Subdivision 2 clarifies the limited application of this section to building construction and improvement services, including public or private sector commercial or

Section Description - Article 11: Employee Misclassification Prohibited

residential building construction or improvement, unless one of the exclusions applies.

Subdivision 3 clarifies presumption that a person providing building construction or improvement services for an employer in the regular course of the employer's business is considered an employee for the purposes of the construction codes and licensing chapter, in addition to a number of labor laws, unless the independent contractor requirements under subdivision 4 are met.

Subdivision 4 adds a new multi-part test setting out 14 requirements to identify and classify an independent contractor operating a separate business entity in building construction and improvement services.

Subdivision 7 specifies prohibited misclassification activities for an independent contractor in the construction industry or for treating an employee as an independent contractor, including failing to classify, represent, treat, disclose, document, report, or enter into an agreement with the individual as an employee, or requiring the individual to register as a construction contractor or agree to be misclassified as an independent contractor. Allows for personal liability for engaging in a misclassification violation. Also adds successor liability for outstanding misclassification violation compliance orders if three or more successor factors apply to the successor company or employer. Subdivision 7, paragraph (e), clauses (1) to (7) list the successor factors. This subdivision also adds document retention requirements for independent contractor status and provides for additional penalties, investigation, and enforcement by the DLI commissioner for each separate misclassification violation. Damages include compensatory damages, and penalties ranging from \$1000 to up to \$10,000 depending on the type of violation.

Subdivisions 13 and 15 make other minor technical and clarifying changes.

Effective August 1, 2024, for contracts entered into on or after August 1, 2024, and for all building construction or improvement services performed after January 1, 2025.

9 Intergovernmental Misclassification and Education Partnership Act.

Sections 9 and 10 establish the Intergovernmental Misclassification Enforcement and Education Partnership Act for the stated purpose of preventing employee misclassification and providing for coordination, collaboration, and information sharing between partnership entities. Provides definitions used in the Act.

10 Intergovernmental Misclassification and Education Partnership.

Creates the Intergovernmental Misclassification Enforcement and Education Partnership, composed of the commissioners of labor and industry, revenue, employment and economic development, and commerce, and the attorney general.

Section Description - Article 11: Employee Misclassification Prohibited

Requires the partnership to meet quarterly on issues related to investigation and outreach on employee misclassification. Sets out the partnership's duties, including efforts related to education, outreach, detection, investigation, deterrence, and enforcement of employee misclassification. Requires an annual presentation to the legislature on the partnership's efforts. Specifies information and recommendations to be included in the partnership's first presentation to the legislature and allows for meetings for this purpose. Specifies that the partnership is not subject to the Open Meeting Law.

Effective the day following final enactment.

11 Disclosure to Department of Commerce.

Allows the commissioner of revenue to disclose certain tax return information to the commissioner of commerce as needed for the purposes of workers' compensation insurance compliance.

Effective the day following final enactment.

12 Disclosure to the attorney general.

Allows the commissioner of revenue to disclose certain tax return information to the attorney general for the purpose of determining whether a business is an employer and as needed for the attorney general's enforcement of labor chapters 177 and 181.

Effective the day following final enactment.

13 Applicable law.

Expands the scope of law enforced by the DLI commissioner with respect to construction codes and licensing to include violations of wage protections and worker misclassification laws.

14 Licensing order.

Amends a cross-reference regarding licensing orders.

15 Stop work order.

Conforms the definition to terminology changes in section 21.

16 Remedies available.

Provides that the DLI commissioner's enforcement remedies for violations of construction codes and licensing laws may be used in addition to or as an alternative to other investigative and enforcement powers provided to the commissioner.

Section Description - Article 11: Employee Misclassification Prohibited

- 17 **Access to information and property; subpoenas.**
Allows the DLI commissioner, in connection with actions to enforce the construction code and construction licensing laws, to demand data and information and to access all areas of a property subject to investigation or enforcement action.
- 18 **Fax or email transmission.**
Allows for requests for reconsideration or a hearing on enforcement actions by the DLI commissioner to be emailed to the commissioner when the commissioner requests service by email.
- 19 **Notices of violation.**
Allows for the DLI commissioner to issue notices of violation, in connection with a construction code or licensing enforcement action, to any individual who could be held liable for misclassification of a construction employee under the changes proposed in section 8 and makes the notice effective against any successor person as defined in that section.
- 20 **Administrative orders; correction; assessment of monetary penalties.**
Allows the DLI commissioner to assess monetary damages for violations of construction code and licensing provisions; to issue administrative orders for failure to correct notices of violation; to seek an order finding a failure to correct a notice of violation to be contempt of court; and to issue an administrative order against any person who could be held liable for misclassification of a construction employee under the changes proposed in section 8.
- 21 **Stop work orders.**
Expands list of persons against whom the DLI commissioner can issue stop work orders to include any person who could be held liable for misclassification of a construction employee under the changes proposed in section 8 and expands the list of conduct that can give rise to a stop work order to include failure to correct notices of violations. Allows a request for a hearing on a stop work order to be served by email. Allows for assessment of a \$5,000 per day penalty for violating a stop work order. Entitles employees of an entity subject to a final stop work order to receive up to 10 days pay. Makes data in a stop work order public after the order is issued.

Effective August 1, 2024, for contracts entered into on or after August 1, 2024, and for all building construction or improvement services performed after January 1, 2025.
- 22 **Licensing orders; grounds; reapplication.**
Allows the DLI commissioner to deny a construction license to a person who violated any of a number of chapters governing Minnesota labor, who violated orders from

Section Description - Article 11: Employee Misclassification Prohibited

- the commissioner of labor or other state commissioners, or who failed to comply with a commissioner's investigation.
- 23 **Summary suspension.**
Allows summary suspension of a person's permit, license, registration, or certificate for engaging in prohibited activities related to independent contractor status, as defined in section 8.
- 24 **Additional penalties and damages.**
Allows an additional \$1,000 penalty to apply to any person who delays or obstructs a commissioner's investigation of a violation of construction code and licensing laws.
- 25 **Construction contractor registration.**
Requires applications to register as a contractor to include information on how many employees the person has, the identities of all persons with an interest in the business entity, documentation of the person's compliance with worker's compensation and unemployment insurance laws for the person's employees, and information on any violations issued to the person or other persons with an interest in the business entity by the DLI commissioner in the preceding 10 years. Renders each day of performing construction without proper registration to be a separate violation of this section. Allows investigation and enforcement of this section in conjunction with other investigatory and enforcement actions. Allows the DLI commissioner to use otherwise private application data for investigatory and enforcement purposes.

Article 12: Minors Appearing in Internet Content

Provides regulations, compensation requirements, and enforcement provisions related to minor children appearing on the Internet on platforms where the content generates compensation.

Section Description - Article 12: Minors Appearing in Internet Content

- 1 **Online platform.**
Defines "online platform" to mean a website or mobile applications like social networking sites and streaming services.
- 1 **Content creation.**
Defines "content creation" as the videos and photographs that are put online for compensation.

Section Description - Article 12: Minors Appearing in Internet Content

2 Content creator.

Defines “content creator” as a person who creates and posts videos online for compensation, on their own or with a company, but excludes minors creating content.

3 Compensation for Internet content creation.

Requires a trust account and payment for the content created using the minor’s likeness and for the trust to be maintained until the minor reaches 18. This section also requires that records are kept on minors who appear in at least 30 percent of the content creator’s videos, when the content creator’s videos generate income, including the minor’s name, the amount of compensation generated, and how much was paid to the minor’s trust account.

This section prohibits children under 14 from working in content creation, so they cannot appear in more than 30 percent of the videos, but, if they do appear, they are entitled to 100 percent of the profits. Minors aged 14 to 18 can produce their own content and are entitled to the profits.

This section requires that the records must be readily accessible to the minor and allows the minor to request to delete the content with their likeness at any time after they turn 13.

The minor, or an adult who was previously depicted as a minor, can also sue for damages if any of the provisions of this section are violated and allows the attorney general to enforce this law as well.

This section is effective on July 1, 2025.

Article 13: Housing Appropriations

This article reduces certain 2023 appropriations to MHFA and makes new appropriations both to MHFA and to Minnesota Management and Budget (MMB).

Section Description – Article 13: Housing Appropriations

1 Total appropriation.

Reduces the total fiscal year 2025 appropriation from the 2023 housing major finance bill from \$273,298,000 to \$223,298,000.

Section Description – Article 13: Housing Appropriations

- 2 Housing infrastructure.**
Reduces the fiscal year 2025 appropriation from the 2023 housing major finance bill for housing infrastructure from \$100,000,000 to \$60,000,000.
- 3 Community stabilization.**
Reduces the fiscal year 2025 appropriation from the 2023 housing major finance bill for community stabilization from \$45,000,000 to \$35,000,000.
- 4 Appropriation; Minnesota Housing Finance Agency.**
Appropriates \$59,255,000 in fiscal year 2025 from the general fund to MHFA. Of this amount: \$50,000,000 is for the housing affordability preservation investment program established in article 2; \$8,885,000 is for the family homeless prevention and assistance program; \$270,000 is for implementing certain recommendations of the workgroup on expediting rental assistance; and \$100,000 is for a grant to the Amherst H. Wilder Foundation for the Minnesota homeless study.
- 5 Appropriation; Minnesota Management and Budget.**
Appropriates \$200,000 in fiscal year 2025 from the general fund to MMB for Management Analysis and Development to facilitate a working group on common interest communities and homeowners associations.
- 6 Supreme court.**
Appropriates \$545,000 to the supreme court to pay for the eviction expungement work required by article 3, section 3.

Article 14: Housing Policy

This article makes various housing-related policy changes including: (1) providing a new type of public corporation that can be made for the purposes of both participating in certain federally assisted rental housing programs and receiving state general obligation bond proceeds; and (2) modifying the chapter of law governing MHFA.

Section Description – Article 14: Housing Policy

- 1 Obligations of public corporations.**
Exempts public corporations created by housing and redevelopment authorities for the purposes of participating in certain federally assisted rental housing programs from provisions governing other public corporations.

Section Description – Article 14: Housing Policy

- 2 Energy decarbonization and climate resilience.**
Expands certain provisions for energy efficiency to include clean energy, greenhouse gas emissions reduction, and climate resiliency.
- 3 Distressed building.**
Defines a “distressed building,” for the purposes of the chapter governing MHFA, to mean a building restricted to households with incomes at or below 60 percent of area median income that is experiencing financial distress.
- 4 Recapitalization.**
Defines “recapitalization,” for the purposes of the chapter governing MHFA, to mean financing for operational costs, capital restructuring, debt forgiveness, maintenance, and reimbursement to a nonprofit who paid for one of these expenses.
- 5 Refinancing mortgages.**
Allows use of a program for refinancing mortgages to fund loans for recapitalization as defined in this article.
- 6 Rehabilitation loans.**
Expands certain provisions for energy conservation to include clean energy, greenhouse gas emissions reduction, and climate resiliency.
- 7 Rehabilitation loans; existing owner-occupied residential housing.**
Expands certain provisions for energy efficiency to include clean energy, greenhouse gas emissions reduction, and climate resiliency.
- 8 Energy decarbonization and climate resiliency loans.**
Expands certain provisions for energy conservation to include decarbonization, greenhouse gas emissions reduction, and climate resiliency.
- 9 Rehabilitation grants.**
Expands certain provisions for energy conservation to include decarbonization, greenhouse gas emissions reduction, and climate resiliency.
- 10 Energy decarbonization and climate resiliency grants.**
Expands certain provisions for energy conservation to include decarbonization, greenhouse gas emissions reduction, and climate resiliency.
- 11 Rental property loans.**
Expands certain provisions for energy improvements to include decarbonization, greenhouse gas emissions reduction, and climate resiliency.

Section Description – Article 14: Housing Policy

- 12 **Insuring financial institution loans.**
Expands certain provisions for energy conservation to include decarbonization and climate resiliency.
- 13 **Indian Tribes.**
Expands the programs for which Indian Tribes are eligible from all programs governed by the MHFA chapter to all agency programs, including those governed by session law.
- 14 **Wage theft prevention and use of responsible contractors.**
Requires any applicant for MHFA funding to disclose labor law violations to the agency in the funding application, to use responsible contractors as defined by law, and to maintain a list of contractors and subcontractors for any project. Requires any contractor to enter into a wage theft prevention plan if it underpays a worker and allows MHFA to disqualify a contractor that fails to pay statutorily required wages after entering into a wage theft prevention plan. Allows MHFA to deny an application for failing to comply with this section.
- 15 **Rent and income limits.**
Allows MHFA, without following the rulemaking requirements of chapter 14, to adjust the rent and income limits of its programs to meet federal standards for the low-income housing tax credit or the exempt-facility bond.
- 16 **Eligibility for agency programs.**
Allows MHFA to determine that a household meets rent or income requirements if the household receives means-tested public assistance benefits.
- 17 **Permanent rental housing.**
Allows awards of loans from MHFA’s publicly owned housing program to public corporations created by housing and redevelopment authorities for the purposes of participating in certain federally assisted rental housing programs.
- 18 **Annual projection of emergency rental assistance needs.**
Requires MHFA to consult with Department of Human Services (DHS) and administrators of rental assistance to project the amount of money necessary to meet all needs for assistance from family homeless prevention and assistance, emergency assistance, and emergency general assistance.
- 19 **Energy efficiency loans.**
Expands certain provisions for energy conservation to include decarbonization and climate resiliency.

Section Description – Article 14: Housing Policy

- 20 **Family rental housing.**
Modifies the PARIF program so that the “eligible mortgagor” standard does not apply for buildings seeking recapitalization.
- 21 **Debt ceiling.**
Raises the agency general obligation debt ceiling from \$5,000,000,000 to \$7,000,000,000.
- 22 **Limitation on rental increases.**
Limits rental increases in a project that received the low-income housing tax credit and that is restricted to seniors to the percentage increase in Social Security in the preceding year. Exempts units owned by a nonprofit and units in which the resident has a rental subsidy from the limitation.
- 23 **Expending funds.**
Conforms a section dealing with the manufactured home relocation trust fund to changes made in the 2023 legislative session.
- 24 **Authorization.**
Modifies allowable uses of the housing infrastructure bond program to allow use of bond proceeds on recapitalization, to expand uses on foreclosed and abandoned housing to include rehabilitating the properties for affordable homeownership, to reduce the fraction of housing units required to be operated as supporting housing units for a building to qualify for assistance as supportive housing, to allow use of bond proceeds on cooperatively owned housing, and to specify that a roll-in shower for a recipient of housing infrastructure bonds is only required in one accessible unit in the building.
- 25 **Additional authorization.**
Allows MHFA to issue \$50,000,000 in housing infrastructure bonds.
- 26 **Additional appropriation.**
Appropriates to MHFA the amount necessary to pay the debt service on the housing infrastructure bonds this bill authorizes the agency to issue.
- 27 **Definitions.**
Removes certain geographic and population limits for the workforce housing development program.
- 28 **Use of funds; grant and loan program.**
Removes a set-aside from the Minnesota housing tax credit program.

Section Description – Article 14: Housing Policy

- 29 **Eligible recipients; definitions; restrictions; use of funds.**
Specifies that the same requirements applying to grants through the Minnesota housing tax credit program also apply to loans. Expands eligibility for grants and loans under the program to include the spouses and family members of the officers or principals of a business entity that received a credit for contributing to the program in the current or previous taxable year. Expands eligibility for grants and loans under the program to include the spouses and family members of individuals who own or control a business entity that received a credit for contributing to the program in the current or previous taxable year. Expands eligibility for grants and loans under the program to include the individuals who only indirectly own or control a business entity that received a credit for contributing to the program in the current or previous taxable year. Expands eligibility for grants and loans under the program to include a business entity that is indirectly owned or controlled by an individual that received a credit for contributing to the program in the current or previous taxable year. Allows MHFA to rely on applicant’s statements about their eligibility to determine their eligibility for grants and loans. Expands the scope of projects which a taxpayer may contribute to under section 290.0683.
- 30 **City.**
For the purposes of the chapter governing municipal housing, expands the definition of a city to include public corporations created by housing and redevelopment authorities for the purposes of participating in certain federally assisted rental housing programs.
- 31 **May be in LLP, LLC, or corporation; bound as if HRA.**
Allows a housing and redevelopment authority to create a public corporation for the purposes of participating in certain federally assisted rental housing programs.
- 32 **Public corporation; rental assistance demonstration program.**
Proscribes rules for the operation of and the powers of a public corporation created by a housing and redevelopment authority for the purposes of participating in certain federally assisted rental housing programs.
- 33 **Purpose.**
Expands the purposes of the local affordable housing aid to include preserving supportive services for residents.
- 34 **Definitions.**
Adds a definition of locally funded housing expenditures to the aid program to include use of unrestricted local government money on a wide variety of housing-related expenditures.

Section Description – Article 14: Housing Policy

- 35 **Qualifying projects.**
Adds the funding of operations and supportive services to the list of projects which aid may be spent on, including costs of operating emergency shelter, transitional housing, supportive housing, or publicly owned housing.
- 36 **Use of proceeds.**
Deems funds committed to a project within three years of receipt as spent for the purposes of the three-year spending deadline, provided that the funds are expended in the following year.
- 37 **Conditions for receipt.**
Requires that aid recipients commit to using money to supplement their locally funded housing budgets. Requires that local governments report on their locally funded housing expenditures and any cuts to those expenditures.
- 38 **Administration.**
Requires MHFA to notify the Department of Revenue if an aid recipient fails to report on its locally funded housing expenditures. Requires an aid recipient to return its money to MHFA if it fails to meet its reporting requirement. Requires the Department of Revenue to stop funding an aid recipient upon the aid recipient’s request.
- 39 **Challenge program.**
Allows a set-aside of a 2023 appropriation of the challenge program for Urban Homeworks to be used on gap financing and on a broader range of low-income households.
- 40 **Northland Foundation.**
Expands the eligible uses of a Northland Foundation appropriation from 2023 to include assisting and supporting communities in providing housing locally.
- 41 **Eligible homebuyer.**
Removes a geographic requirement from the definition of “eligible homebuyer” for the purposes of the fee-based down payment assistance program enacted in the 2023 legislative session.
- 42 **Task force on long-term sustainability of affordable housing.**
Establishes a task force with MHFA to determine ways to improve the financial health of affordable housing providers.

Section Description – Article 14: Housing Policy

- 43 **Direction to commissioners of human services and the Minnesota Housing Finance Agency; emergency assistance program modifications.**
Requires MHFA, in consultation with DHS, to develop recommendations to speed up the processing of emergency rental assistance, including adopting administrative policies and proposing legislative changes.
- 44 **E-signature options for rental assistance.**
Encourages DHS and MHFA to develop uniform e-signature options and to require administrators of rental assistance to use those options by June 30, 2026.
- 45 **Language access in applications for rental assistance.**
Encourage MHFA and DHS to make a number of changes to improve language access to their rental assistance programs, including:
- 1) researching state and federal laws and regulations regarding language access to ensure compliance;
 - 2) identifying which languages program materials should be translated into to improve access to the state’s rental assistance programs;
 - 3) translating website applications for the state’s rental assistance programs into multiple languages;
 - 4) identifying needs and sources for funding to implement these changes; and
 - 5) providing technical assistance to administrators of rental assistance so they can meet language access.
- 46 **Verification procedures for rental assistance.**
Encourages MHFA to consult with DHS and local officials to find ways to make it simpler to verify information in applications for the state’s rental assistance programs. Encourages the agencies to develop recommendations by January 1, 2025, and to report the recommendations to the legislature.
- 47 **Housing affordability preservation investment.**
Establishes a program with MHFA to provide recapitalization, as defined in this bill, to distressed buildings, as defined in this bill. Requires reports on the program by February 1 and November 30 of 2025.
- 48 **Revisor instruction.**
Requires the revisor’s office to update the list of chapters governing cooperative associations in the section modifying MHFA’s use of housing infrastructure bonds to include chapter 308C if H.F. 3800 or a comparable bill is enacted. Requires the revisor's office to recode some provisions regulating housing infrastructure bonds.

Article 15: Discrimination; CIC; Working Group

This article prohibits discrimination on the basis of source of income, establishes a working group on common interest communities and homeowners associations, and applies mandatory eviction expungement laws retroactively.

Section Description – Article 15: Discrimination; CIC; Working Group

1 **Housing discrimination.**

Prohibits a landlord from denying a rental unit to a tenant based on the use of assistance that helps the tenant pay rent and prohibits the landlord from advertising that they will not rent to someone because of the use of public assistance that helps pay rent. Provides that the section can be enforced through chapter 363A.

2 **Working group on common interest communities and homeowners associations.**

Subd. 1. Creation; duties. Creates a working group to study CICs, commonly called condos, and HOAs, which are homeowner associations that govern a variety of different housing configurations, in Minnesota to look at:

- How many CICs and HOAs exist and how many people live in them;
- What governing documents CICs and HOAs use and how they impact homeowners;
- The fees and costs associated with HOAs and CICs;
- If and how regulating CICs and their costs and fees could be done;
- Racial disparities and accessibility in homeownership in CICs and HOAs and the impact of these organizations on the housing market and costs; and
- How the laws related to CICs and HOAs currently work and what reforms could improve the experience for homeowners and residents.

Subd. 2. Membership. Provides the membership for the working group, including House and Senate members, the commissioner of the Housing Finance Agency and the Attorney General's Office, members of the public who own or have owned in a CIC or HOA, as well as members of the housing community, legal aid, realtors, and attorneys who work with CICs and HOAs and their owners.

Subd. 3. Facilitation; organization; meetings. Provides that the MAD group through MMB will provide support to the working group and how the meetings will be held.

Subd. 4. External consultation. Allows the working group to consult with others for expertise in completing the requirements of the working group.

Section Description – Article 15: Discrimination; CIC; Working Group

Subd. 5. Report. Requires a final report be submitted to chairs of legislative committees related to housing and commerce by February 1, 2025.

Subd. 6. Expiration. Provides that the working group expires when they submit their final report or on February 28, 2025.

Effective date. Provides that this section would be effective the day following final enactment.

- 3 **Effective date.**
Amends 2023 law to make new options for mandatory eviction expungement retroactive, applying to cases that occurred before, on, or after January 1, 2024.



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