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Senate

State of Minnesota

S.F. No. 3238 - 911 Service Provisions Modifications

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This bill relates to the structure and business practices of the 911 service system. It modifies provisions of 911 service contracts, integration-reporting requirements, and payments for recurring 911 system costs.

Section 1 deletes the provision that requires the commissioner of public safety to divide fees collected on telephone access lines "proportional to the individual surcharge." The commissioner of public safety collects the following fees: the 911 fee (Minn. Stat. § 403.11), Telephone Access Program (TAP) (Minn. Stat. § 237.52), and Telephone Access Minnesota (TAM) (Minn. Stat. § 237.52).

Section 2 eliminates the requirement that that state must enter into a three-way contract with government agencies and 911-service providers. Provides that the state must contract with a government agency and enter into a separate contract with a 911-service provider.

Section 3 provides that a government agency is entitled to be a party to a contract between the state and a 911-service provider if requested by the agency.

Section 4 eliminates the August 1, 1997 deadline by which wireless carriers were to develop a plan to integrate wireless 911 services into the enhanced 911 networks. Provides that wireless carriers must provide the Commissioner of Public Safety with an annual report on estimates of installation costs and recurring expenses for integration.

Section 5 eliminates obsolete language and consolidates other language to clarify that the fee assessed to a telephone customer is to cover or offset the following costs: (1) ongoing maintenance and related improvements for trunk and central office switching equipment, (2) administrative and

staffing costs of the commissioner for managing 911 services, (3) distribution costs under section 403.113, and (4) administrative and staffing costs incurred by the State Patrol in handling wireless 911 calls. Modifies language applicable to the reimbursement of wireless carriers for installation and recurring charges for integrating wireless 911 calls into the statewide plan, and consolidates language providing for the reimbursement of competitive local exchanges carrier for recurring costs of integrating into the 911 network.

Section 6 contains a technical, conforming change.

Section 7 eliminates the requirement that all 911 expenses must be certified to the commissioner and specifies that invoices for services provided for in a 911 service contract must be submitted to the commissioner within 90 days of the new service.

Section 8 modifies the certification process for 911 expense claims. Provides that if the commissioner disputes an invoice submitted under section 7, the service provider must submit a sworn declaration to the commissioner describing and affirming the contents of the invoice within 60 days. If a service provider fails to timely submit the declaration, the disputed amount of the invoice is disallowed.

Section 9 contains a technical, conforming change.

Section 10 eliminates language redundant with Minn. Stat. § 403.11, subdivision 1, but retains the language requiring the fee collected to fund implementation, operation, maintenance, enhancement, and expansion of enhanced 911 services. Deletes various provisions requiring the fee to be collected in accordance with and in the same amount as the fee collected in Minn. Stat. § 403.11. Deletes the requirement that the commissioner consult with the counties and 911 system users to determine the amount of the enhanced 911-service fee.

Section 11 contains a technical, conforming change.

Section 12 repeals section 403.08, subdivision 8, relating to the 1997 deadline for planning integration into the enhanced 911 system to meet FCC-enhanced 911 standards.

MSG:cs

Senator Ranum introduced--

S.F. No. 3238: Referred to the Committee on Jobs, Energy and Community Development.

A bill for an act

1.2 relating to public safety; changing a requirement concerning combined
 1.3 local access surcharges; modifying requirements for 911 system service
 1.4 contracts; modifying reporting requirement of wireless 911 service providers;
 1.5 modifying provisions relating to payments for recurring 911 system costs;
 1.6 modifying provisions relating to 911 system cost accounting requirements;
 1.7 amending Minnesota Statutes 2004, sections 237.49; 403.08, subdivision 7;
 1.8 403.11, subdivisions 3b, 3c; 403.113, subdivision 3; Minnesota Statutes 2005
 1.9 Supplement, sections 403.025, subdivision 7; 403.05, subdivision 3; 403.11,
 1.10 subdivisions 1, 3, 3a; 403.113, subdivision 1; repealing Minnesota Statutes 2004,
 1.11 section 403.08, subdivision 8.

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

1.13 Section 1. Minnesota Statutes 2004, section 237.49, is amended to read:

1.14 **237.49 COMBINED LOCAL ACCESS SURCHARGE.**

1.15 Each local telephone company shall collect from each subscriber an amount per
 1.16 telephone access line representing the total of the surcharges required under sections
 1.17 237.52, 237.70, and 403.11. Amounts collected must be remitted to the commissioner
 1.18 of public safety in the manner prescribed in section 403.11. The commissioner of public
 1.19 safety shall divide the amounts received ~~proportional to the individual surcharges~~ and
 1.20 deposit them in the appropriate accounts. The commissioner of public safety may recover
 1.21 from the agencies receiving the surcharges the personnel and administrative costs to
 1.22 collect and distribute the surcharge. A company or the billing agent for a company shall
 3 list the surcharges as one amount on a billing statement sent to a subscriber.

1.24 Sec. 2. Minnesota Statutes 2005 Supplement, section 403.025, subdivision 7, is
 1.25 amended to read:

2.1 Subd. 7. **Contractual requirements.** (a) The state, ~~together~~ shall contract with
 2.2 the county or other governmental agencies operating public safety answering points;
 2.3 ~~shall contract and~~ with the appropriate wire-line telecommunications service providers or
 2.4 other entities determined by the commissioner to be capable of providing effective and
 2.5 efficient components of the 911 system for the operation, maintenance, enhancement,
 2.6 and expansion of the 911 system.

2.7 (b) The state shall contract with the appropriate wireless telecommunications service
 2.8 providers for maintaining, enhancing, and expanding the 911 system.

2.9 (c) The contract language or subsequent amendments to the contract must include
 2.10 a description of the services to be furnished to the county or other governmental
 2.11 agencies operating public safety answering points. The contract language or subsequent
 2.12 amendments must include the terms of compensation based on the effective tariff or price
 2.13 list filed with the Public Utilities Commission or the prices agreed to by the parties.

2.14 (d) The contract language or subsequent amendments to contracts between the
 2.15 parties must contain a provision for resolving disputes.

2.16 Sec. 3. Minnesota Statutes 2005 Supplement, section 403.05, subdivision 3, is
 2.17 amended to read:

2.18 Subd. 3. **Agreements for service.** Each county ~~and~~ or any other governmental
 2.19 agency shall contract with the state ~~and wire-line telecommunications service providers or~~
 2.20 ~~other entities determined by the commissioner to be capable of providing effective and~~
 2.21 ~~efficient components of the 911 system~~ for the recurring and nonrecurring costs associated
 2.22 with operating and maintaining 911 emergency communications systems. If requested by
 2.23 the county or other governmental agency, the county or agency is entitled to be a party to
 2.24 any contract between the state and any wire-line telecommunications service provider or
 2.25 911 emergency telecommunications service provider providing components of the 911
 2.26 system within the county.

2.27 Sec. 4. Minnesota Statutes 2004, section 403.08, subdivision 7, is amended to read:

2.28 Subd. 7. **Duties.** Each wireless telecommunications service provider shall cooperate
 2.29 in planning and implementing integration with enhanced 911 systems operating in
 2.30 their service territories to meet Federal Communications Commission-enhanced 911
 2.31 standards. ~~By August 1, 1997, each 911 emergency telecommunications service~~
 2.32 ~~provider operating enhanced 911 systems, in cooperation with each involved~~ Each
 2.33 wireless telecommunications service provider, shall annually develop and provide to the
 2.34 commissioner good-faith estimates of installation and recurring expenses to integrate

3.1 wireless 911 service into the enhanced 911 networks to meet Federal Communications
3.2 Commission phase one wireless enhanced 911 standards. The commissioner shall
3.3 coordinate with counties and affected public safety agency representatives in developing a
3.4 statewide design and plan for implementation.

3.5 Sec. 5. Minnesota Statutes 2005 Supplement, section 403.11, subdivision 1, is
3.6 amended to read:

3.7 Subdivision 1. **Emergency telecommunications service fee; account.** (a) Each
3.8 customer of a wireless or wire-line switched or packet-based telecommunications service
3.9 provider connected to the public switched telephone network that furnishes service capable
3.10 of originating a 911 emergency telephone call is assessed a fee based upon the number
3.11 of wired or wireless telephone lines, or their equivalent, to cover the costs of ongoing
3.12 maintenance and related improvements for trunking and central office switching equipment
3.13 for 911 emergency telecommunications service, ~~plus to offset~~ administrative and staffing
3.14 costs of the commissioner related to managing the 911 emergency telecommunications
3.15 service program. ~~Recurring charges by a wire-line telecommunications service provider~~
3.16 ~~for updating the information required by section 403.07, subdivision 3, must be paid by~~
3.17 ~~the commissioner if the wire-line telecommunications service provider is included in an~~
3.18 ~~approved 911 plan and the charges are made pursuant to contract. The fee assessed under~~
3.19 ~~this section must also be used for the purpose of offsetting, to make distributions provided~~
3.20 for in section 403.113, and to offset the costs, including administrative and staffing costs,
3.21 incurred by the State Patrol Division of the Department of Public Safety in handling 911
3.22 emergency calls made from wireless phones.

3.23 (b) Money remaining in the 911 emergency telecommunications service account
3.24 after all other obligations are paid must not cancel and is carried forward to subsequent
3.25 years and may be appropriated from time to time to the commissioner to provide financial
3.26 assistance to counties for the improvement of local emergency telecommunications
3.27 services. The improvements may include providing access to 911 service for
3.28 telecommunications service subscribers currently without access and upgrading existing
3.29 911 service to include automatic number identification, local location identification,
3.30 automatic location identification, and other improvements specified in revised county
3.31 911 plans approved by the commissioner.

3.32 (c) The fee may not be less than eight cents nor more than 65 cents a month for
3.33 each customer access line or other basic access service, including trunk equivalents as
3.34 designated by the Public Utilities Commission for access charge purposes and including
3.35 wireless telecommunications services. With the approval of the commissioner of finance,

4.1 the commissioner of public safety shall establish the amount of the fee within the limits
4.2 specified and inform the companies and carriers of the amount to be collected. When the
4.3 revenue bonds authorized under section 403.27, subdivision 1, have been fully paid or
4.4 defeased, the commissioner shall reduce the fee to reflect that debt service on the bonds is
4.5 no longer needed. The commissioner shall provide companies and carriers a minimum of
4.6 45 days' notice of each fee change. The fee must be the same for all customers.

4.7 (d) The fee must be collected by each wireless or wire-line telecommunications
4.8 service provider subject to the fee. Fees are payable to and must be submitted to the
4.9 commissioner monthly before the 25th of each month following the month of collection,
4.10 except that fees may be submitted quarterly if less than \$250 a month is due, or annually if
4.11 less than \$25 a month is due. Receipts must be deposited in the state treasury and credited
4.12 to a 911 emergency telecommunications service account in the special revenue fund. The
4.13 money in the account may only be used for 911 telecommunications services.

4.14 (e) This subdivision does not apply to customers of interexchange carriers.

4.15 (f) The installation and recurring charges for integrating wireless 911 calls into
4.16 enhanced 911 systems ~~must be paid~~ are eligible for payment by the commissioner if the
4.17 911 service provider is included in the statewide design plan and the charges are made
4.18 pursuant to contract.

4.19 (g) Competitive local exchanges carriers holding certificates of authority from the
4.20 Public Utilities Commission are eligible to receive payment for recurring 911 services.

4.21 Sec. 6. Minnesota Statutes 2005 Supplement, section 403.11, subdivision 3, is
4.22 amended to read:

4.23 Subd. 3. **Method of payment.** (a) Any wireless or wire-line telecommunications
4.24 service provider incurring reimbursable costs under subdivision 1 shall submit an
4.25 invoice itemizing rate elements by county or service area to the commissioner for 911
4.26 services furnished under contract. Any wireless or wire-line telecommunications service
4.27 provider is eligible to receive payment for 911 services rendered according to the terms
4.28 and conditions specified in the contract. ~~Competitive local exchange carriers holding~~
4.29 ~~certificates of authority from the Public Utilities Commission are eligible to receive~~
4.30 ~~payment for recurring 911 services provided after July 1, 2001.~~ The commissioner shall
4.31 pay the invoice within 30 days following receipt of the invoice unless the commissioner
4.32 notifies the service provider that the commissioner disputes the invoice.

4.33 (b) The commissioner shall estimate the amount required to reimburse
4.34 911 emergency telecommunications service providers and wireless and wire-line

5.1 telecommunications service providers for the state's obligations under subdivision 1 and
5.2 the governor shall include the estimated amount in the biennial budget request.

5.3 Sec. 7. Minnesota Statutes 2005 Supplement, section 403.11, subdivision 3a, is
5.4 amended to read:

5.5 Subd. 3a. ~~Timely certification invoices. A certification~~ An invoice for services
5.6 provided for in the contract with a wireless or wire-line telecommunications service
5.7 provider must be submitted to the commissioner no later than ~~one year~~ 90 days after
5.8 commencing a new or additional eligible 911 service. Each applicable contract must
5.9 provide that, if certified expenses under the contract deviate from estimates in the contract
5.10 by more than ten percent, the commissioner may reduce the level of service without
5.11 incurring any termination fees.

5.12 Sec. 8. Minnesota Statutes 2004, section 403.11, subdivision 3b, is amended to read:

5.13 Subd. 3b. ~~Certification Declaration. All~~ If the commissioner disputes an
5.14 invoice, the wireless and wire-line telecommunications service providers shall submit
5.15 a ~~self-certification form~~ declaration under section 16A.41 signed by an officer of the
5.16 company to the commissioner with the invoices for payment of an initial or changed
5.17 service described in the service provider's 911 contract. The ~~self-certification shall~~ sworn
5.18 declaration must specifically describe and affirm that the 911 service contracted for is being
5.19 provided and the costs invoiced for the service are true and correct. ~~All certifications are~~
5.20 subject to verification and audit. ~~When a wireless or wire-line telecommunications service~~
5.21 provider fails to provide a sworn declaration within 60 days of notice by the commissioner
5.22 that the invoice is disputed, the disputed amount of the invoice must be disallowed.

5.23 Sec. 9. Minnesota Statutes 2004, section 403.11, subdivision 3c, is amended to read:

5.24 Subd. 3c. **Audit.** If the commissioner determines that an audit is necessary to
5.25 document the ~~certification described~~ invoice and sworn declaration in subdivision 3b,
5.26 the wireless or wire-line telecommunications service provider must contract with an
5.27 independent certified public accountant to conduct the audit. The audit must be conducted
5.28 according to generally accepted accounting principles. The wireless or wire-line
5.29 telecommunications service provider is responsible for any costs associated with the audit.

5.30 Sec. 10. Minnesota Statutes 2005 Supplement, section 403.113, subdivision 1, is
5.31 amended to read:

6.1 Subdivision 1. Fee. ~~(a) Each customer receiving service from a wireless or~~
 6.2 ~~wire-line switched or packet-based telecommunications service provider connected to the~~
 6.3 ~~public telephone network that furnishes service capable of originating a 911 emergency~~
 6.4 ~~telephone call is assessed a fee. A portion of the fee collected under section 403.11 must be~~
 6.5 used to fund implementation, operation, maintenance, enhancement, and expansion of
 6.6 enhanced 911 service, including acquisition of necessary equipment and the costs of the
 6.7 commissioner to administer the program. ~~The actual fee assessed under section 403.11~~
 6.8 ~~and the enhanced 911 service fee must be collected as one amount and may not exceed the~~
 6.9 ~~amount specified in section 403.11, subdivision 1, paragraph (c).~~

6.10 ~~(b) The enhanced 911 service fee must be collected and deposited in the same~~
 6.11 ~~manner as the fee in section 403.11 and used solely for the purposes of paragraph (a)~~
 6.12 ~~and subdivision 3.~~

6.13 ~~(c) The commissioner, in consultation with counties and 911 system users, shall~~
 6.14 ~~determine the amount of the enhanced 911 service fee. The commissioner shall inform~~
 6.15 ~~wireless and wire-line telecommunications service providers that provide service capable~~
 6.16 ~~of originating a 911 emergency telephone call of the total amount of the 911 service fees~~
 6.17 ~~in the same manner as provided in section 403.11.~~

6.18 Sec. 11. Minnesota Statutes 2004, section 403.113, subdivision 3, is amended to read:

6.19 Subd. 3. **Local expenditures.** (a) Money distributed under subdivision 2 for
 6.20 enhanced 911 service may be spent on enhanced 911 system costs for the purposes
 6.21 stated in subdivision 1, ~~paragraph (a)~~. In addition, money may be spent to lease,
 6.22 purchase, lease-purchase, or maintain enhanced 911 equipment, including telephone
 6.23 equipment; recording equipment; computer hardware; computer software for database
 6.24 provisioning, addressing, mapping, and any other software necessary for automatic
 6.25 location identification or local location identification; trunk lines; selective routing
 6.26 equipment; the master street address guide; dispatcher public safety answering point
 6.27 equipment proficiency and operational skills; pay for long-distance charges incurred due
 6.28 to transferring 911 calls to other jurisdictions; and the equipment necessary within the
 6.29 public safety answering point for community alert systems and to notify and communicate
 6.30 with the emergency services requested by the 911 caller.

6.31 (b) Money distributed for enhanced 911 service may not be spent on:

6.32 (1) purchasing or leasing of real estate or cosmetic additions to or remodeling of
 6.33 communications centers;

6.34 (2) mobile communications vehicles, fire engines, ambulances, law enforcement
 6.35 vehicles, or other emergency vehicles;

7.1 (3) signs, posts, or other markers related to addressing or any costs associated with
7.2 the installation or maintenance of signs, posts, or markers.

7.3 Sec. 12. REPEALER.

7.4 Minnesota Statutes 2004, section 403.08, subdivision 8, is repealed.

APPENDIX

Repealed Minnesota Statutes: 06-4937

403.08 WIRELESS TELECOMMUNICATIONS SERVICE PROVIDER.

Subd. 8. **Schedule.** Planning shall be completed by October 1, 1997, for the metropolitan area and shall be completed by December 1, 1997, for the areas outside of the metropolitan area.

1 Senator moves to amend S.F. No. 3176 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 " ARTICLE 1

1.4 REVISOR'S INSTRUCTION

1.5 Section 1. REVISOR'S INSTRUCTION.

1.6 (a) In Minnesota Rules, parts 3800.3500 to 3800.3885, the revisor of statutes shall
1.7 change the terms "board" and "Board of Electricity" to "commissioner of labor and
1.8 industry."

1.9 (b) In Minnesota Rules, parts 4715.0150 to 4715.6000, the revisor of statutes shall
1.10 change the terms "commissioner" and "commissioner of health" to the term "commissioner
1.11 of labor and industry"; and shall change the terms "department" and "Department of
1.12 Health" to "Department of Labor and Industry."

1.13 (c) In Minnesota Rules, chapters 1300, 1301, 1305, 1306, 1307, 1309, 1311, 1315,
1.14 1346, 1350, 1360, and 7672, the revisor of statutes shall:

1.15 (1) change the term "commissioner of administration" to "commissioner of labor
1.16 and industry";

1.17 (2) change the term "Department of Administration" to "Department of Labor and
1.18 Industry";

1.19 (3) change the term "Department of Administration's Building Codes and Standards
1.20 Division" to "Department of Labor and Industry"; and

1.21 (4) change the term "director of the Building Codes and Standards Division of the
1.22 Department of Administration" to "individual appointed by the commissioner of labor and
1.23 industry to administer the code."

1.24 (d) In Minnesota Statutes, sections 326.01, subdivisions 2, 3, 4, 5, 6, 6a, 6b, 6c, and
1.25 6k; 326.242; 326.244; 326.2441; and 326.245, the revisor of statutes shall change the
1.26 terms "board," "Board of Electricity," and "State Board of Electricity" to "commissioner
1.27 of labor and industry."

1.28 (e) In Minnesota Statutes, sections 326.37 to 326.45 and 326.57 to 326.65, the
1.29 revisor of statutes shall change the terms "commissioner," "commissioner of health," and
1.30 "state commissioner of health" to "commissioner of labor and industry," and shall change
1.31 the terms "department," "Department of Health," and "State Department of Health" to
1.32 "Department of Labor and Industry."

1.33 (f) In Minnesota Statutes, sections 16B.59 to 16B.76, 326.992, 327.31 to 327.36,
1.34 and 327B.01 to 327B.12, the revisor of statutes shall change the terms "commissioner"
1.35 and "commissioner of administration" to "commissioner of labor and industry," and shall

2.1 change the terms "department" and "Department of Administration" to "Department
2.2 of Labor and Industry."

2.3 (g) In Minnesota Statutes, sections 326.83 to 326.86 and 326.875 to 326.991,
2.4 the revisor of statutes shall change the terms "commissioner" and "commissioner
2.5 of commerce" to "commissioner of labor and industry," and shall change the terms
2.6 "department" and "Department of Commerce" to "Department of Labor and Industry."

2.7 (h) In Minnesota Rules, part 3800.3840, the revisor of statutes shall change the term
2.8 "technical program committee" to "commissioner of labor and industry or designee."

2.9 ARTICLE 2

2.10 CONSTRUCTION CODES AND LICENSING

2.11 Section 1. Minnesota Statutes 2004, section 299F.011, subdivision 1, is amended to
2.12 read:

2.13 Subdivision 1. Uniform Fire Code rulemaking authority. The commissioner of
2.14 ~~public safety through the Division of Fire Marshal may~~ labor and industry, in consultation
2.15 with the fire marshal, shall promulgate a Uniform Fire Code and make amendments
2.16 thereto in accordance with the Administrative Procedure Act in chapter 14. The code and
2.17 its amendments shall conform insofar as practicable to model fire codes generally accepted
2.18 and in use throughout the United States, with consideration given to existing statewide
2.19 specialty codes presently in use in the state of Minnesota. Statewide specialty codes and
2.20 model codes with necessary modifications may be adopted by reference in accordance
2.21 with section 14.07, subdivision 4.

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

2.23 Sec. 2. [326B.01] DEFINITIONS.

2.24 Subdivision 1. Scope. The definitions in this section apply to chapter 326B.

2.25 Subd. 2. ASME. "ASME" means the American Society of Mechanical Engineers.

2.26 Subd. 3. Commissioner. "Commissioner" means the commissioner of labor
2.27 and industry or a duly designated representative of the commissioner who is either an
2.28 employee of the Department of Labor and Industry or a person working under contract
2.29 with the department.

2.30 Subd. 4. Department. "Department" means the Department of Labor and Industry.

2.31 Subd. 5. Day. "Day" means calendar day unless otherwise provided.

2.32 Subd. 6. Individual. "Individual" means a human being.

3.1 Subd. 7. Person. "Person" means any individual, limited liability company,
3.2 corporation, partnership, incorporated or unincorporated association, sole proprietorship,
3.3 joint stock company, or any other legal or commercial entity.

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

3.5 **Sec. 3. [326B.02] POWERS.**

3.6 Subdivision 1. Transfer of responsibilities. The responsibilities of the
3.7 commissioner of administration relating to the state building code, sections 16B.59 to
3.8 16B.76; construction of low-cost manufactured home park storm shelters, section 327.205;
3.9 manufactured homes, sections 327.31 to 327.36 and 327B.01 to 327B.12; and statutory
3.10 warranties in connection with the sale of dwellings and home improvement work, chapter
3.11 327A, are transferred under section 15.039 to the commissioner of labor and industry as
3.12 amended. The responsibilities of the commissioner of health relating to the state plumbing
3.13 code and licensing, sections 16B.61, 144.122, paragraph (f), 144.99 to 144.993, and 326.37
3.14 to 326.45, and water conditioning contractors and installers, sections 144.122, paragraph
3.15 (f), 144.99 to 144.993, and 326.57 to 326.65, are transferred under section 15.039 to the
3.16 commissioner of labor and industry as amended. The responsibilities of the commissioner
3.17 of commerce relating to residential contractors, residential remodelers, residential roofers,
3.18 manufactured home installers, and the contractor's recovery fund under sections 45.027 to
3.19 45.23 and 326.83 to 326.992 are transferred under section 15.039 to the commissioner of
3.20 labor and industry as amended. The responsibilities of the Board of Electricity relating
3.21 to the state electrical code and licensing, sections 16B.61 and 326.241 to 326.248, are
3.22 transferred under section 15.039 to the commissioner of labor and industry as amended.

3.23 Subd. 2. Definition of responsibilities. For purposes of subdivision 1,
3.24 responsibilities include powers, duties, rights, obligations, and other authority imposed by
3.25 law on the commissioner and the department.

3.26 Subd. 3. State fire marshal cooperation. The state fire marshal shall work with the
3.27 commissioner to improve the delivery of services to the public through the coordination
3.28 of services and utilization of technology.

3.29 Subd. 4. General rulemaking authority. The commissioner may, under the
3.30 rulemaking provisions of chapter 14 and as otherwise provided by this chapter, adopt,
amend, suspend, and repeal rules relating to the commissioner's responsibilities.

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

3.33 **ARTICLE 3**

3.34 **ENFORCEMENT**

4.1 Section 1. [326B.081] DEFINITIONS.

4.2 Subdivision 1. Application. For purposes of sections 326B.081 to 326B.085, the
4.3 terms defined in this section have the meanings given them.

4.4 Subd. 2. Administrative order. "Administrative order" means an order issued
4.5 under section 326B.082, subdivision 7.

4.6 Subd. 3. Applicable law. "Applicable law" means the provisions of sections
4.7 45.027 to 45.23, 326.241 to 326.248, 326.37 to 326.521, 326.57 to 326.65, 326.83 to
4.8 326.992, 326B.084, 327.205, 327.31 to 327.36, and 327B.01 to 327B.12, and chapters
4.9 183 and 327B, and all rules, orders, stipulation agreements, settlements, compliance
4.10 agreements, licenses, registrations, certificates, and permits adopted, issued, or enforced
4.11 by the department under sections 45.027 to 45.23, 326.241 to 326.248, 326.37 to 326.521,
4.12 326.57 to 326.65, 326.83 to 326.992, 326B.084, 327.205, 327.31 to 327.36, or 327B.01 to
4.13 327B.12, or chapter 183 or 327B.

4.14 Subd. 4. Document or documents. "Document" or "documents" includes papers;
4.15 books; records; memoranda; data; contracts; drawings; graphs; charts; photographs;
4.16 digital, video, and audio recordings; records; accounts; files; statements; letters; e-mails;
4.17 invoices; bills; notes; and calendars maintained in any form or manner.

4.18 Subd. 5. Final. "Final" when used to describe any order issued under section
4.19 326B.082 means that:

4.20 (1) no request for hearing in connection with the order was filed in the manner and
4.21 within the time provided by section 326B.082;

4.22 (2) all requests for hearing have been withdrawn;

4.23 (3) a settlement agreement in connection with the order has been signed by all
4.24 the parties; or

4.25 (4) after the filing of a request for hearing, an order has been issued by the
4.26 commissioner, the Court of Appeals, or the Supreme Court, and all appeals have been
4.27 pursued or forgone.

4.28 Subd. 6. Licensing order. "Licensing order" means an order issued under section
4.29 326B.082, subdivision 12, paragraph (a).

4.30 Subd. 7. Minimum qualifications. "Minimum qualifications" means the
4.31 educational, experience, fee, examination, application, and other eligibility requirements
4.32 that an applicant must meet in order to obtain a license, registration, certificate, or
4.33 permit under the applicable law. For an applicant that is not an individual, the minimum
4.34 qualifications include the requirement that an employee or other individual associated
4.35 with the applicant hold a license.

5.1 Subd. 8. Stop order. "Stop order" means an order issued under section 326B.082,
5.2 subdivision 10.

5.3 **Sec. 2. [326B.082] ENFORCEMENT.**

5.4 Subdivision 1. Remedies available. The commissioner may enforce all applicable
5.5 law under this section. The commissioner may use any enforcement provision in this
5.6 section, including the assessment of penalties, against a person required to hold a license,
5.7 registration, certificate, or permit under the applicable law based on conduct that would
5.8 provide grounds for action against a licensee, registrant, certificate holder, or permit
5.9 holder under the applicable law. The use of an enforcement provision in this section
5.10 shall not preclude the use of any other enforcement provision in this section or otherwise
5.11 provided by law.

5.12 Subd. 2. Access to information and property; subpoenas. (a) In order to carry out
5.13 the purposes of the applicable law, the commissioner may:

5.14 (1) administer oaths and affirmations, certify official acts, interview, question, take
5.15 oral or written statements, and take depositions;

5.16 (2) request, examine, take possession of, test, sample, measure, photograph, record,
5.17 and copy any documents, apparatus, devices, equipment, or materials;

5.18 (3) at a time and place indicated by the commissioner, request persons to appear
5.19 before the commissioner to give testimony and produce documents, apparatus, devices,
5.20 equipment, or materials;

5.21 (4) issue subpoenas to compel persons to appear before the commissioner to give
5.22 testimony and produce documents, apparatus, devices, equipment, or materials; and

5.23 (5) with or without notice, enter without delay upon any property, public or private,
5.24 for the purpose of taking any action authorized under this subdivision or the applicable
5.25 law, including obtaining information, taking steps to remedy violations, or conducting
5.26 surveys, inspections, or investigations.

5.27 (b) Persons requested by the commissioner to give testimony or produce documents,
5.28 apparatus, devices, equipment, or materials shall respond within the time and in the manner
5.29 specified by the commissioner. If no time to respond is specified in the request, then a
5.30 response shall be submitted within 30 days of the commissioner's service of the request.

5.31 (c) Upon the refusal or anticipated refusal of a property owner, lessee, property
5.32 owner's representative, or lessee's representative to permit the commissioner's entry
5.33 onto the property as provided in paragraph (a), the commissioner may apply for
5.34 an administrative inspection order in the Ramsey County District Court or, at the
5.35 commissioner's discretion, in the district court in the county in which the property is
5.36 located. The commissioner may anticipate that a property owner will refuse entry if

6.1 the property owner or the property owner's representative has refused to permit entry
6.2 on a prior occasion or has informed the commissioner that entry will be refused. Upon
6.3 showing of administrative probable cause by the commissioner, the district court shall
6.4 issue an administrative inspection order that compels the property owner to permit the
6.5 commissioner to enter the property for the purposes specified in paragraph (a).

6.6 (d) Upon the application of the commissioner, a district court shall treat the failure of
6.7 any person to obey a subpoena lawfully issued by the commissioner under this subdivision
6.8 as a contempt of court.

6.9 Subd. 3. Service. Unless otherwise specified, service of a document on a person
6.10 under this section or section 326B.083 may be by mail, by personal service, or in
6.11 accordance with any consent to service filed with the commissioner. Service by mail shall
6.12 be accomplished in the manner provided in Minnesota Rules, part 1400.5550, subpart
6.13 2. Personal service shall be accomplished in the manner provided in Minnesota Rules,
6.14 part 1400.5550, subpart 3.

6.15 Subd. 4. Fax transmission. Whenever this section or section 326B.083 permits a
6.16 request for reconsideration or request for hearing to be faxed to the commissioner, the
6.17 fax cannot exceed 15 pages in length. The request will be considered timely if the fax is
6.18 received by the commissioner, at the fax number identified by the commissioner in the
6.19 order or notice of violation, no later than 4:30 p.m. on the last day permitted for faxing
6.20 the request. Where the quality or authenticity of the request is at issue, the commissioner
6.21 may require the original request to be filed. Where the commissioner has not identified
6.22 quality or authenticity as an issue and the request has been faxed in accordance with this
6.23 subdivision, the person faxing the request does not need to provide the original request to
6.24 the commissioner.

6.25 Subd. 5. Time computation. In computing any period of time prescribed or allowed
6.26 by this section, the day of the act, event, or default from which the designated period of
6.27 time begins to run shall not be included. The last day of the period so computed shall be
6.28 included, unless it is a Saturday, Sunday, or legal holiday, in which event the period runs
6.29 until the end of the next day which is not a Saturday, Sunday, or legal holiday.

6.30 Subd. 6. Notices of violation. (a) The commissioner may issue a notice of violation
6.31 to any person who has committed a violation of the applicable law. The notice of violation
6.32 must state a summary of the facts that constitute the violation and the applicable law
6.33 violated. The notice of violation may require the person to correct the violation. If
6.34 correction is required, the notice of violation must state the time by which the violation
6.35 must be corrected.

7.1 (b) The commissioner shall issue the notice of violation by:

7.2 (1) serving the notice of violation on the property owner or on the person who
7.3 committed the violation; or

7.4 (2) posting the notice of violation at the address where the violation occurred.

7.5 (c) If the person to whom the commissioner has issued the notice of violation
7.6 believes that the information contained in the notice is in error, the person may request
7.7 that the commissioner reconsider the parts of the notice that are alleged to be in error. The
7.8 request for reconsideration must be in writing and must be served on or faxed to the
7.9 commissioner at the address or fax number specified in the notice of violation on or before
7.10 the tenth day after the commissioner issues the notice of violation. The date on which a
7.11 request for reconsideration is served by mail shall be the postmark date on the envelope in
7.12 which the request for reconsideration is mailed. The request for reconsideration must:

7.13 (1) specify which parts of the notice of violation are alleged to be in error;

7.14 (2) explain why they are in error; and

7.15 (3) provide documentation to support the allegation of error.

7.16 The commissioner must respond in writing to requests made under this paragraph
7.17 within 15 days after receiving a request. A request for reconsideration does not stay any
7.18 obligation to correct as set forth in the notice of violation. After reviewing the request for
7.19 reconsideration, the commissioner may affirm, modify, or rescind the notice of violation.
7.20 The commissioner's disposition of a request for reconsideration is final and may not be
7.21 reviewed by any court or agency.

22 Subd. 7. Administrative orders; correction; assessment of monetary penalties.

7.23 (a) The commissioner may issue an administrative order to any person who has committed
7.24 a violation of the applicable law. The commissioner shall serve the administrative order
7.25 on the person. The administrative order may include a requirement that the violation be
7.26 corrected, may require the person to cease and desist from committing the violation, and
7.27 may include an assessment of monetary penalties. The procedures in section 326B.083
7.28 must be followed when issuing administrative orders. Except as provided in paragraph (b),
7.29 the commissioner may issue to each person a monetary penalty of up to \$10,000 for each
7.30 violation of applicable law committed by that person. The commissioner may specify in
7.31 the order that some or all of the monetary penalty will be forgiven if the person who is
2 subject to the order demonstrates to the commissioner before the 31st day after the order
7.33 is issued that the person has corrected the violation or has developed a correction plan
7.34 acceptable to the commissioner.

7.35 (b) If the commissioner issues an administrative order for failure to correct a
7.36 violation by the deadline stated in a final administrative order issued under paragraph (a),

8.1 then each day after the deadline during which the violation remains uncorrected is a
8.2 separate violation for purposes of calculating the maximum penalty amount.

8.3 (c) If the commissioner issues an administrative order to a corporation, the
8.4 persons subject to the order include all owners and officers of the corporation. For any
8.5 administrative order issued under this section, the naming of a corporation as a person
8.6 subject to the order constitutes the naming of the owners and officers as persons subject
8.7 to the order, and service of the administrative order on the corporation shall constitute
8.8 service upon the owners and officers.

8.9 (d) Upon the application of the commissioner, a district court shall treat the failure
8.10 of any person to complete any correction required in a final administrative order lawfully
8.11 issued by the commissioner under this subdivision as a contempt of court.

8.12 Subd. 8. Hearings related to administrative orders. (a) Within 30 days after the
8.13 commissioner serves an administrative order or within 20 days after the commissioner
8.14 serves notice under section 326B.083, subdivision 3, paragraph (b), clause (3), the person
8.15 subject to an administrative order may request an expedited hearing, using the procedures
8.16 of Minnesota Rules, parts 1400.8510 to 1400.8612, to review the commissioner's
8.17 action. The request for hearing must be in writing and must be served on or faxed to the
8.18 commissioner at the address or fax number specified in the order. If the person does
8.19 not request a hearing or if the person's written request for hearing is not served on or
8.20 faxed to the commissioner on or before the 30th day after the commissioner served the
8.21 administrative order or the 20th day after the commissioner served the notice under section
8.22 326B.083, subdivision 3, paragraph (b), clause (3), the order will become a final order of
8.23 the commissioner and will not be subject to review by any court or agency. The date on
8.24 which a request for hearing is served by mail shall be the postmark date on the envelope in
8.25 which the request for hearing is mailed. The hearing request must specifically state the
8.26 reasons for seeking review of the order. The person to whom the order is issued and the
8.27 commissioner are the parties to the expedited hearing. The commissioner must notify the
8.28 person to whom the order is issued of the time and place of the hearing at least 15 days
8.29 before the hearing. The expedited hearing must be held within 45 days after a request for
8.30 hearing has been filed with the commissioner unless the parties agree to a later date.

8.31 (b) All written arguments must be submitted within ten days following the close of
8.32 the hearing. The hearing shall be conducted under Minnesota Rules, parts 1400.8510 to
8.33 1400.8612, as modified by this subdivision. The Office of Administrative Hearings may, in
8.34 consultation with the agency, adopt rules specifically applicable to cases under this section.

9.1 (c) The administrative law judge shall issue a report making findings of fact,
 9.2 conclusions of law, and a recommended order to the commissioner within 30 days
 9.3 following the close of the record.

9.4 (d) If the administrative law judge makes a finding that the hearing was requested
 9.5 solely for purposes of delay or that the hearing request was frivolous, the commissioner
 9.6 may add to the amount of the penalty the costs charged to the department by the Office of
 9.7 Administrative Hearings for the hearing.

9.8 (e) If a hearing has been held, the commissioner shall not issue a final order until
 9.9 at least five days after the date of the administrative law judge's report. Any person
 9.10 aggrieved by the administrative law judge's report may, within those five days, serve
 9.11 written comments to the commissioner on the report and the commissioner shall consider
 9.12 the comments. The commissioner's final order may be appealed in the manner provided in
 9.13 sections 14.63 to 14.69.

9.14 Subd. 9. Injunctive relief. In addition to any other remedy provided by law, the
 9.15 commissioner may bring an action for injunctive relief in the Ramsey County District
 9.16 Court or, at the commissioner's discretion, in the district court in the county in which a
 9.17 violation of the applicable law has occurred or is about to occur to enjoin the violation.
 9.18 A temporary restraining order and other injunctive relief shall be granted by the district
 9.19 court whenever it appears that any person has engaged in or is about to engage in any act,
 9.20 conduct, or practice constituting a violation of the applicable law. The commissioner shall
 9.21 not be required to show irreparable harm.

22 Subd. 10. Stop orders. (a) Whenever based on an inspection or investigation
 9.23 it appears to the commissioner that a person has committed or is about to commit an
 9.24 act, conduct, or practice that violates the applicable law, the commissioner may issue to
 9.25 the person a stop order requiring the person to cease and desist from committing the
 9.26 act, conduct, or practice.

9.27 (b) Whenever based on an inspection or investigation it appears to the commissioner
 9.28 that a condition exists on real property that violates the applicable law, the commissioner
 9.29 may issue a stop order to the owner or lessee of the real property to correct the condition
 9.30 that is in violation.

9.31 (c) The commissioner shall issue the stop work order by:

2 (1) serving the order on the person who has committed or is about to commit the
 9.33 violation;

9.34 (2) posting the order at the location where the violation was committed or is about to
 9.35 be committed or where the violating condition exists; or

10.1 (3) serving the order on any owner or lessee of the real property where the violating
10.2 condition exists.

10.3 (d) A stop order shall:

10.4 (1) describe the act, conduct, or practice committed or about to be committed, or the
10.5 condition, and include a reference to the applicable law that the act, conduct, practice, or
10.6 condition violates or would violate; and

10.7 (2) provide notice that any person aggrieved by the stop order may request a hearing
10.8 as provided in paragraph (e).

10.9 (e) Within 30 days after the commissioner issues a stop order, any person aggrieved
10.10 by the order may request an expedited hearing, using the procedures of Minnesota Rules,
10.11 parts 1400.8510 to 1400.8612, to review the commissioner's action. The request for
10.12 hearing must be in writing and must be served on or faxed to the commissioner at the
10.13 address or fax number specified in the order. If the person does not request a hearing or
10.14 if the person's written request for hearing is not served on or faxed to the commissioner
10.15 on or before the 30th day after the commissioner issued the stop work order, the order
10.16 will become a final order of the commissioner and will not be subject to review by any
10.17 court or agency. The date on which a request for hearing is mailed is the postmark date
10.18 on the envelope in which the request for hearing is mailed. The hearing request must
10.19 specifically state the reasons for seeking review of the order. The person who requested
10.20 the hearing and the commissioner are the parties to the expedited hearing. The hearing
10.21 shall be commenced within ten days after the commissioner receives the request for
10.22 hearing. The hearing shall be conducted under Minnesota Rules, parts 1400.8510 to
10.23 1400.8612, as modified by this subdivision. The administrative law judge shall issue a
10.24 report containing findings of fact, conclusions of law, and a recommended order within
10.25 ten days after the conclusion of the hearing. Any party aggrieved by the administrative
10.26 law judge's report shall have five days after the date of the administrative law judge's
10.27 report to submit exceptions and argument to the commissioner. Within 15 days after
10.28 receiving the administrative law judge's report, the commissioner shall issue an order
10.29 vacating, modifying, or making permanent the stop order. The commissioner and the
10.30 person requesting the hearing may by agreement lengthen any time periods described in
10.31 this paragraph. The Office of Administrative Hearings may, in consultation with the
10.32 agency, adopt rules specifically applicable to cases under this subdivision.

10.33 (f) A stop work order issued under this subdivision shall be in effect until it is
10.34 modified or vacated by the commissioner or an appellate court. The administrative hearing
10.35 provided by this subdivision and any appellate judicial review as provided in chapter 14
10.36 shall constitute the exclusive remedy for any person aggrieved by a stop order.

11.1 (g) Upon the application of the commissioner, a district court shall treat the failure
11.2 of any person to obey a final stop order lawfully issued by the commissioner under this
11.3 subdivision as a contempt of court.

11.4 Subd. 11. Licensing orders; grounds; reapplication. (a) The commissioner may
11.5 deny a permit, license, registration, or certificate if the applicant does not meet or fails
11.6 to maintain the minimum qualifications for holding the permit, license, registration, or
11.7 certificate, or has any unresolved violations or unpaid fees or penalties related to the
11.8 activity for which the permit, license, registration, or certificate was issued.

11.9 (b) The commissioner may condition the grant of a permit, license, registration, or
11.10 certificate on a demonstration by the applicant that actions required by the applicable law
11.11 have been taken, or may place conditions on or issue a limited permit, license, registration,
11.12 or certificate.

11.13 (c) The commissioner may deny, suspend, limit, place conditions on, or revoke
11.14 a permit, license, registration, or certificate, or censure the person holding the permit,
11.15 license, registration, or certificate, for:

11.16 (1) committing one or more violations of the applicable law;

11.17 (2) submitting false or misleading information to the state in connection with
11.18 activities for which the permit, license, registration, or certificate is issued, or in
11.19 connection with the application for the permit, license, registration, or certificate;

11.20 (3) allowing the alteration or use of one's own permit, license, registration, or
11.21 certificate by another person;

11.22 (4) within the previous five years, conviction of a crime in connection with activities
11.23 for which the permit, license, registration, or certificate was issued;

11.24 (5) violating a final administrative order issued under subdivision 7 or a final stop
11.25 order issued under subdivision 10;

11.26 (6) failing to cooperate with a commissioner's request to give testimony, to produce
11.27 documents, things, apparatus, devices, equipment, or materials, or to access property
11.28 under subdivision 2;

11.29 (7) retaliating in any manner against any employee or person who is questioned by,
11.30 cooperates with, or provides information to the commissioner or an employee or agent
11.31 authorized by the commissioner who seeks access to property or things under subdivision
32 2;

11.33 (8) engaging in any fraudulent, deceptive, or dishonest act or practice; or

11.34 (9) the applicant's, permit holder's, licensee's, registrant's, or certificate holder's
11.35 incompetence, untrustworthiness, or financial irresponsibility in the conduct of that

12.1 person's affairs, including but not limited to the performance of work in connection with
12.2 the permit, license, registration, or certificate.

12.3 (d) If the commissioner revokes a person's permit, license, registration, or certificate
12.4 under paragraph (c), the person is prohibited from making a new application for the
12.5 same type of permit, license, registration, or certificate for at least two years after the
12.6 effective date of the revocation. The commissioner may, as a condition of reapplication,
12.7 require the applicant to obtain a bond or comply with additional reasonable conditions
12.8 of permitting, licensing, registration, or certification that the commissioner considers
12.9 necessary to protect the public.

12.10 (e) If a permit, license, registration, or certificate expires, or is surrendered,
12.11 withdrawn, or terminated, or otherwise becomes ineffective, the commissioner may
12.12 institute a proceeding under this subdivision within two years after the permit, license,
12.13 registration, or certificate was last effective and enter a revocation or suspension order as
12.14 of the last date on which the permit, license, registration, or certificate was in effect.

12.15 **Subd. 12. Issuance of licensing orders; hearings related to licensing orders.**

12.16 (a) If the commissioner determines that a permit, license, registration, or certificate
12.17 should be conditioned, limited, suspended, revoked, or denied under subdivision 11,
12.18 or that the permit holder, licensee, registrant, or certificate holder should be censured
12.19 under subdivision 11, then the commissioner shall serve on the person an order denying,
12.20 conditioning, limiting, suspending, or revoking the person's permit, license, registration,
12.21 or certificate, or censuring the permit holder, licensee, registrant, or certificate holder.

12.22 (b) Any order issued under paragraph (a) that is based in whole or in part on the
12.23 violation of any applicable law may include an assessment of monetary penalties and may
12.24 require the person to cease and desist from committing the violation. The monetary penalty
12.25 may be up to \$10,000 for each violation of applicable law committed by the person. The
12.26 procedures in section 326B.083 must be followed when issuing orders under paragraph
12.27 (a). If the commissioner issues an order under paragraph (a) to a corporation, the persons
12.28 subject to the order include all owners and officers of the corporation. For any order issued
12.29 under paragraph (a), the naming of a corporation as a person subject to the order constitutes
12.30 the naming of the owners and officers as persons subject to the order, and service of the
12.31 order on the corporation shall constitute service upon the owners and officers.

12.32 (c) The permit holder, licensee, registrant, certificate holder, or applicant on whom
12.33 the commissioner serves an order under paragraph (a) shall have 30 days after service of
12.34 the order to request a hearing. The request for hearing must be in writing and must be
12.35 served on or faxed to the commissioner at the address or fax number specified in the order
12.36 on or before the 30th day after service of the order. If the person does not request a hearing

13.1 or if the person's written request for hearing is not served on or faxed to the commissioner
13.2 on or before the 30th day after service of the order, the order shall become a final order of
13.3 the commissioner and will not be subject to review by any court or agency. The date on
13.4 which a request for hearing is served by mail shall be the postmark date on the envelope in
13.5 which the request for hearing is mailed. If the person submits to the commissioner a timely
13.6 request for hearing, a contested case hearing shall be held in accordance with chapter 14.

13.7 (d) Paragraph (c) does not apply to summary suspension under subdivision 13.

13.8 Subd. 13. Summary suspension. In any case where the commissioner has
13.9 issued an order to revoke or suspend a license, registration, certificate, or permit under
13.10 subdivision 12, the commissioner may summarily suspend the person's permit, license,
13.11 registration, or certificate before the order becomes final. The commissioner shall issue
13.12 a summary suspension order only when the safety of life or property is threatened
13.13 or to prevent the commission of fraudulent, deceptive, or dishonest acts against the
13.14 public. The summary suspension shall not affect the deadline for submitting a request
13.15 for hearing under subdivision 12. If the commissioner summarily suspends a person's
13.16 permit, license, registration, or certificate, a timely request for hearing submitted under
13.17 subdivision 12 shall also be considered a timely request for hearing on continuation of
13.18 the summary suspension. If the commissioner summarily suspends a person's permit,
13.19 license, registration, or certificate under this subdivision and the person submits a timely
13.20 request for a hearing, then a hearing on continuation of the summary suspension must be
13.21 held within ten days after the commissioner receives the request for hearing unless the
13.22 parties agree to a later date.

13.23 Subd. 14. Plan for assessing penalties. The commissioner may prepare a plan for
13.24 assessing penalties in orders issued under subdivision 7 or 12. The commissioner shall
13.25 provide a 30-day period for public comment on any such plan. Penalties assessed by the
13.26 commissioner in accordance with the plan shall be presumed reasonable.

13.27 Subd. 15. Effect on other laws. Nothing in this section shall be construed to limit
13.28 the application of other state or federal laws, including specifically but not exclusively
13.29 section 270C.72, that require suspension of, revocation of, denial of, or refusal to renew a
13.30 permit, license, registration, or certificate issued by the commissioner.

13.31 Subd. 16. Misdemeanor penalties. Except as otherwise provided by law, a person
13.32 who violates an applicable law is guilty of a misdemeanor.

13.33 Subd. 17. Revocation and suspension of license. If a person fails to pay a penalty
13.34 owed under this section or section 326B.083, the commissioner may revoke or deny any
13.35 or all licenses, permits, certificates, and registrations issued by the department.

14.1 Sec. 3. [326B.083] AMOUNT OF PENALTY; CONTENTS OF
14.2 ADMINISTRATIVE AND LICENSING ORDERS.

14.3 Subdivision 1. Amount of penalty; considerations. In determining the amount of
14.4 a penalty assessed under section 326B.082, subdivision 7 or 12, the commissioner shall
14.5 consider the factors described in section 14.045, subdivision 3.

14.6 Subd. 2. Contents of administrative order and licensing order. (a) An
14.7 administrative order and a licensing order must include:

14.8 (1) a summary of the facts that constitute the violation or violations;

14.9 (2) a reference to the applicable law that has been violated; and

14.10 (3) a statement of the person's right to request a hearing.

14.11 (b) An administrative order may include a requirement that the violation be
14.12 corrected. If the order includes a requirement that the violation be corrected, then the
14.13 order must include, in addition to any statements required under paragraphs (a) and (c),
14.14 the deadline by which the violation must be corrected.

14.15 (c) An administrative order or a licensing order may assess monetary penalties. If
14.16 the order assesses monetary penalties, then the order must include, in addition to any
14.17 statements required under paragraphs (a) and (b):

14.18 (1) a statement of the amount of the monetary penalty imposed;

14.19 (2) a statement that, when the order becomes final, the commissioner may file and
14.20 enforce the unpaid portion of a penalty as a judgment in district court without further
14.21 notice or additional proceedings; and

14.22 (3) if the order is an administrative order, a statement of the amount of the penalty,
14.23 if any, that will be forgiven if the person who is subject to the order demonstrates to the
14.24 commissioner before the 31st day after the order is served that the person has corrected
14.25 the violation or has developed a correction plan acceptable to the commissioner.

14.26 Subd. 3. Penalty. (a) If an administrative order includes a penalty assessment, then
14.27 the penalty is due and payable on the date the administrative order becomes final unless
14.28 some or all of the penalty is forgivable. If a licensing order includes a penalty assessment,
14.29 then the penalty is due and payable on the date the licensing order becomes final.

14.30 (b) This paragraph applies if an administrative order includes a penalty assessment
14.31 and all or a portion of the penalty is forgivable.

14.32 (1) If any portion of the penalty is not forgivable, that portion of the penalty is due
14.33 and payable ten days after the date the administrative order becomes final.

14.34 (2) The commissioner shall forgive the forgivable portion of the penalty if the
14.35 commissioner determines that the violation has been corrected within the time set by

15.1 the order or the person to whom the order was issued has developed a correction plan
 15.2 acceptable to the commissioner within the time set by the order.

15.3 (3) If the commissioner determines that the person to whom the order was issued
 15.4 has failed to correct the violation within the time set by the order or has failed to develop
 15.5 a correction plan acceptable to the commissioner within the time set by the order, then
 15.6 the forgivable portion of the penalty is due and payable ten days after the commissioner
 15.7 serves notice of the determination on the person or on the date the administrative order
 15.8 becomes final, whichever is later.

15.9 (c) This paragraph applies if an administrative order or a licensing order includes a
 15.10 penalty assessment and if the person subject to the order has requested a hearing. The
 15.11 administrative law judge may not recommend a change in the amount of the penalty if
 15.12 the penalty was assessed in accordance with a plan prepared under section 326B.082,
 15.13 subdivision 14. If the commissioner has not prepared a plan under section 326B.082,
 15.14 subdivision 14, then the administrative law judge may not recommend a change in the
 15.15 amount of the penalty unless the administrative law judge determines that, based on the
 15.16 factors in section 14.045, subdivision 3, the amount of the penalty is unreasonable.

15.17 (d) The assessment of a penalty does not preclude the use of other enforcement
 15.18 provisions, under which penalties are not assessed, in connection with the violation for
 15.19 which the penalty was assessed.

15.20 **Sec. 4. [326B.084] FALSE INFORMATION.**

15.21 A person subject to any of the requirements in the applicable law may not make a
 15.22 false material statement, representation, or certification in; omit material information
 15.23 from; or alter, conceal, or fail to file or maintain a notice, application, record, report, plan,
 15.24 or other document required under the applicable law.

15.25 **Sec. 5. [326B.085] RECOVERY OF LITIGATION COSTS AND EXPENSES.**

15.26 In any action brought by the commissioner for enforcement of an order issued
 15.27 under section 326B.082 for injunctive relief, or to compel performance pursuant to the
 15.28 applicable law, if the state finally prevails, the state, in addition to other penalties provided
 15.29 by law, may be allowed an amount determined by the court to be the reasonable value of
 15.30 all or part of the litigation expenses incurred by the state. In determining the amount of
 15.31 the litigation expenses to be allowed, the court shall give consideration to the economic
 15.32 circumstances of the defendant.

15.33 **ARTICLE 4**

15.34 **BUILDING CODE**

15.35 **Section 1. Minnesota Statutes 2005 Supplement, section 16B.04, subdivision 2, is**
 15.36 **amended to read:**

16.1 Subd. 2. **Powers and duties, general.** Subject to other provisions of this chapter,
16.2 the commissioner is authorized to:

16.3 (1) supervise, control, review, and approve all state contracts and purchasing;

16.4 (2) provide agencies with supplies and equipment and operate all central store or
16.5 supply rooms serving more than one agency;

16.6 (3) investigate and study the management and organization of agencies, and
16.7 reorganize them when necessary to ensure their effective and efficient operation;

16.8 (4) manage and control state property, real and personal;

16.9 (5) maintain and operate all state buildings, as described in section 16B.24,
16.10 subdivision 1;

16.11 (6) supervise, control, review, and approve all capital improvements to state
16.12 buildings and the capitol building and grounds;

16.13 (7) provide central duplicating, printing, and mail facilities;

16.14 (8) oversee publication of official documents and provide for their sale;

16.15 (9) manage and operate parking facilities for state employees and a central motor
16.16 pool for travel on state business; and

16.17 ~~(10) establish and administer a State Building Code; and~~

16.18 ~~(11)~~ (10) provide rental space within the capitol complex for a private day care
16.19 center for children of state employees. The commissioner shall contract for services as
16.20 provided in this chapter. The commissioner shall report back to the legislature by October
16.21 1, 1984, with the recommendation to implement the private day care operation.

16.22 Sec. 2. Minnesota Statutes 2004, section 16B.61, subdivision 2, is amended to read:

16.23 Subd. 2. **Enforcement by certain bodies.** Under the direction and supervision of
16.24 the commissioner, the provisions of the code relating to electrical installations ~~shall be~~
16.25 ~~enforced by the State Board of Electricity, pursuant to the Minnesota Electrical Act, the~~
16.26 ~~provisions relating to, plumbing shall be enforced by the commissioner of health, the~~
16.27 ~~provisions relating to, boilers, high pressure steam piping and appurtenances, and ammonia~~
16.28 refrigeration piping shall be enforced by the Department of Labor and Industry. Fees for
16.29 inspections conducted by the ~~State Board of Electricity~~ commissioner shall be paid in
16.30 accordance with the rules of the ~~State Board of Electricity~~ department. Under direction
16.31 of the commissioner of public safety, the state fire marshal shall enforce the Minnesota
16.32 Uniform State Fire Code as provided in chapter 299F. The commissioner, ~~in consultation~~
16.33 ~~with the commissioner of labor and industry,~~ shall adopt amendments to the mechanical
16.34 code portion of the State Building Code to implement standards for process piping.

16.35 Sec. 3. Minnesota Statutes 2004, section 16B.63, subdivision 5, is amended to read:

17.1 Subd. 5. **Interpretative authority.** To achieve uniform and consistent application
17.2 of the State Building Code, the state building official has final interpretative authority
17.3 applicable to all codes adopted as part of the State Building Code ~~except for the~~
17.4 ~~Plumbing Code and the Electrical Code when enforced by the State Board of Electricity.~~
17.5 A final interpretative committee composed of seven members, consisting of three
17.6 building officials, two inspectors from the affected field, and two construction industry
17.7 representatives, shall review requests for final interpretations relating to that field. A
17.8 request for final interpretation must come from a local or state level building code
17.9 board of appeals. The state building official must establish procedures for membership
17.10 of the interpretative committees. The appropriate committee shall review the request
17.11 and make a recommendation to the state building official for the final interpretation
17.12 within 30 days of the request. The state building official must issue an interpretation
17.13 within ten business days from the recommendation from the review committee. A final
17.14 interpretation may be appealed within 30 days of its issuance to the commissioner under
17.15 section 16B.67. The final interpretation must be published within ten business days of its
17.16 issuance and made available to the public. Municipal building officials shall administer all
17.17 final interpretations issued by the state building official until the final interpretations are
17.18 considered for adoption as part of the State Building Code.

17.19 Sec. 4. Minnesota Statutes 2004, section 16B.748, is amended to read:

17.20 **16B.748 RULES.**

17.21 The commissioner may adopt rules for the following purposes:

17.22 (1) to establish minimum qualifications for elevator inspectors that must include
17.23 possession of a current elevator constructor electrician's license issued by the ~~State Board~~
17.24 ~~of Electricity~~ department and proof of successful completion of the national elevator
17.25 industry education program examination or equivalent experience;

17.26 (2) to establish criteria for the qualifications of elevator contractors;

17.27 (3) to establish elevator standards under sections 16B.61, subdivisions 1 and 2,
17.28 and 16B.64;

17.29 (4) to establish procedures for appeals of decisions of the commissioner under
17.30 chapter 14 and procedures allowing the commissioner, before issuing a decision, to seek
17.31 advice from the elevator trade, building owners or managers, and others knowledgeable in
32 the installation, construction, and repair of elevators; and

17.33 (5) to establish requirements for the registration of all elevators.

17.34 Sec. 5. Minnesota Statutes 2004, section 327.35, subdivision 1, is amended to read:

17.35 Subdivision 1. ~~Civil Penalty.~~ Notwithstanding section 326B.082, subdivisions 7 and
17.36 12, any person who violates any provision of this section is liable to the state of Minnesota

18.1 for a ~~civil~~ penalty of not to exceed \$1,000 for each ~~offense violation~~. Each violation
18.2 involving a separate manufactured home or involving a separate failure or refusal to allow
18.3 or perform any act required by this section constitutes a separate ~~offense violation~~, except
18.4 that the maximum ~~civil~~ penalties for any related series of violations occurring within one
18.5 year from the date of the first violation may not exceed \$1,000,000.

18.6 Sec. 6. Minnesota Statutes 2004, section 327B.05, subdivision 1, is amended to read:

18.7 Subdivision 1. **Grounds.** In addition to the grounds set forth in section 326B.082,
18.8 subdivision 11, the commissioner may by order deny, suspend, limit, place conditions
18.9 on, or revoke ~~any the application or license on finding (1) that the order is in the public~~
18.10 ~~interest and (2) that the~~ of any applicant or licensee or any of its directors, officers, limited
18.11 or general partners, controlling shareholders or affiliates for any of the following grounds:

18.12 ~~(a) has filed an application for a license or a license renewal which fails to disclose~~
18.13 ~~any material information or contains any statement which is false or misleading with~~
18.14 ~~respect to any material fact;~~

18.15 ~~(b)~~ (a) has violated any of the provisions of sections 327B.01 to 327B.12 or any
18.16 rule or order issued by the commissioner or any prior law providing for the licensing of
18.17 manufactured home dealers or manufacturers;

18.18 ~~(c)~~ (b) has had a previous manufacturer or dealer license revoked in this or any
18.19 other state;

18.20 ~~(d)~~ (c) has engaged in acts or omissions which have been adjudicated or amount to a
18.21 violation of any of the provisions of section 325D.44, 325F.67 or 325F.69;

18.22 ~~(e)~~ (d) has sold or brokered the sale of a home containing a material violation of
18.23 sections 327.31 to 327.35 about which the dealer knew or which should have been obvious
18.24 to a reasonably prudent dealer;

18.25 ~~(f)~~ (e) has failed to make or provide all listings, notices and reports required by
18.26 the commissioner;

18.27 ~~(g)~~ (f) has failed to pay a civil penalty assessed under subdivision 5 within ten
18.28 days after the assessment becomes final;

18.29 ~~(h)~~ (g) has failed to pay to the commissioner or other responsible government agency
18.30 all taxes, fees and arrearages due;

18.31 ~~(i)~~ (h) has failed to duly apply for license renewal;

18.32 ~~(j)~~ (i) has violated any applicable manufactured home building or safety code;

18.33 ~~(k)~~ (j) has failed or refused to honor any express or implied warranty as provided
18.34 in section 327B.03;

18.35 ~~(l)~~ (k) has failed to continuously occupy a permanent, established place of business
18.36 licensed under section 327B.04;

19.1 ~~(m)~~ (l) has, without first notifying the commissioner, sold a new and unused
 19.2 manufactured home other than the make of manufactured home described in a franchise or
 19.3 contract filed with the application for license or license renewal;

19.4 ~~(n)~~ (m) has wrongfully failed to deliver a certificate of title to a person entitled to it;
 19.5 ~~(o)~~ (n) is insolvent or bankrupt;

19.6 ~~(p)~~ (o) holds an impaired or canceled bond;

19.7 ~~(q)~~ (p) has failed to notify the commissioner of bankruptcy proceedings within ten
 19.8 days after a petition in bankruptcy has been filed by or against the dealer or manufacturer;

19.9 ~~(r)~~ (q) has, within the previous ten years, been convicted of a crime that either related
 19.10 directly to the business of the dealer or manufacturer or involved fraud, misrepresentation
 19.11 or misuse of funds;

19.12 ~~(s)~~ (r) has suffered a judgment within the previous five years in a civil action
 19.13 involving fraud, misrepresentation or misuse of funds; or

19.14 ~~(t)~~ (s) has failed to reasonably supervise any employee or agent of the dealer or
 19.15 manufacturer, resulting in injury or harm to the public.

19.16 The commissioner may establish rules pursuant to section 327B.10 further
 19.17 specifying, defining or establishing standards of conduct for manufactured home dealers
 19.18 and manufacturers.

19.19 **ARTICLE 5**

19.20 **ELECTRICAL**

19.21 Section 1. Minnesota Statutes 2004, section 326.241, is amended to read:

19.22 **326.241 BOARD OF ELECTRICITY ELECTRICAL ADVISORY COUNCIL;**
 19.23 **POWERS OF COMMISSIONER.**

19.24 Subdivision 1. ~~Composition~~ **Electrical Advisory Council.** The ~~Board of Electricity~~
 19.25 **Electrical Advisory Council** shall consist of 11 members, residents of the state, appointed
 19.26 by the ~~governor~~ **commissioner of labor and industry,** of whom two shall be representatives
 19.27 of the electrical suppliers in the rural areas of the state, two shall be master electricians,
 19.28 who shall be contractors, two journeyman electricians, one registered consulting electrical
 19.29 engineer, two power limited technicians, who shall be technology system contractors
 19.30 primarily engaged in the business of installing technology circuits or systems, and two
 19.31 public members as defined by section 214.02. ~~Membership terms, compensation of~~
 19.32 ~~members, removal of members, the filling of membership vacancies, and fiscal year~~
 19.33 ~~and reporting requirements shall be as provided in sections 214.07 to 214.09. The~~
 19.34 ~~provision of staff, administrative services and office space, the review and processing of~~
 19.35 ~~complaints, the setting of board fees, and other provisions relating to board operations~~
 19.36 ~~shall be as provided in chapter 214.~~ **The Electrical Advisory Council shall be organized**

20.1 and administered according to section 15.059, except that, notwithstanding any other law
20.2 to the contrary, the Electrical Advisory Council shall not expire. At the request of the
20.3 commissioner of labor and industry, the Electrical Advisory Council shall provide advice
20.4 to the commissioner of labor and industry on issues regarding the electrical code.

20.5 Subd. 2. **Powers of commissioner.** ~~The board, or the complaint committee on~~
20.6 ~~behalf of the board where authorized by law,~~ commissioner of labor and industry shall
20.7 have power to:

20.8 (1) ~~Elect its own officers.~~

20.9 (2) Engage and fix the compensation of inspectors, and hire employees. ~~The salary~~
20.10 ~~of the executive secretary shall be established pursuant to chapter 43A.~~ All agents and
20.11 employees other than contract inspectors shall be in the classified service and shall be
20.12 compensated pursuant to chapter 43A. All inspectors shall hold licenses as master or
20.13 journeyman electricians under section 326.242, subdivision 1(1) or 2(1), and shall give
20.14 bond in an amount fixed by the ~~board~~ commissioner of labor and industry, conditioned
20.15 upon the faithful performance of their duties.

20.16 (3) ~~Pay such other expenses as it may deem necessary in the performance of its~~
20.17 ~~duties, including rent, supplies, and such like.~~

20.18 (4) (2) Enforce the provisions of sections 326.241 to 326.248, and provide, upon
20.19 request, such additional voluntary inspections and reviews as it the commissioner of
20.20 labor and industry may deem appropriate.

20.21 (5) ~~Issue, renew, refuse to renew, suspend, temporarily suspend, and revoke licenses,~~
20.22 ~~censure licensees, assess civil penalties, issue cease and desist orders, and seek injunctive~~
20.23 ~~relief and civil penalties in court as authorized by section 326.242 and other provisions~~
20.24 ~~of Minnesota law.~~

20.25 (6) (3) Adopt reasonable rules to carry out its the duties of the commissioner of
20.26 labor and industry under sections 326.241 to 326.248 and to provide for the amount
20.27 and collection of fees for inspection and other services. All rules shall be adopted in
20.28 accordance with chapter 14.

20.29 Subd. 3. **Fees and finances; disposition.** All fees collected under the provisions of
20.30 sections 326.241 to 326.248 are to be credited to a special account in the state treasury.
20.31 Money in the account is appropriated to the ~~Board of Electricity~~ Department of Labor and
20.32 Industry to administer and enforce sections 326.241 to 326.248, to pay indirect costs, to
20.33 compensate contract electrical inspectors for inspections performed, and to make refunds.

20.34 Sec. 2. Minnesota Statutes 2004, section 326.242, subdivision 9i, is amended to read:

21.1 Subd. 9i. **Cooperation required.** A person who is the subject of an investigation, or
 21.2 who is questioned in connection with an investigation, by or on behalf of the ~~board or its~~
 21.3 ~~complaint committee~~ commissioner of labor and industry shall cooperate fully with the
 21.4 investigation. Cooperation includes, but is not limited to:

21.5 (1) responding fully and promptly to questions raised by or on behalf of the ~~board~~
 21.6 ~~or its complaint committee~~ commissioner of labor and industry relating to the subject
 21.7 of the investigation;

21.8 (2) providing copies of records in the person's possession related to the matter under
 21.9 investigation as requested by the ~~board, its complaint committee,~~ commissioner of labor
 21.10 and industry or the attorney general within the time limit set by the ~~board, its complaint~~
 21.11 ~~committee,~~ commissioner of labor and industry or the attorney general;

21.12 (3) assisting the ~~board, its complaint committee,~~ commissioner of labor and industry
 21.13 or the attorney general in its investigation; and

21.14 (4) appearing at conferences or hearings scheduled by the ~~board or its complaint~~
 21.15 ~~committee~~ commissioner of labor and industry.

21.16 Sec. 3. Minnesota Statutes 2004, section 326.243, is amended to read:

21.17 **326.243 SAFETY STANDARDS.**

21.18 All electrical wiring, apparatus and equipment for electric light, heat and power,
 21.19 technology circuits or systems shall comply with the rules of the ~~department of Commerce~~
 21.20 ~~or the~~ Department of Labor and Industry, ~~as applicable,~~ and be installed in conformity
 21.21 with accepted standards of construction for safety to life and property. For the purposes
 21.22 of this chapter, the rules and safety standards stated at the time the work is done in
 21.23 the then most recently published edition of the National Electrical Code as adopted by
 21.24 the National Fire Protection Association, Inc. and approved by the American National
 21.25 Standards Institute, and the National Electrical Safety Code as published by the Institute
 21.26 of Electrical and Electronics Engineers, Inc. and approved by the American National
 21.27 Standards Institute, shall be prima facie evidence of accepted standards of construction
 21.28 for safety to life and property; provided further, that in the event a Minnesota Building
 21.29 Code is formulated pursuant to section 16B.61, containing approved methods of electrical
 21.30 construction for safety to life and property, compliance with said methods of electrical
 21.31 construction of said Minnesota Building Code shall also constitute compliance with this
 21.32 section, and provided further, that nothing herein contained shall prohibit any political
 21.33 subdivision from making and enforcing more stringent requirements than set forth herein
 21.34 and such requirements shall be complied with by all licensed electricians working within
 21.35 the jurisdiction of such political subdivisions.

21.36 Sec. 4. Minnesota Statutes 2004, section 326.247, is amended to read:

22.1 **326.247 CONTINUITY.**

22.2 ~~Persons Individuals now members of the board Electrical Advisory Council shall~~
22.3 ~~remain in office on the Electrical Advisory Council until the expiration of the terms to~~
22.4 ~~which they were appointed. Board rules, forms, policies and classifications of special~~
22.5 ~~electricians now in effect, and not in conflict herewith, shall continue until lawfully~~
22.6 ~~modified or repealed.~~

22.7 **ARTICLE 6**

22.8 **PLUMBING**

22.9 Section 1. Minnesota Statutes 2004, section 326.42, subdivision 1, is amended to read:

22.10 Subdivision 1. **Application.** Applications for plumber’s license shall be made to
22.11 the state commissioner of ~~health~~ labor and industry, with fee. Unless the applicant is
22.12 entitled to a renewal, the applicant shall be licensed by the state commissioner of ~~health~~
22.13 labor and industry only after passing a satisfactory examination by the examiners showing
22.14 fitness. Examination fees for both journeyman and master plumbers shall be in an amount
22.15 ~~prescribed by the state commissioner of health pursuant to set forth in section 144.122,~~
22.16 paragraph (f). Upon being notified that of having successfully passed the examination
22.17 for original license the applicant shall submit an application, with the license fee herein
22.18 provided. License fees shall be in an amount ~~prescribed by the state commissioner of~~
22.19 ~~health pursuant to set forth in section 144.122, paragraph (f)~~. Licenses shall expire and
22.20 be renewed as prescribed in rule by the commissioner ~~pursuant to section 144.122 of~~
22.21 labor and industry.

22.22 **ARTICLE 7**

22.23 **WATER CONDITIONING CONTRACTORS AND INSTALLERS**

22.24 Section 1. Minnesota Statutes 2004, section 326.57, subdivision 1, is amended to read:

22.25 Subdivision 1. **Rules.** The state commissioner of ~~health~~ labor and industry shall,
22.26 by rule, prescribe minimum standards which shall be uniform, and which standards shall
22.27 thereafter be effective for all new water conditioning servicing and water conditioning
22.28 installations, including additions, extensions, alterations, and replacements connected
22.29 with any water or sewage disposal system owned or operated by or for any municipality,
22.30 institution, factory, office building, hotel, apartment building or any other place of
22.31 business, regardless of location or the population of the city, county or town in which
22.32 located. ~~Such rules, upon approval of the attorney general and their legal publication, shall~~
22.33 ~~have the force of law, and the violation of any part thereof shall constitute a misdemeanor~~
22.34 ~~and may be enjoined by the attorney general.~~

22.35 Sec. 2. Minnesota Statutes 2004, section 326.60, subdivision 3, is amended to read:

22.36 Subd. 3. **Rules.** The state commissioner of ~~health~~ labor and industry shall:

23.1 (a) prescribe rules, not inconsistent herewith, for the licensing of water conditioning
23.2 contractors and installers;

23.3 (b) license water conditioning contractors and installers;

23.4 (c) prescribe rules not inconsistent herewith for the examining of water conditioning
23.5 contractors and installers prior to first granting a license as a water conditioning contractor
23.6 or water conditioning installer; and

23.7 (d) collect an examination fee from each examinee for a license as a water
23.8 conditioning contractor and a fee from each examinee for a license as a water conditioning
23.9 installer in an amount ~~prescribed by the state commissioner of health pursuant to set~~
23.10 forth in section 144.122, paragraph (f). A water conditioning installer must successfully
23.11 pass the examination for water conditioning contractors before being licensed as a water
23.12 conditioning contractor.

23.13 **ARTICLE 8**

23.14 **RESIDENTIAL BUILDING CONTRACTOR AND REMODELER**

23.15 **STATUTES**

23.16 Section 1. Minnesota Statutes 2004, section 326.87, subdivision 1, is amended to read:

23.17 Subdivision 1. **Standards.** The commissioner of labor and industry, in consultation
23.18 with the council, may adopt standards for continuing education requirements and course
23.19 approval. The standards must include requirements for continuing education in the
23.20 implementation of energy codes applicable to buildings and other building codes designed
23.21 to conserve energy. Except for the course content, the standards must be consistent
23.22 with the standards established for real estate agents and other professions licensed by
23.23 the Department of Commerce. At a minimum, the content of one hour of any required
23.24 continuing education must contain information on lead abatement rules and safe lead
23.25 abatement procedures.

23.26 Sec. 2. Minnesota Statutes 2004, section 326.91, subdivision 1, is amended to read:

23.27 Subdivision 1. ~~**Cause Grounds.** The commissioner may by order deny, suspend, or~~
23.28 ~~revoke any license or may censure a licensee, and may impose a civil penalty as provided~~
23.29 ~~for in section 45.027, subdivision 6, if the commissioner finds that the order is in the~~
23.30 ~~public interest, and that the applicant, licensee, or affiliate of an applicant or licensee, or~~
23.31 ~~other agent, owner, partner, director, governor, shareholder, member, officer, qualifying~~
32 ~~person, or managing employee of the applicant or licensee or any person occupying a~~
23.33 ~~similar status or performing similar functions.~~ In addition to the grounds set forth in
23.34 section 326B.082, subdivision 11, the commissioner may deny, suspend, limit, place
23.35 conditions on, or revoke a license or certificate of exemption, or may censure the person
23.36 holding the license or certificate of exemption, if the applicant, licensee, certificate of

24.1 exemption holder, qualified person, or affiliate of an applicant, licensee, or certificate of
 24.2 exemption holder, or other agent owner has:

24.3 (1) has filed an application for ~~a license~~ licensure or a certificate of exemption
 24.4 which is incomplete in any material respect or contains any statement which, in light
 24.5 of the circumstances under which it is made, is false or misleading with respect to any
 24.6 material fact;

24.7 (2) has engaged in a fraudulent, deceptive, or dishonest practice;

24.8 (3) is permanently or temporarily enjoined by any court of competent jurisdiction
 24.9 from engaging in or continuing any conduct or practice involving any aspect of the
 24.10 business;

24.11 (4) has failed to reasonably supervise employees, agents, subcontractors, or
 24.12 salespersons, or has performed negligently or in breach of contract, so as to cause injury
 24.13 or harm to the public;

24.14 (5) has violated or failed to comply with any provision of sections 326.83 to 326.98
 24.15 ~~or, any rule or order under sections 326.83 to 326.98~~ or any other law, rule, or order related
 24.16 to the duties and responsibilities entrusted to the commissioner;

24.17 ~~(6) has been shown to be incompetent, untrustworthy, or financially irresponsible;~~

24.18 ~~(7) (6) has been convicted of a violation of the State Building Code or, in~~
 24.19 ~~jurisdictions that do not enforce the State Building Code,~~ has refused to comply with
 24.20 a notice of violation or stop order issued by a certified building official, or in local
 24.21 jurisdictions that have not adopted the State Building Code has refused to correct a
 24.22 violation of the State Building Code when the violation has been certified documented
 24.23 or a notice of violation or stop order issued by a Minnesota licensed structural engineer
 24.24 certified building official has been received;

24.25 ~~(8) (7) has failed to use the proceeds of any payment made to the licensee for the~~
 24.26 ~~construction of, or any improvement to, residential real estate, as defined in section 326.83,~~
 24.27 ~~subdivision 17, for the payment of labor, skill, material, and machinery contributed to the~~
 24.28 ~~construction or improvement, knowing that the cost of any labor performed, or skill,~~
 24.29 ~~material, or machinery furnished for the improvement remains unpaid;~~

24.30 ~~(9) (8) has not furnished to the person making payment either a valid lien waiver as to~~
 24.31 ~~any unpaid labor performed, or skill, material, or machinery furnished for an improvement,~~
 24.32 ~~or a payment bond in the basic amount of the contract price for the improvement~~
 24.33 ~~conditioned for the prompt payment to any person or persons entitled to payment;~~

24.34 ~~(10) (9) has engaged in conduct which was the basis for a contractor's recovery fund~~
 24.35 ~~payment pursuant to section 326.975, which payment has not been reimbursed;~~

25.1 ~~(11)~~ (10) has engaged in bad faith, unreasonable delays, or frivolous claims in
 25.2 defense of a civil lawsuit or arbitration arising out of their activities as a licensee or
 25.3 certificate of exemption holder under this chapter;

25.4 ~~(12)~~ (11) has had a judgment entered against them for failure to make payments to
 25.5 employees ~~or~~, subcontractors, or suppliers, that the licensee has failed to satisfy and all
 25.6 appeals of the judgment have been exhausted or the period for appeal has expired;

25.7 ~~(13)~~ (12) if unlicensed, has obtained a building permit by the fraudulent use of a
 25.8 fictitious license number or the license number of another, or, if licensed, has knowingly
 25.9 allowed an unlicensed person to use the licensee's license number for the purpose of
 25.10 fraudulently obtaining a building permit; or has applied for or obtained a building permit
 25.11 for an unlicensed person.

25.12 ~~(14)~~ (13) has made use of a forged mechanics' mechanic's lien waivers waiver
 25.13 under chapter 514.;

25.14 (14) has provided false, misleading or incomplete information to the commissioner
 25.15 or has refused to allow a reasonable inspection of records or premises;

25.16 (15) has engaged in an act or practice whether or not the act or practice directly
 25.17 involves the business for which the person is licensed, that demonstrates that the applicant
 25.18 or licensee is untrustworthy, financially irresponsible, or otherwise incompetent or
 25.19 unqualified to act under the license granted by the commissioner; or

25.20 (16) has failed to comply with requests for information, documents, or other requests
 25.21 from the department within the time specified in the request or, if no time is specified,
 25.22 within 30 days of the mailing of the request by the department.

25.23 Sec. 3. Minnesota Statutes 2004, section 326.93, is amended to read:

25.24 **326.93 SERVICE OF PROCESS; ~~NONRESIDENT LICENSING.~~**

25.25 ~~Subdivision 1. License. A nonresident of Minnesota may be licensed as a residential~~
 25.26 ~~building contractor or residential remodeler upon compliance with all the provisions of~~
 25.27 ~~sections 326.83 to 326.991.~~

25.28 ~~Subd. 2. Service of process. Service of process upon a person performing work in~~
 25.29 ~~the state of a type that would require a license under sections 326.83 to 326.98 may be~~
 25.30 ~~made as provided in section 45.028.~~

25.31 Subd. 3. Procedure. Every applicant for licensure or certificate of exemption
 32 under sections 326.83 to 326.98, shall file with the commissioner, on such form as the
 25.33 commissioner may prescribe, an irrevocable consent appointing the commissioner and
 25.34 successors in office to be the applicant's agent to receive service of any lawful process
 25.35 in any noncriminal suit, action, or proceeding against the applicant or a successor,

26.1 executor, or administrator which arises under section 326.83 to 326.98 or any rule or order
 26.2 thereunder after the consent has been filed, with the same force and validity as if served
 26.3 personally on the person filing the consent. Service under this section shall be made in
 26.4 compliance with subdivision 5.

26.5 Subd. 4. Service on commissioner. (a) When a person, including any nonresident
 26.6 of this state, engages in conduct prohibited or made actionable by sections 326.83 to
 26.7 326.98, or any rule or order under those sections, and the person has not filed a consent
 26.8 to service of process under subdivision 3, that conduct is equivalent to an appointment
 26.9 of the commissioner and successors in office as the person's agent to receive service of
 26.10 process in any noncriminal suit, action, or proceeding against the person that is based on
 26.11 that conduct and is brought under sections 326.83 to 326.98, or any rule or order under
 26.12 those sections, with the same force and validity as if served personally on the person filing
 26.13 the consent. Service under this section shall be made in compliance with subdivision 5.

26.14 (b) Subdivision 5 applies in all other cases in which a person, including a nonresident
 26.15 of this state, has filed a consent to service of process. This paragraph supersedes any
 26.16 inconsistent provision of law.

26.17 (c) Subdivision 5 applies in all cases in which service of process is allowed to be
 26.18 made on the commissioner.

26.19 (d) Subdivision 5 applies to any document served by the commissioner or the
 26.20 department under section 326B.08.

26.21 Subd. 5. How made. Service of process under this section may be made by leaving
 26.22 a copy of the process in the office of the commissioner, or by sending a copy of the process
 26.23 to the commissioner by certified mail, and is not effective unless:

26.24 (1) the plaintiff, who may be the commissioner in an action or proceeding instituted
 26.25 by the commissioner, sends notice of the service and a copy of the process by certified
 26.26 mail to the defendant or respondent at the last known address; and

26.27 (2) the plaintiff's affidavit of compliance is filed in the action or proceeding on or
 26.28 before the return day of the process, if any, or within further time as the court allows.

26.29 **ARTICLE 9**

26.30 **BOILERS; PRESSURE VESSELS; BOATS**

26.31 Section 1. Minnesota Statutes 2004, section 183.44, subdivision 3, is amended to read:

26.32 Subd. 3. Suspension, revocation. In addition to the grounds set forth in section
 26.33 326B.082, subdivision 11, the Division of Boiler Inspection may suspend or revoke the
 26.34 license of any master, pilot or engineer found under the influence of drugs or alcohol when
 26.35 on duty or who otherwise disregards the provisions of sections 183.375 to 183.62 or
 26.36 any rule promulgated thereunder.

ARTICLE 10

CONFORMING CHANGES

Section 1. REVISOR'S INSTRUCTION.

(a) In Minnesota Statutes, section 31.175, the revisor of statutes shall change the term "Department of Health" to "Department of Labor and Industry."

(b) In Minnesota Statutes, section 103I.621, subdivision 3, paragraph (b), clause (2), the revisor of statutes shall change the term "commissioner" to "commissioner of labor and industry."

(c) In Minnesota Statutes, section 327.20, subdivision 1, clause (5), the revisor of statutes shall change the term "commissioner of health" to "commissioner of labor and industry."

(d) In Minnesota Statutes, section 327.205, the revisor of statutes shall change the term "commissioner of administration" to "commissioner of labor and industry."

(e) In Minnesota Statutes, section 327A.01, subdivision 2, the revisor of statutes shall change the term "commissioner of administration" to "commissioner of labor and industry."

(f) In Minnesota Statutes, section 462A.07, subdivision 8, the revisor of statutes shall change the term "commissioner of administration" to "commissioner of labor and industry."

(g) In Minnesota Statutes, section 471.465, the revisor of statutes shall change the term "commissioner of administration" to "commissioner of labor and industry."

(h) In Minnesota Statutes, section 471.466, the revisor of statutes shall change the term "commissioner of administration" to "commissioner of labor and industry."

(i) In Minnesota Statutes, section 471.467, subdivision 1, the revisor of statutes shall change the term "commissioner of administration" to "commissioner of labor and industry."

(j) In Minnesota Statutes, section 471.471, the revisor of statutes shall change the term "Building Code and Standards Division of the Department of Administration" to "Department of Labor and Industry," and shall change the term "commissioner of administration" to "commissioner of labor and industry."

Sec. 2. Minnesota Statutes 2004, section 144.99, subdivision 1, is amended to read:

Subdivision 1. **Remedies available.** The provisions of chapters 103I and 157 and sections 115.71 to 115.77; 144.12, subdivision 1, paragraphs (1), (2), (5), (6), (10), (12), (13), (14), and (15); 144.1201 to 144.1204; 144.121; 144.1222; 144.35; 144.381 to 144.385; 144.411 to 144.417; 144.495; 144.71 to 144.74; 144.9501 to 144.9509; 144.992; ~~326.37 to 326.45; 326.57~~ 326.70 to 326.785; 327.10 to 327.131; and 327.14 to 327.28 and

28.1 all rules, orders, stipulation agreements, settlements, compliance agreements, licenses,
28.2 registrations, certificates, and permits adopted or issued by the department or under any
28.3 other law now in force or later enacted for the preservation of public health may, in
28.4 addition to provisions in other statutes, be enforced under this section.

28.5 Sec. 3. Minnesota Statutes 2004, section 175.16, subdivision 1, is amended to read:

28.6 Subdivision 1. **Established.** The Department of Labor and Industry shall consist
28.7 of the following divisions: Division of Workers' Compensation, Division of ~~Boiler~~
28.8 ~~Inspection~~ Construction Codes and Licensing, Division of Occupational Safety and
28.9 Health, Division of Statistics, ~~Division of Steamfitting Standards~~, Division of Labor
28.10 Standards and Apprenticeship, and such other divisions as the commissioner of the
28.11 Department of Labor and Industry may deem necessary and establish. Each division of
28.12 the department and persons in charge thereof shall be subject to the supervision of the
28.13 commissioner of the Department of Labor and Industry and, in addition to such duties
28.14 as are or may be imposed on them by statute, shall perform such other duties as may be
28.15 assigned to them by the commissioner. Notwithstanding any other law to the contrary,
28.16 the commissioner is the administrator and supervisor of all of the department's dispute
28.17 resolution functions and personnel and may delegate authority to compensation judges
28.18 and others to make determinations under sections 176.106, 176.238, and 176.239 and to
28.19 approve settlement of claims under section 176.521.

28.20 Sec. 4. Minnesota Statutes 2004, section 214.01, subdivision 3, is amended to read:

28.21 Subd. 3. **Non-health-related licensing board.** "Non-health-related licensing
28.22 board" means the Board of Teaching established pursuant to section 122A.07, the Board
28.23 of Barber Examiners established pursuant to section 154.22, the Board of Assessors
28.24 established pursuant to section 270.41, the Board of Architecture, Engineering, Land
28.25 Surveying, Landscape Architecture, Geoscience, and Interior Design established pursuant
28.26 to section 326.04, ~~the Board of Electricity established pursuant to section 326.241~~, the
28.27 Private Detective and Protective Agent Licensing Board established pursuant to section
28.28 326.33, the Board of Accountancy established pursuant to section 326A.02, and the Peace
28.29 Officer Standards and Training Board established pursuant to section 626.841.

28.30 Sec. 5. Minnesota Statutes 2005 Supplement, section 214.04, subdivision 1, is
28.31 amended to read:

28.32 Subdivision 1. **Services provided.** (a) ~~The commissioner of administration with~~
28.33 ~~respect to the Board of Electricity~~; the commissioner of education with respect to the
28.34 Board of Teaching; the commissioner of public safety with respect to the Board of Private
28.35 Detective and Protective Agent Services; the panel established pursuant to section

29.1 299A.465, subdivision 7; the Board of Peace Officer Standards and Training; and the
29.2 commissioner of revenue with respect to the Board of Assessors, shall provide suitable
29.3 offices and other space, joint conference and hearing facilities, examination rooms, and
29.4 the following administrative support services: purchasing service, accounting service,
29.5 advisory personnel services, consulting services relating to evaluation procedures and
29.6 techniques, data processing, duplicating, mailing services, automated printing of license
29.7 renewals, and such other similar services of a housekeeping nature as are generally
29.8 available to other agencies of state government. Investigative services shall be provided
29.9 the boards by employees of the Office of Attorney General. The commissioner of health
29.10 with respect to the health-related licensing boards shall provide mailing and office supply
29.11 services and may provide other facilities and services listed in this subdivision at a
29.12 central location upon request of the health-related licensing boards. The commissioner of
29.13 commerce with respect to the remaining non-health-related licensing boards shall provide
29.14 the above facilities and services at a central location for the remaining non-health-related
29.15 licensing boards. The legal and investigative services for the boards shall be provided
29.16 by employees of the attorney general assigned to the departments servicing the boards.
29.17 Notwithstanding the foregoing, the attorney general shall not be precluded by this section
29.18 from assigning other attorneys to service a board if necessary in order to insure competent
29.19 and consistent legal representation. Persons providing legal and investigative services
29.20 shall to the extent practicable provide the services on a regular basis to the same board
29.21 or boards.

29.22 (b) The requirements in paragraph (a) with respect to the panel established in section
29.23 299A.465, subdivision 7, expire July 1, 2008.

29.24 Sec. 6. Minnesota Statutes 2004, section 214.04, subdivision 3, is amended to read:

29.25 Subd. 3. **Officers; staff.** The executive director of each health-related board and
29.26 the executive secretary of each non-health-related board shall be the chief administrative
29.27 officer for the board but shall not be a member of the board. The executive director or
29.28 executive secretary shall maintain the records of the board, account for all fees received
29.29 by it, supervise and direct employees servicing the board, and perform other services as
29.30 directed by the board. The executive directors, executive secretaries, and other employees
29.31 of the following boards shall be hired by the board, and the executive directors or executive
32 secretaries shall be in the unclassified civil service, except as provided in this subdivision:

29.33 (1) Dentistry;

29.34 (2) Medical Practice;

29.35 (3) Nursing;

29.36 (4) Pharmacy;

- 30.1 (5) Accountancy;
- 30.2 (6) Architecture, Engineering, Land Surveying, Landscape Architecture,
- 30.3 Geoscience, and Interior Design;
- 30.4 (7) Barber Examiners;
- 30.5 (8) Cosmetology;
- 30.6 ~~(9) Electricity;~~
- 30.7 ~~(10)~~ (9) Teaching;
- 30.8 ~~(11)~~ (10) Peace Officer Standards and Training;
- 30.9 ~~(12)~~ (11) Social Work;
- 30.10 ~~(13)~~ (12) Marriage and Family Therapy;
- 30.11 ~~(14)~~ (13) Dietetics and Nutrition Practice; and
- 30.12 ~~(15)~~ (14) Licensed Professional Counseling.

30.13 The executive directors or executive secretaries serving the boards are hired by those

30.14 boards and are in the unclassified civil service, except for part-time executive directors

30.15 or executive secretaries, who are not required to be in the unclassified service. Boards

30.16 not requiring full-time executive directors or executive secretaries may employ them on

30.17 a part-time basis. To the extent practicable, the sharing of part-time executive directors

30.18 or executive secretaries by boards being serviced by the same department is encouraged.

30.19 Persons providing services to those boards not listed in this subdivision, except executive

30.20 directors or executive secretaries of the boards and employees of the attorney general, are

30.21 classified civil service employees of the department servicing the board. To the extent

30.22 practicable, the commissioner shall ensure that staff services are shared by the boards

30.23 being serviced by the department. If necessary, a board may hire part-time, temporary

30.24 employees to administer and grade examinations.

30.25 Sec. 7. Minnesota Statutes 2004, section 327.20, subdivision 1, is amended to read:

30.26 Subdivision 1. **Rules.** No domestic animals or house pets of occupants of

30.27 manufactured home parks or recreational camping areas shall be allowed to run at large,

30.28 or commit any nuisances within the limits of a manufactured home park or recreational

30.29 camping area. Each manufactured home park or recreational camping area licensed under

30.30 the provisions of sections 327.10, 327.11, 327.14 to 327.28 shall, among other things,

30.31 provide for the following, in the manner hereinafter specified:

30.32 (1) A responsible attendant or caretaker shall be in charge of every manufactured

30.33 home park or recreational camping area at all times, who shall maintain the park or

30.34 area, and its facilities and equipment in a clean, orderly and sanitary condition. In any

30.35 manufactured home park containing more than 50 lots, the attendant, caretaker, or other

30.36 responsible park employee, shall be readily available at all times in case of emergency.

31.1 (2) All manufactured home parks shall be well drained and be located so that the
31.2 drainage of the park area will not endanger any water supply. No wastewater from
31.3 manufactured homes or recreational camping vehicles shall be deposited on the surface of
31.4 the ground. All sewage and other water carried wastes shall be discharged into a municipal
31.5 sewage system whenever available. When a municipal sewage system is not available, a
31.6 sewage disposal system acceptable to the state commissioner of health shall be provided.

31.7 (3) No manufactured home shall be located closer than three feet to the side lot lines
31.8 of a manufactured home park, if the abutting property is improved property, or closer than
31.9 ten feet to a public street or alley. Each individual site shall abut or face on a driveway
31.10 or clear unoccupied space of not less than 16 feet in width, which space shall have
31.11 unobstructed access to a public highway or alley. There shall be an open space of at least
31.12 ten feet between the sides of adjacent manufactured homes including their attachments
31.13 and at least three feet between manufactured homes when parked end to end. The space
31.14 between manufactured homes may be used for the parking of motor vehicles and other
31.15 property, if the vehicle or other property is parked at least ten feet from the nearest
31.16 adjacent manufactured home position. The requirements of this paragraph shall not apply
31.17 to recreational camping areas and variances may be granted by the state commissioner
31.18 of health in manufactured home parks when the variance is applied for in writing and in
31.19 the opinion of the commissioner the variance will not endanger the health, safety, and
31.20 welfare of manufactured home park occupants.

31.21 (4) An adequate supply of water of safe, sanitary quality shall be furnished at each
31.22 manufactured home park or recreational camping area. The source of the water supply
31.23 shall first be approved by the state Department of Health.

31.24 (5) All plumbing shall be installed in accordance with the rules of the state
31.25 commissioner of ~~health~~ labor and industry and the provisions of the Minnesota Plumbing
31.26 Code.

31.27 (6) In the case of a manufactured home park with less than ten manufactured homes,
31.28 a plan for the sheltering or the safe evacuation to a safe place of shelter of the residents of
31.29 the park in times of severe weather conditions, such as tornadoes, high winds, and floods.
31.30 The shelter or evacuation plan shall be developed with the assistance and approval of
31.31 the municipality where the park is located and shall be posted at conspicuous locations
31.32 throughout the park. The park owner shall provide each resident with a copy of the
31.33 approved shelter or evacuation plan, as provided by section 327C.01, subdivision 1c.
31.34 Nothing in this paragraph requires the Department of Health to review or approve any
31.35 shelter or evacuation plan developed by a park. Failure of a municipality to approve a plan
31.36 submitted by a park shall not be grounds for action against the park by the Department of

32.1 Health if the park has made a good faith effort to develop the plan and obtain municipal
32.2 approval.

32.3 (7) A manufactured home park with ten or more manufactured homes, licensed prior
32.4 to March 1, 1988, shall provide a safe place of shelter for park residents or a plan for the
32.5 evacuation of park residents to a safe place of shelter within a reasonable distance of the
32.6 park for use by park residents in times of severe weather, including tornadoes and high
32.7 winds. The shelter or evacuation plan must be approved by the municipality by March 1,
32.8 1989. The municipality may require the park owner to construct a shelter if it determines
32.9 that a safe place of shelter is not available within a reasonable distance from the park. A
32.10 copy of the municipal approval and the plan shall be submitted by the park owner to the
32.11 Department of Health. The park owner shall provide each resident with a copy of the
32.12 approved shelter or evacuation plan, as provided by section 327C.01, subdivision 1c.

32.13 (8) A manufactured home park with ten or more manufactured homes, receiving
32.14 a primary license after March 1, 1988, must provide the type of shelter required by
32.15 section 327.205, except that for manufactured home parks established as temporary,
32.16 emergency housing in a disaster area declared by the President of the United States or
32.17 the governor, an approved evacuation plan may be provided in lieu of a shelter for a
32.18 period not exceeding 18 months.

32.19 (9) For the purposes of this subdivision, "park owner" and "resident" have the
32.20 meaning given them in section 327C.01.

32.21 ARTICLE 11

32.22 REPEALER; EFFECTIVE DATE

32.23 Section 1. REPEALER.

32.24 (a) Minnesota Statutes 2004, sections 183.52; 183.61, subdivisions 1, 3, 5, and 6;
32.25 326.01, subdivision 6h; 326.242, subdivisions 9, 9a, 9b, 9c, 9d, 9e, 9f, 9g, 9h, 9j, and 9k;
32.26 326.244, subdivision 6; 326.246; 326.2461; 326.51; 326.521; and 327B.05, subdivisions
32.27 2, 3, 4, 5, and 6, are repealed.

32.28 (b) Minnesota Rules, parts 3800.2650; 3800.3580; 3800.3750; 3800.3835;
32.29 4715.5600; and 4717.7000, subpart 1, item I, are repealed.

32.30 Sec. 2. EFFECTIVE DATE.

32.31 This act is effective December 1, 2006, except when another date is specified. The
32.32 revisor's instructions contained in this act shall be implemented for the 2006 edition
32.33 of Minnesota Statutes."

32.34 Amend the title accordingly

1.1 Senator moves to amend the delete-everything amendment
1.2 (SCS3176A-1) to S.F. No. 3176 as follows:

1.3 Page 32, after line 20, insert:

1.4 " **ARTICLE 11**
1.5 **APPRENTICE WAGES**

1.6 Section 1. Minnesota Statutes 2004, section 178.03, is amended by adding a
1.7 subdivision to read:

1.8 Subd. 3a. Apprentice wages. (a) Determination of the graduated schedule of wages
1.9 for an apprenticeship agreement will be determined by the percentage rate used in the
1.10 majority of individual apprenticeship agreements on file with the Department of Labor
1.11 and Industry, Division of Voluntary Apprenticeship, in any particular trade. The beginning
1.12 rate must be at least the federal or state minimum wage rate, whichever is higher.

1.13 (b) The journeyman wage rate for apprenticeship agreements where no bargaining
1.14 agreement exists shall be determined by counties, for all trades. If there is either a state or
1.15 federal prevailing wage determination or apprenticeship agreement for a trade, the most
1.16 current rate of the determination or agreement must be used as the journeyman wage rate.

1.17 (c) This subdivision does not apply to programs in penal institutions including,
1.18 stipends paid by the Department of Corrections."

1.19 Renumber the articles in sequence and correct the internal references

1.20 Amend the title accordingly

Senators Scheid, Jungbauer, Limmer, Kubly and Dibble introduced—
 S.F. No. 3319: Referred to the Committee on Jobs, Energy and Community Development.

A bill for an act
 relating to building officials; requiring competency criteria; proposing coding for
 new law in Minnesota Statutes, chapter 16B.

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

Section 1. [16B.655] CONSTRUCTION CODE INSPECTORS.

Subdivision 1. Competency criteria. The commissioner shall adopt rules
establishing required competency criteria for individuals serving as construction code
inspectors. For the purpose of this section, "construction code inspectors" means building
inspectors, mechanical inspectors, plumbing inspectors, and combination inspectors under
the supervision of the building official. Required competency criteria shall be relevant to
the building, mechanical, and plumbing codes adopted in Minnesota.

Subd. 2. Continuing education. The commissioner shall adopt rules establishing
or approving education programs for construction inspectors related to construction
inspection and administration of the State Building Code. Each construction code
inspector must satisfactorily complete continuing education requirements as established in
rule by the commissioner.

Subd. 3. Effective date. Effective January 1, 2008, all newly employed construction
inspectors shall, within one year of hire, be in compliance with the competency criteria
established according to subdivision 1.

1.1 Senator moves to amend S.F. No. 3319 as follows:

1.2 Page 1, after line 19, insert:

1.3 "Sec. 2. **BUILDING PERMIT STUDY.**

1.4 The Department of Labor and Industry must study the need for requiring building or
1.5 similar permits for the replacement of simple fixtures and appliances, including, but not
1.6 limited to, toilets, sinks, faucets, dishwashers, stoves, and refrigerators. The department
1.7 shall report the results of its study to the legislature by January 15, 2007. As part of the
1.8 report, the department shall recommend changes to rule and statutes that it finds necessary
1.9 so that permits are not required when they are not needed for reasons of public health or
1.10 safety. The construction codes and licensing division of the department shall conduct and
1.11 manage the study.

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

1.13 Renumber the sections in sequence and correct the internal references

1.14 Amend the title accordingly

Senator Murphy introduced—

S.F. No. 3406: Referred to the Committee on Jobs, Energy and Community Development.

1 A bill for an act
1.2 relating to employment; regulating payment of prevailing wages; amending
1.3 Minnesota Statutes 2004, section 177.44, subdivision 2.

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

1.5 Section 1. Minnesota Statutes 2004, section 177.44, subdivision 2, is amended to read:

1.6 Subd. 2. **Applicability.** This section does not apply to wage rates and hours of
1.7 employment of laborers or mechanics engaged in the processing or manufacture of
1.8 materials or products, or to the delivery of materials or products by or for commercial
1.9 establishments which have a fixed place of business from which they regularly supply
1.10 the processed or manufactured materials or products. A commercial establishment is not
1.11 required to have facilities available for effecting sales. This section applies to laborers
1.12 or mechanics who deliver mineral aggregate such as sand, gravel, or stone which is
1.13 incorporated into the work under the contract by depositing the material substantially in
1.14 place, directly or through spreaders, from the transporting vehicle.

Senator Rest introduced—

S.F. No. 3332: Referred to the Committee on Jobs, Energy & Community Development.

A bill for an act

1.2 relating to taxation; delaying the final designation of the international economic
 1.3 development zone and the beginning of zone duration; changing corresponding
 1.4 dates relating to tax incentives; authorizing political subdivisions to apply for
 1.5 foreign trade zone powers; extending the period that appropriation for funding
 1.6 certain grants to qualifying business is available; amending Minnesota Statutes
 1.7 2005 Supplement, sections 272.02, subdivision 83; 290.0922, subdivisions 2, 3;
 1.8 297A.68, subdivision 41; 469.322; 469.323, subdivision 2; 469.327; Laws 2005,
 1.9 First Special Session chapter 3, article 10, section 23; proposing coding for new
 1.10 law in Minnesota Statutes, chapter 469.

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

1.12 Section 1. Minnesota Statutes 2005 Supplement, section 272.02, subdivision 83,
 1.13 is amended to read:

1.14 Subd. 83. **International economic development zone property.** (a) Improvements
 1.15 to real property, and personal property, classified under section 273.13, subdivision
 1.16 24, and located within the international economic development zone designated under
 1.17 section 469.322, are exempt from ad valorem taxes levied under chapter 275, if the
 1.18 improvements are:

- 1.19 (1) part of a regional distribution center as defined in section 469.321; or
- 1.20 (2) occupied by a qualified business as defined in section 469.321, that uses the
- 1.21 improvements primarily in freight forwarding operations.

1.22 (b) ~~The exemption applies beginning for the first assessment year after designation of~~
 1.23 ~~the international economic development zone.~~ The exemption applies to each assessment
 1.24 year that begins during the duration of the international economic development zone. To
 1.25 be exempt under paragraph (a), clause (2), the property must be occupied by July 1 of the
 1.26 assessment year by a qualified business that has signed the business subsidy agreement
 1.27 by July 1 of the assessment year.

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

2.2 Sec. 2. Minnesota Statutes 2005 Supplement, section 290.0922, subdivision 2, is
2.3 amended to read:

2.4 Subd. 2. **Exemptions.** The following entities are exempt from the tax imposed
2.5 by this section:

2.6 (1) corporations exempt from tax under section 290.05;

2.7 (2) real estate investment trusts;

2.8 (3) regulated investment companies or a fund thereof; and

2.9 (4) entities having a valid election in effect under section 860D(b) of the Internal
2.10 Revenue Code;

2.11 (5) town and farmers' mutual insurance companies;

2.12 (6) cooperatives organized under chapter 308A or 308B that provide housing
2.13 exclusively to persons age 55 and over and are classified as homesteads under section
2.14 273.124, subdivision 3;

2.15 (7) an entity, if for the taxable year all of its property is located in a job opportunity
2.16 building zone designated under section 469.314 and all of its payroll is a job opportunity
2.17 building zone payroll under section 469.310; and

2.18 (8) an entity, if for the taxable year all of its property is located in an international
2.19 economic development zone designated under section 469.322, and all of its payroll is
2.20 international economic development zone payroll under section 469.321. The exemption
2.21 under this clause applies to taxable years beginning during the duration of the international
2.22 economic development zone.

2.23 Entities not specifically exempted by this subdivision are subject to tax under this
2.24 section, notwithstanding section 290.05.

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

2.26 Sec. 3. Minnesota Statutes 2005 Supplement, section 290.0922, subdivision 3, is
2.27 amended to read:

2.28 Subd. 3. **Definitions.** (a) "Minnesota sales or receipts" means the total sales
2.29 apportioned to Minnesota pursuant to section 290.191, subdivision 5, the total receipts
2.30 attributed to Minnesota pursuant to section 290.191, subdivisions 6 to 8, and/or the
2.31 total sales or receipts apportioned or attributed to Minnesota pursuant to any other
2.32 apportionment formula applicable to the taxpayer.

2.33 (b) "Minnesota property" means total Minnesota tangible property as provided in
2.34 section 290.191, subdivisions 9 to 11, any other tangible property located in Minnesota,

3.1 but does not include: (1) property located in a job opportunity building zone designated
 3.2 under section 469.314, or (2) property of a qualified business located in a biotechnology
 3.3 and health sciences industry zone designated under section 469.334, or (3) for taxable
 3.4 years beginning during the duration of the zone, property of a qualified business located
 3.5 in the international economic development zone designated under section 469.322.

3.6 Intangible property shall not be included in Minnesota property for purposes of this
 3.7 section. Taxpayers who do not utilize tangible property to apportion income shall
 3.8 nevertheless include Minnesota property for purposes of this section. On a return for
 3.9 a short taxable year, the amount of Minnesota property owned, as determined under
 3.10 section 290.191, shall be included in Minnesota property based on a fraction in which the
 3.11 numerator is the number of days in the short taxable year and the denominator is 365.

3.12 (c) "Minnesota payrolls" means total Minnesota payrolls as provided in section
 3.13 290.191, subdivision 12, but does not include: (1) job opportunity building zone payrolls
 3.14 under section 469.310, subdivision 8, or (2) biotechnology and health sciences industry
 3.15 zone payrolls under section 469.330, subdivision 8, or (3) for taxable years beginning
 3.16 during the duration of the zone, international economic development zone payrolls under
 3.17 section 469.321, subdivision 9. Taxpayers who do not utilize payrolls to apportion income
 3.18 shall nevertheless include Minnesota payrolls for purposes of this section.

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

3.20 Sec. 4. Minnesota Statutes 2005 Supplement, section 297A.68, subdivision 41, is
 3.21 amended to read:

3.22 **Subd. 41. International economic development zones.** (a) Purchases of tangible
 3.23 personal property or taxable services by a qualified business, as defined in section 469.321,
 3.24 are exempt if the property or services are primarily used or consumed in the international
 3.25 economic development zone designated under section 469.322.

3.26 (b) Purchase and use of construction materials, supplies, and equipment incorporated
 3.27 into the construction of improvements to real property in the international economic
 3.28 development zone are exempt if the improvements after completion of construction are
 3.29 to be used as a regional distribution center as defined in section 469.321 or otherwise
 3.30 used in the conduct of freight forwarding activities of a qualified business as defined in
 3.31 section 469.321. This exemption applies regardless of whether the purchases are made
 3.32 by the business or a contractor.

3.33 (c) The exemptions under this subdivision apply to a local sales and use tax,
 3.34 regardless of whether the local tax is imposed on sales taxable under this chapter or in
 3.35 another law, ordinance, or charter provision.

4.1 (d) ~~The exemption in paragraph (a) applies~~ exemptions in this section apply to sales
 4.2 ~~during the duration of the zone and after June 30, 2007, if the purchase was made and~~
 4.3 ~~delivery received after the business signs the business subsidy agreement required under~~
 4.4 ~~chapter 469 and purchases made after the date of final zone designation under section~~
 4.5 469.322, paragraph (c), and before the expiration of the zone under section 469.322,
 4.6 paragraph (d).

4.7 (e) For purchases made for improvements to real property to be occupied by a
 4.8 business that has not signed a business subsidy agreement at the time of the purchase, the
 4.9 tax must be imposed and collected as if the rate under section 297A.62, subdivision 1,
 4.10 applied, and then refunded in the manner provided in section 297A.75 ~~beginning in fiscal~~
 4.11 ~~year 2008~~. The taxpayer must attach to the claim for refund information sufficient for
 4.12 the commissioner to be able to determine that the improvements are being occupied by
 4.13 a business that has signed a business subsidy agreement.

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

4.15 **Sec. 5. [469.193] FOREIGN TRADE ZONES.**

4.16 A city, county, town, or other political subdivision may apply to the board defined in
 4.17 United States Code, title 19, section 81a, for the right to use the powers provided in United
 4.18 States Code, title 19, sections 81a to 81u. If the right is granted, the city, county, town, or
 4.19 other political subdivision may use the powers within or outside of a port district. Any
 4.20 city, county, town, or other political subdivision may apply jointly with any other city,
 4.21 county, town, or other political subdivision.

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

4.23 **Sec. 6. Minnesota Statutes 2005 Supplement, section 469.322, is amended to read:**

4.24 **469.322 DESIGNATION OF INTERNATIONAL ECONOMIC**
 4.25 **DEVELOPMENT ZONE.**

4.26 (a) An area designated as a foreign trade zone may be designated by the foreign
 4.27 trade zone authority as an international economic development zone if within the zone
 4.28 a regional distribution center is being developed pursuant to section 469.323. The zone
 4.29 must consist of contiguous area of not less than 500 acres and not more than 1,000 acres.
 4.30 The designation authority under this section is limited to one zone.

4.31 (b) In making the designation, the foreign trade zone authority, in consultation with
 4.32 the Minnesota Department of Transportation and the Metropolitan Council, shall consider
 4.33 access to major transportation routes, consistency with current state transportation and

5.1 air cargo planning, adequacy of the size of the site, access to airport facilities, present
 5.2 and future capacity at the designated airport, the capability to meet integrated present
 5.3 and future air cargo, security, and inspection services, and access to other infrastructure
 5.4 and financial incentives. The border of the international economic development zone
 5.5 must be no more than 60 miles distant or 90 minutes drive time from the border of the
 5.6 Minneapolis-St. Paul International Airport.

5.7 (c) Final zone designation must be made by June 30, ~~2006~~ 2008.

5.8 (d) Duration of the zone is a 12-year period beginning on January 1, ~~2007~~ 2010.

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

5.10 Sec. 7. Minnesota Statutes 2005 Supplement, section 469.323, subdivision 2, is
 5.11 amended to read:

5.12 Subd. 2. **Business plan.** Before designation of an international economic
 5.13 development zone under section 469.322, the governing body of the foreign trade zone
 5.14 authority shall prepare a business plan. The findings of the business plan shall be
 5.15 presented to the legislature pursuant to section 3.195. Copies of the business plan shall be
 5.16 provided to the chairs of committees with jurisdiction over transportation and economic
 5.17 development. The plan must include an analysis of the economic feasibility of the regional
 5.18 distribution center once it becomes operational and of the operations of freight forwarders
 5.19 and other businesses that choose to locate within the boundaries of the zone. The analysis
 5.20 must provide profitability models that:

- 5.21 (1) include the benefits of the incentives;
- 5.22 (2) estimate the amount of time needed to achieve profitability; and
- 5.23 (3) analyze the length of time incentives will be necessary to the economic viability
- 5.24 of the regional distribution center.

5.25 If the governing body of the foreign trade authority determines that the models do
 5.26 not establish the economic feasibility of the project, the regional distribution center does
 5.27 not meet the development requirements of this section and section 469.322.

5.28 Sec. 8. Minnesota Statutes 2005 Supplement, section 469.327, is amended to read:

5.29 **469.327 JOBS CREDIT.**

5.30 Subdivision 1. **Credit allowed.** (a) A qualified business is allowed a credit against
 5.31 the taxes imposed under chapter 290. The credit equals seven percent of the:

- 5.32 (1) lesser of:
- 5.33 (i) zone payroll for the taxable year, less the zone payroll for the base year; or

6.1 (ii) total Minnesota payroll for the taxable year, less total Minnesota payroll for
6.2 the base year; minus

6.3 (2) \$30,000 multiplied by the number of full-time equivalent employees that the
6.4 qualified business employs in the international economic development zone for the taxable
6.5 year, minus the number of full-time equivalent employees the business employed in the
6.6 zone in the base year, but not less than zero.

6.7 (b) This section applies only to tax years beginning during the duration of the
6.8 international economic development zone.

6.9 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have
6.10 the meanings given.

6.11 (b) "Base year" means the taxable year beginning during the calendar year
6.12 immediately preceding the calendar year in which the zone designation was made duration
6.13 of the zone begins under section 469.322, paragraph (d).

6.14 (c) "Full-time equivalent employees" means the equivalent of annualized expected
6.15 hours of work equal to 2,080 hours.

6.16 (d) "Minnesota payroll" means the wages or salaries attributed to Minnesota under
6.17 section 290.191, subdivision 12, for the qualified business or the unitary business of which
6.18 the qualified business is a part, whichever is greater.

6.19 (e) "Zone payroll" means wages or salaries used to determine the zone payroll
6.20 factor for the qualified business, less the amount of compensation attributable to any
6.21 employee that exceeds \$70,000.

6.22 Subd. 3. **Inflation adjustment.** For taxable years beginning after December 31,
6.23 ~~2006~~ 2010, the dollar amounts in subdivisions 1, clause (2); and 2, paragraph (e), are
6.24 annually adjusted for inflation. The commissioner of revenue shall adjust the amounts by
6.25 the percentage determined under section 290.06, subdivision 2d, for the taxable year.

6.26 Subd. 4. **Refundable.** If the amount of the credit exceeds the liability for tax under
6.27 chapter 290, the commissioner of revenue shall refund the excess to the qualified business.

6.28 Subd. 5. **Appropriation.** An amount sufficient to pay the refunds authorized by this
6.29 section is appropriated to the commissioner of revenue from the general fund.

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

6.31 Sec. 9. Laws 2005, First Special Session chapter 3, article 10, section 23, is amended
6.32 to read:

6.33 Sec. 23. **GRANTS TO QUALIFYING BUSINESSES.**

6.34

7.1 \$750,000 is appropriated in fiscal year 2006 from the general fund to the
7.2 commissioner of employment and economic development to be distributed to the foreign
7.3 trade zone authority to provide grants to qualified businesses as determined by the
7.4 authority, subject to Minnesota Statutes, sections 116J.993 to 116J.995, to provide
7.5 incentives for the businesses to locate their operations in an international economic
7.6 development zone. If the money is not distributed during fiscal year 2006, it remains
7.7 available for distribution under this section ~~during fiscal year 2007~~ until December 31,
7.8 2010.

Senators Cohen, Anderson and Pappas introduced-

S.F. No. 3513: Referred to the Committee on Jobs, Energy and Community Development.

A bill for an act

relating to economic development; establishing a commission to develop an incentive package for enhancement of St. Paul's Ford plant.

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

Section 1. FORD PLANT ENHANCEMENT COMMISSION.

Subdivision 1. Establishment; members. The Ford Plant Enhancement Commission is established. The commission shall consist of no more than 15 members as follows:

- (1) the commissioner of employment and economic development;
- (2) the director of planning and economic development for the city of St. Paul;
- (3) a representative from the collective bargaining unit representing production workers at the Ford Company plant in St. Paul;
- (4) a representative from Xcel Energy; and
- (5) representatives from Minnesota-based suppliers of materials, equipment, and services to the motor vehicle industry, including, but not limited to, motor vehicle parts manufacturers, manufacturers of electrical equipment and electric batteries, ethanol producers, and bankers.

The Department of Employment and Economic Development is the lead agency in this effort.

Subd. 2. Appointment. The chairs of the senate and house of representatives committees with primary jurisdiction over energy policy and economic development policy shall jointly appoint the commission members.

2.1 Subd. 3. Co-chairs. The commission shall have two co-chairs, one appointed by the
2.2 senate appointing authorities established in subdivision 2 and one appointed by the house
2.3 of representatives appointing authorities established in subdivision 2.

2.4 Subd. 4. Charge. The commission shall develop a package of financial and other
2.5 incentives to induce a manufacturer to utilize the Ford Company plant in St. Paul to
2.6 produce plug-in hybrid electric vehicles (PHEVs).

2.7 Subd. 5. Expenses. Members of the commission are entitled to reimbursement for
2.8 expenses under section 15.059, subdivision 6.

2.9 Subd. 6. Staff. The Department of Employment and Economic Development shall
2.10 provide staff support.

2.11 Subd. 7. Report. The commission shall present the package of incentives developed
2.12 under subdivision 4 in a report to the senate and house of representatives committees with
2.13 primary jurisdiction over energy policy and economic development policy by November
2.14 15, 2006.

2.15 Subd. 8. Definition. As used in this section, "plug-in hybrid electric vehicle
2.16 (PHEV)" means a vehicle containing an internal combustion engine that also allows power
2.17 to be delivered to the drive wheels by a battery-powered electric motor, and that meets
2.18 applicable federal motor vehicle safety standards. When connected to the electrical grid
2.19 via an electrical outlet, the vehicle must be able to recharge its battery. The vehicle must
2.20 have the ability to travel at least 20 miles powered substantially by electricity.

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

1.1 Senator moves to amend S.F. No. 3513 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. **[80E.35] FLEXIBLE-FUEL VEHICLE TARGETS.**

1.4 Subdivision 1. Findings. The legislature finds that it is in the interest of all
1.5 Minnesotans to lessen dependence on oil as an energy source for economic, security,
1.6 and environmental reasons. Minnesota leads the nation in the production and use of
1.7 ethanol in motor vehicles, but this strategy can be made more effective by increasing the
1.8 proportion of vehicles that can use alternative fuels, such as E85. Further, manufacturers
1.9 can produce flexible-fuel vehicles at a minimal incremental cost above gasoline-only
1.10 vehicles. As a result, the legislature finds that Minnesota would benefit from more choices
1.11 of flexible-fuel vehicles.

1.12 Subd. 2. Definitions. (a) As used in this section, "flexible-fuel vehicle" means a
1.13 motor vehicle that operates on gasoline and one or more alternative fuels.

1.14 (b) As used in this section, "alternative fuel" has the meaning given in United States
1.15 Code, title 42, section 13211(3).

1.16 Subd. 3. Target. (a) The targets in this subdivision apply to manufacturers who
1.17 grant a valid sales and service agreement, franchise, or contract to a dealer in this state.

1.18 (b) The following targets refer to the percentage of a manufacturer's new motor
1.19 vehicles offered for sale in this state that are flexible-fuel vehicles:

- 1.20 (1) 2008: ten percent;
- 1.21 (2) 2009: 15 percent;
- 1.22 (3) 2010: 20 percent;
- 1.23 (4) 2011: 25 percent; and
- 1.24 (5) 2012: 30 percent.

1.25 **Sec. 2. PLUG-IN HYBRID ELECTRIC VEHICLE TASK FORCE.**

1.26 Subdivision 1. Establishment; membership. The plug-in hybrid electric vehicle
1.27 task force is established. The task force shall consist of 13 members as follows:

- 1.28 (1) one representative each from Xcel Energy and Great River Energy;
- 1.29 (2) one representative each from the Minnesota Department of Commerce, the
1.30 Minnesota Department of Transportation, and the Minnesota Pollution Control Agency;
- 1.31 (3) the director of the Travel Management Division of the Minnesota Department of
Administration, or the director's designee;
- 1.33 (4) a representative from the University of Minnesota Department of Electrical
1.34 Engineering;

2.1 (5) one representative each from Minnesota-based manufacturers of electric
2.2 batteries, automotive parts, and power electronics;

2.3 (6) a representative from an environmental advocacy organization active in
2.4 electricity issues;

2.5 (7) a representative of United Auto Workers Local 879; and

2.6 (8) a representative of the Ford Motor Company.

2.7 Subd. 2. **Appointment.** The chairs of the senate and house of representatives
2.8 committees with primary jurisdiction over energy policy shall jointly appoint the task
2.9 force members.

2.10 Subd. 3. **Cochairs.** The task force shall have two cochairs, one appointed by each
2.11 of the appointing authorities established in subdivision 2.

2.12 Subd. 4. **Charge.** (a) The plug-in hybrid electric vehicle task force shall identify
2.13 barriers to the adoption of plug-in hybrid electric vehicles by state agencies, small
2.14 and large private fleets, and Minnesota drivers at-large and develop strategies to be
2.15 implemented over one-, three-, and five-year time frames to overcome those barriers.
2.16 Included in the analysis should be possible financial incentives to encourage Ford Motor
2.17 Company to produce plug-in hybrid, flexible-fueled vehicles at its St. Paul plant.

2.18 (b) The task force shall consider and evaluate the data and information presented to
2.19 it under subdivision 5 in presenting its findings and recommendations.

2.20 Subd. 5. **Data and analysis.** (a) The commissioner of administration shall analyze
2.21 and report to the task force the economic impacts of purchasing a sufficient number of
2.22 plug-in hybrid electric vehicles to comprise ten percent, 25 percent, and 50 percent of the
2.23 state-owned vehicle fleet. The analysis must compare initial purchase and life-cycle costs
2.24 of plug-in hybrid electric vehicles and current fleet vehicles under several scenarios based
2.25 on alternative projections of future gasoline prices and prices at which utilities may charge
2.26 plug-in hybrid electric vehicles to recharge.

2.27 (b) The commissioner of the pollution control agency shall analyze and report to
2.28 the task force the environmental impacts of purchasing plug-in hybrid electric vehicles
2.29 for the state-owned vehicle fleet and at penetration rates of ten percent, 25 percent, and
2.30 50 percent of all motor vehicles registered in this state. The analysis must compare,
2.31 for plug-in hybrid electric vehicles and current fleet vehicles, air emissions of sulfur
2.32 dioxide, nitrogen oxides, particulate matter less than 2.5 microns in width, volatile organic
2.33 compounds, and carbon dioxide.

2.34 Subd. 6. **Expenses.** Members of the task force are entitled to reimbursement for
2.35 expenses under section 15.059, subdivision 6.

3.1 Subd. 7. Staff. The state agencies represented on the commission shall provide
3.2 staff support.

3.3 Subd. 8. Report. The task force shall present its findings and recommendations in a
3.4 report to the chairs of the senate and house of representatives committees with primary
3.5 jurisdiction over energy policy and state government operations by April 1, 2007.

3.6 Subd. 9. Definitions. As used in this section, "plug-in hybrid electric vehicles"
3.7 means a vehicle containing an internal combustion engine that also allows power to
3.8 be delivered to the drive wheels by a battery-powered electric motor, and that meets
3.9 applicable federal motor vehicle safety standards. When connected to the electrical grid
3.10 via an electric outlet, the vehicle must be able to recharge its battery. The vehicle must
3.11 have the ability to travel at least 30 miles powered substantially by electricity.

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

3.13 Sec. 3. PUBLIC UTILITIES COMMISSION PROCEEDING.

3.14 Subdivision 1. Proceeding. The public utilities commission shall open a proceeding
3.15 to investigate how utilities can best develop the infrastructure to connect plug-in hybrid
3.16 electric vehicles to the electrical grid and to allow utilities to purchase electricity from
3.17 plug-in hybrid electric vehicles.

3.18 Subd. 2. Definitions. As used in this section and section 4, "plug-in hybrid electric
3.19 vehicles" means a vehicle containing an internal combustion engine that also allows
3.20 power to be delivered to the drive wheels by a battery-powered electric motor, and that
3.21 meets applicable federal motor vehicle safety standards. When connected to the electrical
3.22 grid via a two-way electrical outlet, the vehicle must be able to recharge its battery and
3.23 to transfer electricity to a utility. The vehicle must have the ability to travel at least 30
3.24 miles powered substantially by electricity.

3.25 Sec. 4. INDEPENDENT STUDY ON PLUG-IN HYBRID ELECTRIC VEHICLE
3.26 AND UTILITY ECONOMICS.

3.27 The Public Utilities Commission shall order the utility subject to Minnesota Statutes,
3.28 section 216B.1691, subdivision 6, to contract with a firm selected by the commissioner
3.29 of commerce for an independent study of:

3.30 (1) the economics of using electricity purchased from plug-in hybrid electric
3.31 vehicles to provide to the utility peak power services and ancillary services, including
3.32 regulation and spinning reserves; and

3.33 (2) how such purchases may impact the reserve needs for wind-generated electricity
3.34 purchased by the utility. The study must examine the economic impacts on plug-in hybrid

4.1 electric vehicle owners and utilities of different prices for electricity purchased from
4.2 plug-in hybrid electric vehicles and rates for recharging plug-in hybrid electric vehicles,
4.3 including time-of-day pricing and substantial discounts for off-peak charging. The study
4.4 must be completed by April 1, 2007, and submitted in a report to the chairs of the senate
4.5 and house of representatives committees with primary jurisdiction over energy policy. The
4.6 costs of the study are recoverable under Minnesota Statutes, section 216B.1645."

4.7 Amend the title accordingly

Senator Hottinger introduced-

S.F. No. 3496: Referred to the Committee on Jobs, Energy and Community Development.

A bill for an act

1.2 relating to economic development; requiring reporting from recipients of
1.3 bioscience and biotechnology subsidies; proposing coding for new law in
1.4 Minnesota Statutes, chapter 116J.

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

1.6 Section 1. [116J.996] BIOSCIENCE AND BIOTECHNOLOGY SUBSIDIES.

1.7 Subdivision 1. Reporting by subsidy recipients. Each recipient of a state subsidy
1.8 for bioscience or biotechnology must provide to the commissioner of employment and
1.9 economic development two written reports by January 15 each year. The first report must
1.10 address the projected and actual impact, if any, of the subsidy on reducing the unit cost
1.11 to consumers of pharmaceuticals, medical devices, and other bioengineered products,
1.12 including, but not limited to, agricultural products. The second report must address the
1.13 projected and actual jobs created, including information about wage levels and benefits of
1.14 all employees and consultants, as a result of the subsidy.

1.15 Subd. 2. Compilation and summary report. By March 1 each year, the
1.16 commissioner of employment and economic development must provide to the legislature
1.17 a compilation and summary report of the reports received from all recipients of state
1.18 subsidies for bioscience and biotechnology in compliance with sections 3.195 and 3.197.

1.19 EFFECTIVE DATE. This section is effective the day following final enactment
2 and applies to all state subsidies awarded on or after January 1, 2006.

Senator Hottinger introduced—

S.F. No. 2907: Referred to the Committee on Jobs, Energy and Community Development.

A bill for an act

1.2 relating to economic development; extending business subsidy reporting
1.3 requirements to all recipients of business development public infrastructure
1.4 grants and redevelopment grants; amending Minnesota Statutes 2004, section
1.5 116J.431, by adding a subdivision; Minnesota Statutes 2005 Supplement, section
1.6 116J.575, by adding a subdivision.

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

1.8 Section 1. Minnesota Statutes 2004, section 116J.431, is amended by adding a
1.9 subdivision to read:

1.10 Subd. 9. Business subsidy reporting. Notwithstanding the definitions of business
1.11 subsidy and recipient in section 116J.993, all recipients of grants under this section
1.12 must comply with the requirements for recipients of business subsidies under sections
1.13 116J.993 to 116J.995.

1.14 Sec. 2. Minnesota Statutes 2005 Supplement, section 116J.575, is amended by adding
1.15 a subdivision to read:

1.16 Subd. 4. Business subsidy reporting. Notwithstanding the definitions of business
1.17 subsidy and recipient in section 116J.993, all recipients of grants under this section
1.18 must comply with the requirements for recipients of business subsidies under sections
1.19 116J.993 to 116J.995.

1.1 Senator moves to amend S.F. No. 2907 as follows:

1.2 Page 1, delete lines 16 to 19, and insert:

1.3 "Subd. 4. Annual report. The commissioner shall prepare and submit to the
1.4 legislature an annual report on the redevelopment accounts. The report must include
1.5 information on the amount of money in the accounts, the amount distributed, to whom
1.6 the grants were distributed and for what purposes, and an evaluation of the effectiveness
1.7 of the projects funded in meeting the policies and goals of the program, including jobs
1.8 created and wages and benefits paid."

1.1 Senator moves to amend S.F. No. 2907 as follows:

1.2 Page 1, delete lines 10 to 13 and insert:

1.3 "Subd. 9. Annual report. The commissioner shall prepare and submit to the
1.4 legislature an annual report on the greater Minnesota business infrastructure account.
1.5 The report shall include information on the amount of funds remaining in the account,
1.6 the amount distributed, to whom the funds were awarded, and a brief description of the
1.7 purpose of the project funded. The report must also include information on the proposed
1.8 and actual number of jobs created and the average wage and benefits paid for the jobs
1.9 created."

1.10 Amend the title accordingly

Senators Bakk, Sams, Murphy, Frederickson and Kubly introduced-

S.F. No. 3229: Referred to the Committee on Jobs, Energy and Community Development.

1.1 A bill for an act
1.2 relating to economic development; authorizing certain investments; creating a
1.3 program; appropriating money; proposing coding for new law in Minnesota
1.4 Statutes, chapter 116J.

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

1.6 Section 1. [116J.635] GREATER MINNESOTA BUSINESS DEVELOPMENT
1.7 INVESTMENTS.

1.8 Subdivision 1. Authorized investments. The commissioner shall invest funds in
1.9 the form of long-term loans to qualified business development organizations that service
1.10 and are located in communities outside the seven-county metropolitan area as defined in
1.11 section 473.121, subdivision 2, to provide capital for business lending and investment by
1.12 the qualified organizations.

1.13 Subd. 2. Qualified organizations. The commissioner is authorized to make
1.14 investments in the following organizations:

1.15 (1) Minnesota-based community development financial institutions, as certified
1.16 by the United States Department of the Treasury, that provide business financing to
1.17 Minnesota businesses; and

1.18 (2) other nongovernmental Minnesota-based organizations that provide debt
1.19 financing for, or equity investment in, Minnesota businesses and that satisfy the provisions
20 in subdivision 3.

1.21 Subd. 3. Investments authorized. The commissioner may make investments in
1.22 organizations that conform to the following provisions:

2.1 (1) the organizations seeking an investment of funds administered by the
 2.2 commissioner must provide collateral or security for not less than 100 percent of the
 2.3 funds invested in the organization;

2.4 (2) the minimum projected return on the state investment is determined based on
 2.5 an evaluation of investment risk that takes into account the overall amount and quality
 2.6 of the collateral or security offered to the commissioner by the organizations seeking the
 2.7 state investment and a calculation of the economic benefits that will accrue to the state as
 2.8 the result of job creation and tax revenue that will be generated through business activity
 2.9 financed through the state investment. In no case may the projected return on investment
 2.10 be less than one percent per annum; and

2.11 (3) the state investment by the commissioner in any qualifying organization may
 2.12 not exceed \$2,000,000.

2.13 **Subd. 4. Requirements for state investments. All investments are subject to an**
 2.14 **investment agreement that must include:**

2.15 (1) a description of the certificate or note that the state receives for the investment;

2.16 (2) a description of the business organization and the management experience and
 2.17 qualifications of the manager for the organization seeking the investment;

2.18 (3) a description of the fiduciary responsibility of the managing entity;

2.19 (4) a description of the use of investment proceeds and the underwriting criteria to
 2.20 be used by the organization in making investment decisions;

2.21 (5) an explanation of the investment objectives;

2.22 (6) a description of the manager's operating costs and expenses that would be
 2.23 reimbursable from proceeds of the state investment;

2.24 (7) collateral and security pledged to the state;

2.25 (8) the basis and calculation of return on investment to the state;

2.26 (9) a description of the distribution of gain and principal to the state;

2.27 (10) a description of accounting and reporting standards;

2.28 (11) a description of the liquidation plan and time frame for accomplishment of
 2.29 investment objectives; and

2.30 (12) termination rights of the state and the qualifying organization.

2.31 **Subd. 5. Investment fund. The commissioner shall establish an investment fund**
 2.32 **from which fund investments can be made in qualifying organizations. The funds repaid**
 2.33 **by the qualifying organizations must be returned to the fund for subsequent reinvestment**
 2.34 **in eligible organizations.**

2.35 **Sec. 2. APPROPRIATION.**

- 3.1 \$12,000,000 is appropriated from the general fund to the commissioner of
- 3.2 employment and economic development to provide loans authorized under section 1.

1.1 Senator moves to amend S.F. No. 3229 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. [116J.635] GREATER MINNESOTA BUSINESS DEVELOPMENT
1.4 INVESTMENTS.

1.5 Subdivision 1. Investment fund. The commissioner shall establish an investment
1.6 fund from which investments can be made in qualified organizations under this section.
1.7 The commissioner shall return to the investment fund all funds repaid by qualifying
1.8 organizations under subdivision 4 and shall use these funds for subsequent reinvestment in
1.9 qualified organizations.

1.10 Subd. 2. Qualified organizations. The commissioner is authorized to make
1.11 investments in organizations that are established pursuant to section 116J.415 and provide
1.12 business financing to Greater Minnesota businesses.

1.13 Subd. 3. Authorized investments. The commissioner shall invest funds in the form
1.14 of loans to provide capital for business lending and investment by qualified organizations.

1.15 Subd. 4. Investment authorized. The commissioner may make an investment in a
1.16 qualified organization only if the investment conforms to the following terms:

1.17 (1) The qualified organization provides collateral or security for not less than 100
1.18 percent of the funds invested in the organization.

1.19 (2) The investment is made in the form of a loan for a term of ten years, at an
1.20 interest rate of one percent.

1.21 (3) During the ten-year term of a loan, the qualified organization shall make
1.22 interest-only payments.

1.23 (4) At the end of the ten-year term of the loan, the qualified organization is required
1.24 to make a payment of the entire principal amount of the initial loan.

1.25 (5) The state investment by the commissioner in a single qualified organization may
1.26 not exceed \$2,000,000.

1.27 Sec. 2. APPROPRIATION.

1.28 \$12,000,000 is appropriated from the general fund to the commissioner of
1.29 employment and economic development to provide loans authorized under section 1. "

1.30 Renumber the sections in sequence and correct the internal references

1 Amend the title accordingly

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**S.F. No. 3282 - 911 Service Fee Increase and Public Safety
Radio System Bond Issue**

Author: Senator Steve Kelley

Prepared by: Matthew S. Grosser, Senate Research (651/296-1890) *MT*

Date: March 29, 2006

Section 1 increases the maximum allowable per customer charge for the 911 fee from 65 cents to an unspecified amount.

Section 2 appropriates an unspecified amount from the Commissioner of Finance to pay debt service on state 911 revenue bonds.

Section 3 authorizes the Commissioner of Finance to issue bonds up to \$277,732,000 with the proceeds credited to the 911 revenue bond proceeds account. This section also appropriates money from the 911 revenue bond proceeds account for various projects related to the establishment of a public safety radio communications system.

MSG:cs

Senators Kelley and Ranum introduced—

S.F. No. 3282: Referred to the Committee on Jobs, Energy and Community Development.

A bill for an act

relating to public safety; increasing 911 emergency telecommunications service fee; providing for completion of statewide public safety radio communication system; authorizing sale of state 911 revenue bonds; appropriating money; amending Minnesota Statutes 2005 Supplement, section 403.11, subdivision 1.

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

Section 1. Minnesota Statutes 2005 Supplement, section 403.11, subdivision 1, is amended to read:

Subdivision 1. **Emergency telecommunications service fee; account.** (a) Each customer of a wireless or wire-line switched or packet-based telecommunications service provider connected to the public switched telephone network that furnishes service capable of originating a 911 emergency telephone call is assessed a fee based upon the number of wired or wireless telephone lines, or their equivalent, to cover the costs of ongoing maintenance and related improvements for trunking and central office switching equipment for 911 emergency telecommunications service, plus administrative and staffing costs of the commissioner related to managing the 911 emergency telecommunications service program. Recurring charges by a wire-line telecommunications service provider for updating the information required by section 403.07, subdivision 3, must be paid by the commissioner if the wire-line telecommunications service provider is included in an approved 911 plan and the charges are made pursuant to contract. The fee assessed under this section must also be used for the purpose of offsetting the costs, including administrative and staffing costs, incurred by the State Patrol Division of the Department of Public Safety in handling 911 emergency calls made from wireless phones.

(b) Money remaining in the 911 emergency telecommunications service account after all other obligations are paid must not cancel and is carried forward to subsequent

2.1 years and may be appropriated from time to time to the commissioner to provide financial
 2.2 assistance to counties for the improvement of local emergency telecommunications
 2.3 services. The improvements may include providing access to 911 service for
 2.4 telecommunications service subscribers currently without access and upgrading existing
 2.5 911 service to include automatic number identification, local location identification,
 2.6 automatic location identification, and other improvements specified in revised county
 2.7 911 plans approved by the commissioner.

2.8 (c) The fee may not be less than eight cents nor more than ~~65~~ ... cents a month for
 2.9 each customer access line or other basic access service, including trunk equivalents as
 2.10 designated by the Public Utilities Commission for access charge purposes and including
 2.11 wireless telecommunications services. With the approval of the commissioner of finance,
 2.12 the commissioner of public safety shall establish the amount of the fee within the limits
 2.13 specified and inform the companies and carriers of the amount to be collected. When the
 2.14 revenue bonds authorized under section 403.27, subdivision 1, have been fully paid or
 2.15 defeased, the commissioner shall reduce the fee to reflect that debt service on the bonds is
 2.16 no longer needed. The commissioner shall provide companies and carriers a minimum of
 2.17 45 days' notice of each fee change. The fee must be the same for all customers.

2.18 (d) The fee must be collected by each wireless or wire-line telecommunications
 2.19 service provider subject to the fee. Fees are payable to and must be submitted to the
 2.20 commissioner monthly before the 25th of each month following the month of collection,
 2.21 except that fees may be submitted quarterly if less than \$250 a month is due, or annually if
 2.22 less than \$25 a month is due. Receipts must be deposited in the state treasury and credited
 2.23 to a 911 emergency telecommunications service account in the special revenue fund. The
 2.24 money in the account may only be used for 911 telecommunications services.

2.25 (e) This subdivision does not apply to customers of interexchange carriers.

2.26 (f) The installation and recurring charges for integrating wireless 911 calls into
 2.27 enhanced 911 systems must be paid by the commissioner if the 911 service provider is
 2.28 included in the statewide design plan and the charges are made pursuant to contract.

2.29 **Sec. 2. 911 REVENUE BOND DEBT SERVICE.**

2.30 \$.....,000 in the fiscal year ending June 30, 2007, is appropriated to the commissioner
 2.31 of finance to pay debt service on revenue bonds issued under Minnesota Statutes, section
 2.32 403.275. Any portion of this appropriation not needed to pay debt service in a fiscal
 2.33 year may be used by the commissioner of public safety to pay cash for any of the capital
 2.34 improvements for which bond proceeds are appropriated in section 3.

3.1 **Sec. 3. PUBLIC SAFETY RADIO AND COMMUNICATION SYSTEM**
 3. **CONSTRUCTION.**

3.3 **Subdivision 1. Total Appropriation** **\$277,732,000**

3.4 The sums shown in this section are
 3.5 appropriated from the 911 revenue bond
 3.6 proceeds account for the purposes indicated,
 3.7 to be available until the project is completed
 3.8 or abandoned, subject to Minnesota Statutes,
 3.9 section 16A.642.

3.10 **Subd. 2. Phase 3 Subsystems** **9,860,000**

3 To the commissioner of public safety to
 3.12 reimburse local units of government for up to
 3.13 50 percent of the cost of building a subsystem
 3.14 of the public safety radio and communication
 3.15 system established under Minnesota Statutes,
 3.16 section 403.36, in the St. Cloud district of the
 3.17 State Patrol, outside the counties of Benton,
 3.18 Sherburne, Stearns, and Wright.

3.19 **Subd. 3. Phase 4 System Backbone** **59,004,000**

3 To the commissioner of transportation
 3.21 to construct the system backbone in the
 3.22 fourth phase of the public safety radio and
 3.23 communication system plan under Minnesota
 3.24 Statutes, section 403.36.

3.25 **Subd. 4. Phase 4 Subsystems** **20,275,000**

3.26 To the commissioner of public safety to
 3.27 reimburse local units of government for up to
 3.28 50 percent of the cost of building a subsystem
 3.29 of the public safety radio and communication
 3.30 system established under Minnesota Statutes,
 3.31 section 403.36, in the Brainerd and Duluth
 3.32 districts of the State Patrol.

4.1 Subd. 5. Phase 5 System Backbone 61,614,000

4.2 To the commissioner of transportation
4.3 to construct the system backbone in the
4.4 fifth phase of the public safety radio and
4.5 communication system plan under Minnesota
4.6 Statutes, section 403.36.

4.7 Subd. 6. Phase 5 Subsystems 39,370,000

4.8 To the commissioner of public safety to
4.9 reimburse local units of government for
4.10 up to 50 percent of the cost of building a
4.11 subsystem of the public safety radio and
4.12 communication system established under
4.13 Minnesota Statutes, section 403.36, in
4.14 the Detroit Lakes, Mankato, and Marshall
4.15 districts of the State Patrol.

4.16 Subd. 7. Phase 6 System Backbone 52,953,000

4.17 To the commissioner of transportation
4.18 to construct the system backbone in the
4.19 sixth phase of the public safety radio and
4.20 communication system plan under Minnesota
4.21 Statutes, section 403.36.

4.22 Subd. 8. Phase 6 Subsystems 17,705,000

4.23 To the commissioner of public safety to
4.24 reimburse local units of government for up to
4.25 50 percent of the cost of building a subsystem
4.26 of the public safety radio and communication
4.27 system established under Minnesota Statutes,
4.28 section 403.36, in the Thief River Falls and
4.29 Virginia districts of the State Patrol.

4.30 Subd. 9. Bond sale authorization

5.1 To provide the money appropriated in this
5.2 section, the commissioner of finance shall
5.3 sell and issue bonds of the state in an amount
5.4 up to \$277,732,000 in the manner, upon
5.5 the terms, and with the effect prescribed by
5.6 Minnesota Statutes, section 403.275.

Appendix A

Statewide Plan Implementation Areas

