

# HOUSE RESEARCH

## Bill Summary

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### Article 1: Appropriations Summary

- 1      Jobs and Economic Development, Housing, and Minnesota Heritage Appropriations. Summarizes total appropriations in the bill by fund.
- 2      Jobs and Economic Development Appropriations. Provides for appropriations for fiscal year 2008 and 2009.
- 3      Department of Employment and Economic Development. Makes appropriations from the general, remediation and workforce development funds.

Includes appropriations for:

- The Rural Policy and Development Center at St. Peter, Minnesota for research on emerging economic and social issues in rural Minnesota;
- Women Venture for women's business development;
- University Enterprise Laboratories for emerging bioscience companies;
- Redevelopment grant program;
- Department services to help small businesses access federal funds;
- Public facilities authority for small community wastewater treatment programs;
- Urban challenge grant program;
- Metropolitan Economic Development Association;
- Minnesota Inventors Congress including youth inventors;
- Paradise Center for the Arts in Faribault for handicapped accessibility;

- Small business growth accelerator through Minnesota Technology, Inc.;
- Northome to replace a fire damaged municipal building;
- Agriculture-based bioscience training and testing center in Worthington;
- BioBusiness Alliance of Minnesota for bioscience business development programs for specified uses;
- Walker area community center;
- Pine Island Economic Development Authority for predesign of utility extension to Elk Run;
- Thomson Township for industrial park infrastructure improvements;
- Cleanup of lake debris from a tornado in Le Sueur County;
- Replacement of public infrastructure destroyed in Warroad by 2006 tornado;
- Grant to the city of Rogers for tornado relief;
- Bioscience business marketing outside the seven-county metro area;
- Water system improvements in the Upper Sioux Community;
- Neighborhood Development Center to retain minority business enterprises at the Global Market;
- Inver Grove Heights Veterans Memorial Community Center;
- Minnesota 21<sup>st</sup> century fund to partially restore money unallotted in 2003;
- Payment of debt service on bonds issued for the River Centre Campus;
- Organizations in Blue Earth, Faribault and Martin Counties for entrepreneur and small business development; and
- Minnesota Investment Fund with a set-aside for a legal reference office and data center facility.

Makes appropriations to the workforce development division for:

- Job skills partnership with carry forward and back authority;
- Twin Cities RISE! for training;
- Opportunities Industrialization Centers;
- Extended employment services, including services for persons with severe disabilities or mental illness from both the general fund and the workforce development fund;
- Centers for independent living;
- State services for the blind;
- Minnesota Employment Center for People Who are Deaf or Hard-of-Hearing from both the general fund and the workforce development fund;
- Vocational rehabilitation program for people with significant disabilities to assist with employment and interpreters for a program for the deaf, hard-of-hearing and deaf-blind persons;
- Advocating Change Together for services for persons with developmental and mental illness disabilities;
- Lifetrack Resources for immigrant services;

- Youthbuild;
- City of St. Paul summer youth employment program for at-risk youth;
- Summer youth employment in Minneapolis from the workforce development fund, including the learn-to-earn program;
- Northern Connections for a pilot workforce program;
- Ramsey County Workforce Investment Board for the Building Lives Program;
- Hennepin-Carver Workforce Investment Board for collaborative regional health care training;
- Workforce Development, Inc. for demand-driven employment pilot project in Mower, Freeborn, Dodge, and Steele counties;
- HIRED for industry sector training initiatives;
- A nonprofit to increase employment opportunities for disabled persons;
- Minnesota youth program from the workforce development fund;
- Minnesota Alliance of Boys and Girls Clubs for statewide youth job skills development from the workforce development fund; and
- A study of ways to promote employment opportunities for minorities.

Deed is also required to provide funding for the Minnesota conservation corps for interpreters and stipends for deaf students. Deposit and transfer language is provided for movement of funds between the workforce development special administration account and the workforce development fund.

4 Explore Minnesota Tourism. Appropriates for Explore Minnesota Tourism. (See spreadsheet for line item appropriation amounts.) The items in this section include:

- initiatives to maximize private sector involvement in tourism that included match requirements of \$3 from non state funds for each \$1 of state funds;
- funding for marketing grants;
- operating costs of the Minnesota Film and TV Board that require a \$1 dollar match of non state funds for every \$3 of state funding and funding for the film jobs production program; and
- onetime funding to St. Louis County for a feasibility study and planning activities for the St. Louis county Heritage and Arts Center at the Duluth depot.

5 Housing Finance Agency. Appropriates funds for:

- The economic development and housing challenge program;
- The Housing Trust Fund;
- Bridges rental assistance;
- Family homeless prevention;

- Home ownership assistance;
- Affordable rental investment fund;
- Housing rehabilitation and accessibility;
- Urban Indian housing;
- Tribal Indian housing;
- Home ownership education, counseling, and training; and
- Capacity building grants.

6 Department of Labor and Industry. Makes appropriations from the general, workers compensation, and workforce development funds and state government special revenue.

Includes appropriations for:

- Vinland Center for rehabilitation services;
- Safe patient handling grants under a new program from the workers' compensation fund;
- Apprenticeship program including the labor education and advancement program grants from the workforce development fund; and
- Prevailing wage enforcement.

7 Bureau of Mediation Services. Makes general fund appropriations for services and grants.

8 Workers Compensation Court of Appeals. Makes appropriations from the workers compensation fund.

9 Minnesota Historical Society. Provides funding for activities related to the Minnesota Historical Society, including:

- building lease cost increases;
- education and outreach activities, including the Sesquicentennial Commission and grants for county and local historical societies;
- preservation and access activities including, restoration of historic furnishings and art works at the capitol building and preservation of battle flags;
- pass through grants to the Minnesota International Center, the Minnesota Air National Guard Museum, the Minnesota Military Museum; and Farmamerica;
- a onetime grant to the Nicollet County Historical Society for the Treaty Site History Center in St. Peter;
- a onetime grant to the Hmong Studies Center at Concordia University in St. Paul; and

- grants to the city of Eveleth for the Hockey Hall of Fame.

In addition, the Minnesota Historical Society, Explore Minnesota Tourism and other state and local entities are directed to assemble a study group to develop a plan of coordinated activities to enhance and promote historic sites, and historical, scenic and natural features of the Minnesota River Valley including the Dakota Conflict of 1862 and preparations for the sesquicentennial of this event. The historical society is prohibited from charging fees for general tours at the capitol, but may charge fees for special programs.

- 10 Board of the Arts. Makes general fund appropriations.
- 11 Board of Accountancy. Makes general fund appropriations
- 12 Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience, and Interior Design. Makes general fund appropriations
- 13 Board of Barber and Cosmetologist Examiners. Makes general fund appropriations
- 14 Minnesota Boxing Commission. Makes general fund appropriation for transition to self-funding.
- 15 Minnesota Humanities Commission. Establishes base funding for the humanities commission. Of this 10 percent each year is for lifelong learning programs in greater Minnesota communities that don't receive other support for these activities.
- 16 Transfers. Provides authority for transfers from the construction code fund to the general fund, and the transfer of any remaining funds appropriated in 2005 for methamphetamine laboratory cleanup to the small community wastewater treatment account.

## **Article 2: Employment and Development-Related Provisions**

- 1 Loggers. Specifies that certain data collected from persons attending safety and education programs or seminars for loggers is public data. The public data includes the names of the individuals attending, the name of each attendee's employer, the city where the employer is located, the date the program was held, and the description of the program.
- 2 Administration by Commissioner. Eliminates language that requires fees and surcharges for public buildings and state licensed facilities to be remitted to the Commissioner of Administration for deposit to the special revenue fund. Requires the Commissioner to establish a surcharge for public buildings and state licensed facilities.
- 3 Designation. Provides conforming language to section 2.
- 4 Administrative Actions; Penalties. Eliminates the provision that administrative monetary penalties imposed by the Commissioner must be paid to the special revenue fund.
- 5 Collection and Reports. Eliminates the statutory appropriation of building code surcharges and fees to the Commissioner of Administration.
- 6 Grant Account; Contaminated Site Cleanup and Development. Allows money in this account to be available until spent, regardless of the source of the money. Current law limits the availability to four years.
- 7 Qualifying Site; Contamination Cleanup Development Grant. Eliminates criteria related to the value of the site relative to the estimated cleanup costs. A relative cost factor is added to the priorities for these grants under section 8.
- 8 Priorities; Contamination Cleanup Development Grant. Includes a measure of cleanup costs relative to current market value in one of the factors the commissioner must consider in making grants when applications exceed funds available.
- 9 Commissioner Discretion. Authorizes the commissioner to make grants up to 50% for eligible redevelopment projects anywhere in the state.
- 10 **Priorities.** Authorizes the Commissioner to give priority to redevelopment projects whose costs are related to the expansion of a bioscience business in Minnesota. Provides that at

least 50 percent of the grant money must be for sites located outside of the metropolitan area.

11 Generally; Minnesota Trade Office. Provides that the office must serve as Minnesota's office of protocol for visits by representatives of foreign governments and as a liaison to the foreign diplomatic corps in the state.

12 **Workforce Development Intermediaries.** Under the jobs skills partnership, this section defines *workforce development intermediaries* as entities with a track record of providing employment services to low-income individuals by bringing together employers, workers, and funding sources to implement pathways to career advancement projects.

13 Pathways Program. Makes these workforce development intermediaries eligible for grants awarded by the pathways program and it reduces the cash or in-kind match required of pathways projects from a one-to-one match to one-half-to-one match.

14 Definitions; Dislocated Worker. Includes persons who have been terminated or have received a termination notice resulting from a plant closing or substantial layoff in the definition of dislocated worker.

15 Determination and Collection of Special Assessment. Maintains the employer assessment for the workforce development fund at the current level of .10 percent.

16 Designation of Workforce Service Areas. Allows the commissioner of employment and economic development to redesignate workforce service areas only after receiving the advice of the affected local public officials.

17 Nonprofit Corporation Loans. Sets the rate charged by a nonprofit making loans through a grant under the urban challenge grant program at the Wall Street prime rate plus four percent and authorizes the nonprofit to charge and retain an origination fee.

18 Small Business Growth Acceleration Program. Creates a new program administered by Minnesota Technology, Inc. to assist businesses with gap financing for technology and other improvements.

To be eligible a business must:

- be a manufacturer or in manufacturing-related services with 100 or fewer employees; and
- apply as required with a plan for technology and business improvement.

Minnesota Technology provides project funding, through a written agreement, to accelerate improvements if it determines that the improvements would not be done without an award. Funding is limited to half of the project costs or a maximum of \$25,000 per project per year. A single company is limited to \$50,000 in a calendar year. Program funds must only be used for services and products to enhance business operations.

Minnesota Technology must report annually to the legislature on the award of funds, the estimated and actual impact of the funds awarded.

19 Packinghouse Workers Bill of Rights.

Subd. 1. Definition . Specifies that "employer" means an employer in the meatpacking industry.

Subd. 2. Right to adequate equipment and training. Requires an employer to furnish

adequate equipment to safely perform their jobs under OSHA standards.

Subd. 3. Information provided to employee. Outlines the minimum information about employee rights and duties that employers must provide to employees in an employee's native language or through written materials, as required by state or federal law or a valid collective bargaining agreement, to include:

- a complete description of the salary and benefit plans;
- a job description;
- a description of leave policies;
- a description of work hours and work hour policies;
- a description of any occupational hazards known to exist;
- information about federal and state rights to organize and bargain collectively;
- information about federal and state rights to a safe workplace; and
- information about federal and state rights to be free from discrimination.

Subd. 4. Commissioner duties. Directs the commissioner of labor and industry to develop and implement a strategy to assist employers in providing adequate notice and education to employees of their rights under this section and education on how to assimilate into their local community.

20 Other Duties; Arbitrator Fees. Specifies that labor arbitrator application fees will increase to \$100 per year for initial and renewals beginning July 1, 2007.

21 Prohibited Employment Relating to the Presence of Liquor. Prohibits employing anyone under the age of 18 where liquor is served or in any capacity that involves liquor with certain exceptions.

22 Legislative Findings and Purpose. Specifies that enforcement personnel for worker safety programs should be located in areas where the incidence of workplace fatalities, injuries and complaints are high.

23 Citation. Adds § 182.6551. Gives this section the title "Safe Patient Handling Act."

24 Definitions. Adds § 182.6552. Defines terms for this section.

Subd. 1. Direct patient care worker. Defines "direct patient care worker" as an individual who directly provides physical care to patients, including nurses.

Subd. 2. Health care facility. Defines "health care facility" as a hospital, outpatient surgical center or nursing home.

Subd. 3. Safe patient handling. Defines "safe patient handling" as a process that uses equipment, rather than people, to transfer and move patients, and reduces injuries to employees and patients.

Subd. 4. Safe patient handling equipment. Defines "safe patient handling equipment" as engineering controls, lifting and transfer aids, or mechanical assistive devices used

to move patients, instead of manual lifting.

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Safe Patient Handling Program. Adds § 182.6553.

Subd. 1. Safe patient handling program required. Requires all licensed health care facilities to adopt a safe patient handling policy to minimize manual lifting by January 1, 2008. Lists requirements for safe handling programs, including:

- assessment of hazards relating to patient handling;
- an adequate supply of safe patient handling equipment;
- training for nurses and direct patient care workers ;
- procedures to ensure construction plans are consistent with program goals;
- periodic evaluations of the program.

Subd. 2. Safe patient handling committee. (a) Requires licensed health care facilities to establish a safe patient handling committee by July 1, 2008.

(b) Sets out requirements for membership of the committee, including the following:

- at least half must be non-managerial nurses and direct patient care workers.
- in facilities where nurses and patient care workers are represented by a collective bargaining agreement, the union will select some members of the committee.

(c) Allows health care organizations with one or more facilities to have a committee at each or one to serve all the facilities. Specifies member requirements if the organization uses one committee.

(d) States that employees who serve must be compensated for their hours.

Subd. 3. Facilities with existing programs. States that facilities that currently have a policy, and a committee, are considered to be in compliance. Requires that these committees satisfy the requirements set out in subdivision 2.

Subd. 4. Committee duties. Specifies the duties of the committees, including, but not limited to, the following:

- complete a patient handling assessment;
- make recommendations relating to equipment, training and procedures.

Subd. 5. Training materials. Requires the commissioner to develop training materials on implementation of this section.

Subd. 6. Enforcement. Requires the commissioner of labor and industry to enforce the Safe Patient Handling Act.

Subd. 7. Grant Program. Authorizes the commissioner to make grants of up to \$40,000 per facility to a facility to acquire safe patient handling equipment and for training on safe patient handling and equipment. The grants must be matched dollar for dollar by a grantee.

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Unemployment Insurance Benefits Telephone System. Requires a phone system for unemployment insurance benefits that permits callers to speak directly to an unemployment insurance specialist.

- 27 Supported Employment. Adds to the definition, under vocational rehabilitation, that  
employment is considered supported if it occurs at a facility that has been certified as  
integrated by the commissioner of DEED as integrated.
- 28 Affirmative Business Enterprise Employment. Defines "affirmative business enterprise  
employment" for the purposes of vocational rehabilitation as being employment with paid  
work at a facility certified by the commissioner of DEED. This is also considered  
community employment for funding under Minnesota rules if wages paid are equal to or  
above the employer's usual wage rate and all employees have the same benefit package.
- 29 Appointment; Membership; Rehabilitation Facility Board. Reduces the number of voting  
members on the local rehabilitation facility board to seven members from nine. Eliminates  
the requirements for representation on the board from specific groups. The board is  
established by the local government or nonprofit and is necessary to receive assistance as a  
rehabilitation facility.
- 30 Integrated Setting. Authorizes the commissioner to certify, after a site review, paid work at  
a rehabilitation setting as an integrated setting.
- 31 Restroom Access. Requires retail establishments that have employee restrooms to provide  
access to customers with eligible medical conditions including Crohn's disease, ulcerative  
colitis, any other inflammatory bowel disease, irritable bowel syndrome, or any other  
medical condition that requires immediate access to a restroom facility or who uses an  
ostomy device. The medical condition must be documented in writing.
- 32 Local Planning Assistance. Provides that a regional development commission (RDC) may  
develop a program to support local government planning. In the absence of an RDC, the  
commissioner of employment and economic development (DEED) may select a regional  
organization to fulfill this function. Requires submission of an annual work program from  
each RDC or regional organization to DEED.
- 33 Designation of Zone. Authorizes the designation of additional biotechnology and health  
science industry zones only after the commissioner of DEED has established criteria for  
expanding the number of zones. The criteria must limit zone designation to a community  
with adequate resources and infrastructure to support bioindustry and which is located on a  
transportation corridor.
- 34 Workforce Enhancement Fee. Authorizes the commissioner of DEED to increase the special  
assessment on employers from .10 percent to .12 percent of taxable wages if the need for  
services exceed the available resources.
- 35 Role of State Legislature in Trade Policy.

**Subd. 1. Work group members.** The department of employment and economic  
development must convene a working group to develop recommendations for establishing  
policies and procedures regarding the role of the state in federal trade policy and trade  
agreements. The working group must be comprised of seventeen (17) members as follows:

- (1) the governor or his designee;
- (2) the commissioner of the department of employment and economic development or his  
designee;
- (3) the commissioner of the department of agriculture or his designee;
- (4) the commissioner of the department of administration or his designee;
- (5) the attorney general or her designee;
- (6) two members of the Minnesota Senate one of whom is appointed by the senate majority  
leader and one appointed by the minority leader;

- (7) two members of the Minnesota House of Representatives, one of whom is appointed by the speaker and one appointed by the minority leader;
- (8) two members designated by the Minnesota AFL-CIO;
- (9) two members representing labor organizations other than the AFL-CIO with one to be appointed by the Speaker of the Minnesota House of Representatives and one to be appointed by the Majority Leader of the Minnesota Senate;
- (10) two members designated by the Minnesota Chamber of Commerce; and
- (11) two members representing business organizations other than the Minnesota Chamber of Commerce appointed by the governor.

The department of employment and economic development must provide administrative support to the working group.

**Subd. 2. Duties; responsibilities.** The working group may obtain input from other state and federal agencies as appropriate and may conduct public hearings to allow input from interested stakeholders. The working group must:

- (1) determine the state's jurisdiction regarding federal trade policy and trade agreements;
- (2) assess the state's current policies, procedures, roles and responsibilities for providing advice and consent on federal trade policy and trade agreements;
- (3) review the current means through which the state interacts with the Office of the United States Trade Representative (USTR) and Congress regarding trade policy and trade agreements;
- (4) inventory the federal trade policies and trade agreements that the state of Minnesota has formally approved or signed on to;
- (5) examine trade policy models established by other states;
- (6) develop recommendations for defining responsibilities and procedures for the state's role in federal trade policy and trade agreements; and
- (7) prepare legislative recommendations to implement the recommendations of the working group. The working group must report its findings and recommendations to the governor and the legislature by December 1, 2007.

- 36 Study; Safe Patient Handling. Requires the commissioner of labor and industry to study ways to require workers' compensation insurers to incorporate compliance with these safe handling programs in determining premium costs. Requires the commissioner to report the results to the legislature by January 15, 2008.
- 37 Work Group; Safe Patient Handling. Directs the commissioner DOLI to convene a group to assess use, options, and barriers for safe patient handling equipment. Requires a report to the legislature by January 15, 2008.
- 38 Effect on Rules. Directs the commissioner of labor and industry to make conforming changes to rules to reflect prohibited employment of persons under age 18 where liquor is served or present.
- 39 Public Facilities Authority Funding. Directs the PFA to continue projects on the 2006 priority list until resolution of the Maple Lake and Annandale issues before the Minnesota Supreme Court.
- 40 Repealers. Repeals DEED report on small and targeted business procurement (16C.18, subdivision 2; and provisions relating to the deposit under current law of fees into the general or special revenue fund related to elevator licensing and inspection (16B.747,

subdivision 4); division of boiler inspection (183.375, subdivision 5); boiler and pressure vehicle registration (183.545, subdivision 9); electrical (326.241); plumbers (326.44); pipefitters (326.52); and water conditioning and installation (326.64); and the contractors recovery fund (326.975). The fees will be deposited in the new construction code fund and new contractor's recovery fund.

### **Article 3: Licensing and Wages**

1 Interpretative Authority. Provides that the Plumbing Board has final interpretative authority applicable to the state Plumbing Code, the Board of Electricity has final interpretative authority applicable to the state Electrical Code, and the Board of High Pressure Piping Systems has final interpretative authority applicable to the state High Pressure Piping Code. With regard to all other aspects of the state Building Code, the commissioner of labor and industry has final interpretative authority.

2 Hair Braider Fee. Adds a registration fee of \$20 per year for hair braiders.

3 Hair Braiding.

Subd. 1. Registration. Requires any person engaged in hair braiding solely for compensation as a profession to register with the Minnesota Board of Barber and Cosmetology Examiners in a form determined by the board.

Subd. 2. Definitions. Provides a definition of "hair braiding."

Subd. 3. Requirements. Requires that in order to register, any person engaged in hair braiding solely for compensation as a profession must satisfactorily complete instruction at either an accredited school, professional association or by an individual. The instruction must be reported to and posted by the Minnesota Board of Barber and Cosmetology Examiners. Persons licensed as cosmetologists are not required to register.

Subd. 4. Curriculum. An accredited school, professional association or individual approved by the board who desires to provide coursework required under subdivision 3, shall have curriculum in place by January 1, 2008.

The section is effective July 1, 2008.

4 Examination of Records. Expands the existing authority of the commissioner of the Department of Labor and Industry (DOLI) to inspect, examine, and investigate places of business, employment records of employers, wage claims or complaints to cover the state's prevailing wage laws.

5 Compliance Orders. Makes conforming changes to the powers and duties of the Commissioner of Labor and Industry under the Fair Labor Standards Act.

6 Court Actions; Private Parties. Adds the state's prevailing wage laws to the sections of employment law for which an employee can bring civil action to address violations of the law.

7 District Court Jurisdiction. Allows prevailing wage violation cases to be brought to district court.

8 Attorney Fees and Costs. Allows a court to order an employer found in violation of the state's prevailing wage laws to pay reasonable costs, disbursements, witness fees and attorney fees.

9 General Authority. Expands the commissioner's general rulemaking authority to cover prevailing wage laws.

10 Recordkeeping. Adds the prevailing wage laws to the current recordkeeping requirements

imposed on employers. Also adds a new requirement that each employer subject to prevailing wage laws must keep the prevailing wage master job classification for each employee working on the project for each hour worked. The records must be maintained for three years after the contracting authority has made final payment on a public works project.

11 Contract Requirements. Gives a contracting authority the ability to require that the contractor or subcontractor must furnish any and all payrolls and that the contracting authority may examine all records related to wages paid under prevailing wage agreements. The requirements of this subdivision are in addition to other current requirements or authority that applies to prevailing wage projects.

12 Determination and Posting. Requires each contractor or subcontractor performing work on a public project to keep prevailing wage information posted conspicuously.

13 Examination and Investigation. Directs DOLI to hire at least three investigators to perform on-site project reviews, receive and investigate complaints and to conduct training and outreach to contractors and contracting authorities regarding prevailing wage projects.

14 Prevailing Wage Violations. Authorizes the commissioner to issue compliance orders for violations of prevailing wage laws that permit the contracting authority to withhold payments.

15 Independent Contractors.

Subd. 1. Definitions. Applies the following definitions to the terms used in the bill:

- "Person" means any individual, limited liability corporation, corporation, partnership, incorporated or unincorporated association, sole proprietorship, joint stock company, or any other legal or commercial entity.
- "Department" means the Department of Labor and Industry (DOLI).
- "Commissioner" means the commissioner of DOLI or a designee who is either an employee of the department or a person working under contract with DOLI.
- "Individual" means a human being.
- "Day" means calendar day.
- "Knowingly" means knew or could have known with the exercise of reasonable diligence.
- "Document" or "documents" includes a specified list of items including paper, audio, digital and any other form or manner.

Subd. 2. Limited Application. Limits the application of the bill to commercial or residential building construction or improvement services.

Subd. 3. Relationship. Includes the workers compensation (M.S. 176), labor relations (M.S. 177), child labor (M.S. 181A), OSHA (M.S. 182) and unemployment insurance (M.S. 268) laws in the scope of coverage under this bill and specifies that as of January 1, 2009, an individual who performs services for a person that are in the course of the person's trade, business, profession or occupation is an employee of that person.

Subd. 4. Independent Contractor. Specifies that a person is an independent contractor

only if they have obtained an independent contractor exemption certificate and meet all of the requirements set forth in subdivision 6.

Subd. 5. Application. Specifies the information that must be on the application form for an independent contractor exemption certificate including the applicant's: full name, residential and business addresses and telephone numbers, the service for which an exemption certificate is sought, social security number, federal employer identification number, any other information determined necessary by the commissioner and a sworn statement.

The commissioner has 30 days to grant or deny an application, which is valid for two years after approval. The commissioner has the authority to revoke a certificate once issued and an individual has the authority to cancel a certificate. An individual may request a hearing if the certificate is denied or revoked by notifying the commissioner within 30 days after receiving the notice of denial or revocation.

Subd. 6. Qualifications. Specifies the qualifications for an independent contractor exemption certificate to include:

- The individual is performing services listed on the exemption certificate;
- The individual maintains a separate business with the an office, equipment, materials and other facilities;
- The individual holds or has applied for a federal employer identification number or has filed business or self-employment income tax returns with the IRS in the previous year;
- The individual is operating under contract to perform specific services for specific amounts of money and under which the individual controls the means of performing the services;
- The individual is incurring the main expenses related to the service performed;
- The individual is responsible for the satisfactory completion of the services and is liable for a failure to complete the services;
- The individual receives compensation under the contract on a commission or per-job bid basis and not on any other basis;
- The individual may realize a profit or suffer a loss under the contract;
- The individual has continuing or recurring business liabilities or obligations; and
- The success or failure of the individual's business depends on the relationship of business receipts to expenditures.

Subd. 7. Prohibited activities. Prohibits an individual from:

- performing work as an independent contractor without a valid exemption

certificate;

- transferring an exemption certificate to another individual or allowing someone else to use the certificate;
- altering or falsifying an exemption certificate;
- misrepresenting the individual's status as an independent contractor; or
- making a false material statement, representation or certification or omitting material information or altering, concealing or failing to file a required document.

A person shall not require an individual through coercion, misrepresentation or fraudulent means to adopt independent contractor status; knowingly misrepresent that an individual who has not been issued an exemption certificate is an independent contractor; or make a false or incomplete statement or file a false or incomplete document.

A person for whom an individual is performing services must obtain a copy of the independent contractor exemption certificate before services may commence. The person for whom an individual is performing services must retain a copy of the certificate for five years from the date of receipt.

Subd. 8. Remedies. Any person in violation of subdivision 7 is subject to a penalty assessed by DOLI of up to \$5,000 per violation. Penalties are deposited in the Assigned Risk Safety Account.

Subd. 9. Commissioner. Specifies the powers of the commissioner in carrying out this law including the inspection of premises, the issuance of subpoenas, examination of records and in-person interviews.

Subd. 10. Notice. Specifies that service of a document may be by mail, personal service or other mechanism specified by the commissioner.

Subd. 11. Fax. Provides for service through facsimile.

Subd. 12. Time period. Provides for the computation of time periods under this section.

Subd. 13. Rulemaking. Provides the commissioner of DOLI in consultation with the commissioners of the Department of Revenue (DOR) and Department of Employment and Economic Development (DEED) to adopt, suspend, amend or repeal rules relating the responsibilities under this section. This subdivision is effective the day after enactment.

Subd. 14. Fee. Specifies that the fee or a new or renewal of an independent contractor exemption certificate is \$150.

Subd. 15. Review and Notice. Requires DOLI to notify DOR and DEED when there is reason to believe that the requirements for holding an independent contractor exemption certificate are not being met. The commissioner of revenue is directed to review 1099 information returns of the individuals in question.

Subd. 16. Data. Provides that the certificate number, the name of the certificate holder and the name of the business are public data while applications and required

documentation are private data.

This section is effective July 1, 2008.

- 16 Whistle-blower. Prohibits certain retaliatory actions against a public employee who communicates the findings of a scientific or technical study that the employee believes to be true and accurate.
- 17 Whistle-blower. Provides additional remedies for violation of whistle-blower protection statute.
- 18 Termination of Sales Representatives. Specifies that a provision in a contract between a plumbing equipment sales representative and a principal purporting to waive any provision of the Termination of Sales Representative Act shall be void.
- 19 Rules. Makes conforming changes for Plumbing Board.
- 20 Air Admittance Values and Water-Free Urinals Prohibited. Prohibits mechanical devices and/or fittings with internal moving parts from being installed in plumbing venting systems and requires that all urinals covered under the jurisdiction of the plumbing code must have a water flush device with a volume of not more than one gallon per use.
- 21 Plumbing Board.

Subd. 1. Provides that the Plumbing Board shall be composed of 13 members, including eleven appointed by the governor with the advice and consent of the senate; the commissioner of labor and industry or the designee; and the commissioner of health or the designee. The eleven appointed members must be two municipal plumbing inspectors, one licensed professional engineer, two commercial/industrial plumbing contractors, one residential plumbing contractor, two commercial/industrial journeymen, one residential plumbing journeyman, one water conditioning contractor and one municipal water system supply operator. Provides for staggered terms for initial appointees and three year terms for subsequent appointees. Limits members to three consecutive terms. Requires members to be residents of Minnesota and to possess a current license for the occupations they represent if it is an occupation licensed by the state.

Subd. 2. Grants the Plumbing Board the power to elect its officers, adopt bylaws, adopt the Plumbing Code for the state, issue final interpretations, adopt rules regulating licensure and registration of persons who perform plumbing work, adopt rules regulating continuing education for persons who perform plumbing work, advise the commissioner on educational requirements for plumbing inspectors, refer complaints to the commissioner, approve expenses for members, approve reciprocity agreements, select members to serve on other state advisory councils and recommend fees for licenses and certifications. All powers for administration and enforcement of laws relating to plumbing not granted to the board remain with the commissioner of labor and industry.

Subd. 3. Board members receive \$55 per diem and may be reimbursed for necessary childcare expenses. State or local government employees may not receive per diem or childcare reimbursement for board activities during hours for which they are compensated by a state or local government.

Subd. 4. Provides for removal of members for cause or for missing three consecutive meetings. Provides for filling of vacancies.

Subd. 5. Vacancies occurring within three months of appointment may be filled without repeating the appointment process.

Subd. 6. Provides for the election of board officers and number of votes needed for specified board actions.

Subd. 7. Provides the manner in which board meetings may be held. Provides for meetings by telephone under certain circumstances.

Subd. 8. Provides for transmission of complaints received by the board to the commissioner. Provides timeline for commissioner to act on complaints.

Subd. 9. Provides that the board is subject to the Data Practices Act.

Subd. 10. Requires the board to maintain records of its official activities.

- 22 Local Regulations. Changes references from the commissioner of health to the commissioner of labor and industry and provides that no city or town may require a license for persons performing building sewer or water service installation who have completed pipe laying training as prescribed the commissioner of labor and industry. Any city with a water or sewer system, town above 5,000 in population, and the Metropolitan Airports Commission may adopt local regulations that do not conflict with the state plumbing code including bond or insurance requirements.
- 23 License Required. Requires plumbing licenses to be issued by the department of labor and industry.
- 24 Journeyman Exam. Conforming change.
- 25 Restricted Plumber License. Establishes criteria for a journeyman license for use in cities under 5,000 population. Establishes a restricted journeyman plumber license for any person who applies to the commissioner of Labor and Industry and provides evidence of having at least two years of practical plumbing experience in the plumbing trade prior to applying for a license. A restricted master plumbing license shall be granted to any person who applies to the commissioner and provides evidence of having at least four years of practical plumbing experience in the plumbing trade prior to application. Applications for the licenses must be submitted prior to January 1, 2008, and may be renewed annually for as long as the licensee engages in the plumbing trade. Failure to renew a license within 12 months of its expiration will result in permanent forfeiture of the restricted licenses. The licenses cannot be sold or transferred. Cities and towns are authorized to require a license for persons performing building sewer or water service installation who have completed pipe laying training as set forth by the commissioner. Restricted master plumbers and restricted journeyman plumbers may engage in the plumbing trade only in cities and towns with a population of 5,000 or fewer based on the federal census.
- 26 Reciprocity With Other States. Provides for reciprocal temporary licenses.
- 27 Application. Conforming changes. An applicant may be licensed only after passing an examination developed and administered by the commissioner based on rules adopted by the Plumbing Board. Also sets fees including:
- \$50 per exam;
  - \$120 for a master plumbers license;
  - \$55 for a journeyman plumbers license; and
  - \$25 late fees.
- 28 Deposit of Money. Establishes the construction code fund as a special revenue fund in the State Treasury. Requires all remaining balances as of June 30, 2007, in the state government

special revenue fund and the special revenue fund accounts maintained for the Building Codes and Standards Division, Board of Electricity, and plumbing and engineering unit to be transferred to the construction code fund. Fees and penalties of specified sections are credited or assessed under the construction code fund or a risk safety account. All money in the construction code fund is appropriated to the Commissioner of Labor and Industry to administer and enforce the provisions of the section.

29 Contractor Recovery Fund. Establishes the Contractor Recovery Fund in the State Treasury for the purpose of compensating owners or lessees of residential real estate who meet the requirements of this section, reimbursing the department for all legal and administrative expenses, disbursements, and costs incurred in administering the funds, paying for educational or research projects in the field of residential contracting, and providing information to the public on residential contracting issues. Defines terms, specifies fees, specifies the compensation procedure and caps the amount that can be paid out of the fund, specifies application requirements, provides for Commissioner review and administrative hearing, and assigns criminal penalties.

30 Mixed Martial Arts. Definition.

31 Boxing Commission. Adds four persons knowledgeable in mixed martial arts to membership of Boxing Commission. Increases membership from five to nine members.

32 Rules. Requires adoption of rules for mixed martial arts.

33 Duties. Adds regulation of mixed martial arts to commissioner's duties.

34 Boxing Commission Regulatory Authority; Fees. Expands the authority of the commission over tough person contests, mixed martial arts and ultimate fight contests. Increases fees for licenses issued by the commission and adds fees for certain related licenses.

35 Regulatory authority. See section 34.

36 License expiration. Specifies that licenses issued by the boxing commission are effective for one-year from the date of issuance.

37 Fee schedule. Provides a new schedule of fees for licenses issued by the Minnesota Boxing Commission.

38 Application Process. Makes conforming changes for the construction code fund.

39 Report. Requires the commissioner of labor and industry to report recommendations to address whistle-blower complaints.

40 Transfers of Authority. Provides that the commissioner of administration may not modify transfers of authority under this act.

41 Plumbing Board. Provides deadlines for appointments and first meeting of Plumbing Board.

42 Repealer. Repeals the section of statute that specified that licensing requirements only apply in cities having a population of 5,000 or more (326.45) and independent contractor qualifications currently in the workers compensation (176.042) and unemployment insurance (286.035) laws. Repeal of sections 176.042 and 286.035, subdivision 9, is effective January 1, 2009.

#### **Article 4: High Pressure Piping**

1 Supervision of High Pressure Piping. Directs DOLI to supervise all high pressure piping.

2 Permissive Municipal Regulation. Makes conforming changes to reflect authority of board under section 1.

3 Board of High Pressure Piping Systems.

Subd. 1. Provides that the Board of High Pressure Piping Systems shall be composed of 12 members, including eleven appointed by the governor with the advice and

consent of the senate and the commissioner of labor and industry or the designee. The eleven appointed members must be one high pressure piping inspector, one licensed professional mechanical engineer, one representative of the high pressure piping industry, four high pressure piping contractors (two each from the metro area and greater Minnesota), two high pressure piping journeymen (one each from the metro area and greater Minnesota), and two representatives of industrial companies that use high pressure piping systems. Provides for staggered terms for initial appointees and three-year terms for subsequent appointees. Limits members to three consecutive terms. Requires members to be residents of Minnesota and to possess a current license for the occupations they represent if it is an occupation licensed by the state.

Subd. 2. Grants the Board of High Pressure Piping Systems the power to elect its officers, adopt bylaws, adopt the High Pressure Piping Code for the state, issue final interpretations, adopt rules regulating licensure and registration of persons who perform high pressure piping work, adopt rules regulating continuing education for persons who perform high pressure piping systems work, advise the commissioner on educational requirements for high pressure piping inspectors, refer complaints to the commissioner, approve expenses for members, approve reciprocity agreements, select members to serve on other state advisory councils and recommend fees for licenses and certifications. All powers for administration and enforcement of laws relating to high pressure pipefitting not granted to the board remain with the commissioner of labor and industry.

Subd. 3. Board members receive \$55 per diem and may be reimbursed for necessary childcare expenses. State or local government employees may not receive per diem or childcare reimbursement for board activities during hours for which they are compensated by a state or local government.

Subd. 4. Provides for removal of members for cause or for missing three consecutive meetings. Provides for filling of vacancies.

Subd. 5. Vacancies occurring within three months of appointment may be filled without repeating the appointment process.

Subd. 6. Provides for the election of board officers and number of votes needed for specified board actions.

Subd. 7. Provides the manner in which board meetings may be held. Provides for meetings by telephone under certain circumstances.

Subd. 8. Provides for transmission of complaints received by the board to the commissioner. Provides timeline for commissioner to act on complaints.

Subd. 9. Provides that the board is subject to the Data Practices Act.

Subd. 10. Requires the board to maintain records of its official activities.

4 License Required; Rules; Time Credit. Makes conforming change.

5 High Pressure Pipefitting Business License. Makes conforming change.

6 Reciprocity. Allows issuance of a temporary license without examination if a person holds a valid license from another state that Minnesota determines has licensing standards equivalent to those in effect in this state. Applicants granted a temporary license may acquire a total of 24 months of experience before they must pass the licensing exam in this state. Applicants have five years to comply with this requirement.

- 7 Application; Fees. Makes conforming changes. Applicants may be licensed only after passing an exam developed and administered by the board. Licenses expire December 31 of each year.
- 8 Residential Contractor Renewal. Eliminates language providing that a residential contractor and remodeler licensee who renews a license shall pay an additional fee that will be credited to the contractor's recovery fund. Also eliminates the scale on which the fee is based. This section refers to the contractor recovery fund.
- 9 Bond Required for Certain Contractors. Makes conforming change.
- 10 Transfer of Authority. Provides that the commissioner of administration may not modify transfers of authority under this act.
- 11 **Meeting; Appointments.** Requires board members to be appointed by July 1, 2007, and the first meeting to occur by September 1, 2007.

### **Article 5: IRRRB**

- 1 Taconite Economic Development Fund. Directs that money held in the IRRRB taconite economic development fund for each taconite and direct reduced ore producer may be released by the commissioner for the acquisition of plant and stationary mining equipment for the producer. Effective for expenditures from these funds approved beginning the day following final enactment, the commissioner may not release funds before the next scheduled meeting of the board. If the board rejects a proposed expenditure, the funds must be deposited in the Taconite Environmental Protection Fund. If a producer uses money released from the fund prior to enactment and subsequently removes the equipment from the taconite tax relief area within ten years of receipt of the money from the fund, a portion of the money must be repaid to the taconite economic development fund as set forth in current law.
- 2 Appropriation; Iron Range Resources and Rehabilitation. Appropriates \$575,000, onetime, in fiscal year 2008 from the Iron Range Resources and Rehabilitation Board (IRRRB) fund for allocation as follows:
- \$225,000 for Aitkin County Growth, Inc to extend electric service and other infrastructure to a peat project in Spencer Township;
  - \$75,000 for a nonprofit organization for preservation of B'nai Abraham synagogue in Virginia;
  - \$150,000 for a grant to the Iron Range Youth in Action Program to assist in employing youth for community center construction; and
  - \$50,000 for a grant to the Iron Range Retriever club for pond and field construction.
  - \$75,000 for a grant to the city of Chisholm to improve infrastructure at the city-owned baseball field.
- 3 **IRRRB Building.** Designates the IRRRB office building in Eveleth as the Joe Begich Building and requires it to be signed with the name at every entrance.

## Article 6: Electrical

1 Direct Supervision. Amends the definition of supervision to include direct supervision,  
which means that a licensed electrician is supervising an unlicensed individual during the  
entire workday. The licensed individual must be physically present at the work site and  
immediately available to the unlicensed person. Electronic supervision does not meet the  
requirement of physically present and immediately available.  
2 Board of Electricity.

Subd. 1. Composition. Changes the composition of the Board of Electricity to be 12 members, 11 of whom will be appointed by the governor and confirmed by the senate. The board is to be comprised of one electrical inspector, two representatives of electrical suppliers in rural areas, two master electricians who are contractors, two journeyman electricians, one registered consulting electrical engineer; two power limited technicians, and one public member. The 12<sup>th</sup> member is the commissioner of labor and industry or a designee who shall be a voting member of the board. Provides for staggered terms for initial appointees and three-year terms for subsequent appointees. Limits members to three consecutive terms. Requires members to be residents of Minnesota and to possess a current license for the occupation they represent if it is an occupation licensed by the state.

Subd. 2. Powers. Grants the Board of Electricity the power to elect its officers, adopt bylaws, issue final interpretations, adopt rules regulating licensure and registration of persons who perform electrical work, adopt rules regulating continuing education for persons who perform electrical work, advise the commissioner on educational requirements for electrical inspectors, refer complaints to the commissioner, approve expenses for members, approve reciprocity agreements, select members to serve on other state advisory councils and recommend fees for licenses and certifications. The board is required to adopt the most current edition of the National Electrical Code as the Minnesota Electrical Code. All powers for administration and enforcement of the Minnesota Electrical Act not granted to the board remain with the commissioner of labor and industry.

Subd. 3. Board members receive \$55 per diem and may be reimbursed for necessary childcare expenses. State or local government employees may not receive per diem or childcare reimbursement for board activities during hours for which they are compensated by a state or local government.

Subd. 4. Provides for removal of members for cause or for missing three consecutive meetings. Provides for filling of vacancies.

Subd. 5. Vacancies occurring within three months of appointment may be filled without repeating the appointment process.

Subd. 6. Provides for the election of board officers and number of votes needed for specified board actions.

Subd. 7. Provides the manner in which board meetings may be held. Provides for meetings by telephone under certain circumstances.

Subd. 8. Provides for transmission of complaints received by the board to the commissioner. Provides timeline for commissioner to act on complaints.

Subd. 9. Provides that the board is subject to the Data Practices Act.

Subd. 10. Requires the board to maintain records of its official activities.

3 Power Limited Technician. Extends the deadline for a person who has submitted an  
application from September 30, 2005 to December 31, 2007 to take the power limited  
technician exam without having to meet the education or experience requirements in section  
326.242.

4 Unlicensed Individuals. Specifies that an unlicensed individual means an individual who  
has not been licensed by the board as a class A master electrician or as a class A  
journeyman electrician. An unlicensed individual cannot perform electrical work that is  
required to be performed by a licensed individual unless the individual has registered with  
the board as an unlicensed individual and subsequently works under the direct supervision  
of a licensed electrician.

5 Registration of Unlicensed Individuals. Requires unlicensed individuals performing  
electrical work to register with the department of labor and industry. Experience credit for  
electrical work performed in Minnesota after January 1, 2008, shall not be granted if an  
applicant has not registered with or is not licensed by the department.

6 **License, Registration, and Renewal Fees; Expiration.** Makes changes to the licensing  
requirements for specified professions under the Board of Electricity.

7 Reciprocity. Amends the reciprocity law by providing that the commissioner may enter  
reciprocity agreements for personal licenses with another state if approved by the board.  
Once approved by the board, the commissioner may issue a personal license without  
requiring that the applicant pass an examination as long as the applicant:

- submits an application;
- pays a fee
- holds a valid comparable license in the state participating in the agreement.

The applicant must have acquired the license in a qualifying state through an examination  
deemed equivalent to those required in this state. At the time of application, the applicant  
must have a valid license held continuously for one year prior to application in Minnesota.

8 **Inspection Fee Schedule.** Raises the state electrical inspection fees.

### **Article 7: Apprenticeship Board**

1 Purpose. Changes references to the Apprenticeship Advisory Council to the Apprenticeship  
Board.

2 Council to Board. Changes references to the Apprenticeship Advisory Council to the  
Apprenticeship Board.

3 Duties and Functions. Changes references to the Apprenticeship Advisory Council to the  
Apprenticeship Board.

4 **Rules.** Provides that if the commissioner of labor and industry refuses to accept, adopt and  
issue by rule or other appropriate action a board proposal, the commissioner must provide a  
written explanation of the reason for refusal. The explanation must be sent to the board  
within 30 days after the board submits the proposal to the commissioner.

### **Article 8: Miscellaneous**

1 Battle Flags; Repair. Authorizes the Minnesota Historical Society in addition to the adjutant  
general to contract for the repair, restoration and preservation of regimental battle flags,

standards and guidons and removes the requirement that the commissioner of administration approve the contract. The Historical Society is also given the same authority as the adjutant general to surrender control of these items during restoration. Both the adjutant general and the historical society must provide adequate storage and display space for these items one repaired and restored.

The flags and colors carried by Minnesota troops in the Civil War, Indian Wars and the Spanish-American war shall be preserved under the care and control of the Minnesota Historical Society. The flags and colors carried by Minnesota troops in subsequent wars are under the care and control of the adjutant general.

2 Sale of American Flags. Limits retail sales of American flags to those flags manufactured in the United States.

3 Fees. Makes conforming changes for the construction code fund.

4 Authorization as Agency. Makes conforming changes for the construction code fund.

5 Fees; Licenses; When Granted. Makes conforming changes for the construction code fund.

6 Family Rental Housing. Expands the authority of the housing finance agency under its family rental housing assistance program to include the authority to make grants for operating costs of public housing.

7 Contribution Requirement. Challenge grant proposals currently must include a financial or in-kind contribution from either a local government or a nonprofit. This section amends that requirement to provide that nonstate funds may come from any source, but that preference among comparable proposals will be given to those proposals that include a financial or in-kind contributions from either a local government or a nonprofit.

8 Additional Preferences Required. Adds disabled veterans and persons with disabilities to list of those required to be given preference for rental units operated by a housing and redevelopment authority. Changes outdated reference to families to which aid to dependent children is payable.

9 **Work Group.** Directs the commissioner of DEED to convene a workgroup to evaluate the wage incentive program and to make recommendations to the legislature by January 15, 2008.

10 Effective Date. The act is effective July 1, 2007, unless otherwise expressly provided.