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State of Minnesota
HOUSE OF REPRESENTATIVES

**EIGHTY-FIFTH
SESSION**

HOUSE FILE No. 1336

February 22, 2007

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The bill was read for the first time and referred to the Committee on Commerce and Labor

March 15, 2007

Committee Recommendation and Adoption of Report:

To Pass as Amended and re-referred to the Committee on Governmental Operations, Reform, Technology and Elections

March 23, 2007

Committee Recommendation and Adoption of Report:

To Pass as Amended

Read Second Time

1.1 A bill for an act
1.2 relating to occupations; establishing the Board of High Pressure Piping Systems;
1.3 requiring the board to establish fees; transferring authority to adopt rules to the
1.4 board; amending Minnesota Statutes 2006, sections 326.46; 326.461, by adding a
1.5 subdivision; 326.47, subdivisions 2, 6; 326.48, subdivisions 1, 2; 326.50; 326.51;
1.6 326.52; proposing coding for new law in Minnesota Statutes, chapter 326.

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

1.8 Section 1. Minnesota Statutes 2006, section 326.46, is amended to read:

1.9 **326.46 SUPERVISION OF HIGH PRESSURE PIPING.**

1.10 The Department of Labor and Industry shall supervise all high pressure piping
1.11 used on all projects in this state, ~~and may prescribe minimum standards which shall be~~
1.12 ~~uniform~~ under rules adopted by the board.

1.13 The department shall employ inspectors and other assistants to carry out the
1.14 provisions of sections 326.46 to 326.52.

1.15 Sec. 2. Minnesota Statutes 2006, section 326.461, is amended by adding a subdivision
1.16 to read:

1.17 Subd. 1a. **Board.** "Board" means the Board of High Pressure Piping Systems.

1.18 Sec. 3. Minnesota Statutes 2006, section 326.47, subdivision 2, is amended to read:

1.19 Subd. 2. **Permissive municipal regulation.** A municipality may, by ordinance,
1.20 provide for the inspection of high pressure piping system materials and construction, and
1.21 provide that it shall not be constructed or installed except in accordance with minimum
1.22 state standards. The authority designated by the ordinance for issuing high pressure piping

2.1 permits and assuring compliance with state standards must report to the Department of
2.2 Labor and Industry all violations of state high pressure piping standards.

2.3 A municipality may not adopt an ordinance with high pressure piping standards that
2.4 does not conform to the uniform standards prescribed by the ~~Department of Labor and~~
2.5 ~~Industry~~ board. The ~~Department of Labor and Industry~~ board shall specify by rule the
2.6 minimum qualifications for municipal inspectors.

2.7 Sec. 4. Minnesota Statutes 2006, section 326.47, subdivision 6, is amended to read:

2.8 Subd. 6. **Filing and inspection fees.** The Department of Labor and Industry
2.9 must charge a filing fee set by the ~~commissioner~~ board under section 16A.1285 for all
2.10 applications for permits to construct or install high pressure piping systems. The fee for
2.11 inspection of high pressure piping system construction or installation shall be set by the
2.12 ~~commissioner~~ board under section 16A.1285. This subdivision does not apply where a
2.13 permit is issued by a municipality complying with subdivision 2.

2.14 Sec. 5. **[326.471] BOARD OF HIGH PRESSURE PIPING SYSTEMS.**

2.15 Subdivision 1. **Composition.** (a) The Board of High Pressure Piping Systems shall
2.16 consist of 12 members who must be residents of the state, appointed by the governor, and
2.17 confirmed by the senate. The commissioner of the Department of Labor and Industry or
2.18 the commissioner's designee shall be a nonvoting member. The first appointed board
2.19 members shall serve an initial term of four years, except where designated otherwise. The
2.20 governor shall then reappoint the current members or appoint replacement members, all or
2.21 in part, to subsequent three-year terms. Midterm vacancies shall be filled for the remaining
2.22 portion of the term. Vacancies occurring with less than six months time remaining in the
2.23 term shall be filled for the existing term and the following three-year term. Of the 11
2.24 appointed members, the composition shall be as follows:

2.25 (1) one member shall be a high pressure piping inspector;

2.26 (2) one member shall be a licensed mechanical engineer;

2.27 (3) one member shall be a representative of the piping industry;

2.28 (4) four members shall be high pressure piping contractors or their representatives,
2.29 engaged in the scope of high pressure piping, two from the metro area and two from
2.30 greater Minnesota;

2.31 (5) two members shall be high pressure piping journeypersons engaged in the scope
2.32 of high pressure piping systems installation, one from the metro area and one from greater
2.33 Minnesota; and

3.1 (6) two members shall be representatives from utility companies in Minnesota
3.2 who shall serve an initial term of two years.

3.3 (b) Except for the licensed mechanical engineer and the members from utilities
3.4 companies, all persons appointed to the board must possess a current license or
3.5 competency credential required for contractors and persons engaged in the design,
3.6 installation, alteration, and inspection of high pressure systems.

3.7 (c) Compensation and removal of board members is governed by section 15.0575.

3.8 (d) The commissioner of labor and industry shall provide office space, administrative
3.9 support, and staff assistance as requested by the board.

3.10 Subd. 2. **Powers.** (a) The board shall have the power to:

3.11 (1) elect its own officers;

3.12 (2) specify the high pressure piping code that must be followed in Minnesota;

3.13 (3) maintain an appeals committee to make determinations regarding any complaints,
3.14 code amendments, code compliance, and code clarifications filed with the board;

3.15 (4) adopt rules necessary for the regulation and licensing of contractors,
3.16 journeypersons, trainees, and other persons engaged in the design, installation, alteration,
3.17 and inspection of high pressure piping systems;

3.18 (5) adopt rules necessary for continuing education for individuals regulated and
3.19 licensed under this section; and

3.20 (6) pay expenses deemed necessary in the performance of board duties, including
3.21 rent, utilities, and supplies.

3.22 (b) Complaints filed under this section may originate with high pressure piping
3.23 inspectors, contractors, or their employees, or other persons engaged in the design,
3.24 installation, and alteration of a high pressure piping system. The board shall make their
3.25 findings known to all parties and the commissioner of the Department of Labor and
3.26 Industry within the time period specified by the board.

3.27 Subd. 3. **Fee and finances.** The board shall submit an annual budget to the
3.28 commissioner of the Department of Labor and Industry. The commissioner shall collect
3.29 fees necessary for the operation and continuance of the board. The commissioner is
3.30 responsible for the enforcement of the codes and licensing requirements determined by the
3.31 board. The board shall set the fees for licenses and certification under this section and for
3.32 all high pressure piping system permits and submit the fee structure to the commissioner
3.33 of labor and industry. Funds collected under section 326.50 shall be transferred to the
3.34 board quarterly to meet ongoing budgetary needs of the board.

3.35 Sec. 6. Minnesota Statutes 2006, section 326.48, subdivision 1, is amended to read:

4.1 Subdivision 1. **License required; rules; time credit.** No person shall engage in
4.2 or work at the business of a contracting pipefitter unless issued an individual contracting
4.3 pipefitter license to do so by the Department of Labor and Industry under rules prescribed
4.4 by the board. No license shall be required for repairs on existing installations. No
4.5 person shall engage in or work at the business of journeyman pipefitter unless issued an
4.6 individual journeyman pipefitter competency license to do so by the Department of Labor
4.7 and Industry under rules prescribed by the board. A person possessing an individual
4.8 contracting pipefitter competency license may also work as a journeyman pipefitter.

4.9 No person, partnership, firm, or corporation shall install high pressure piping, nor
4.10 install high pressure piping in connection with the dealing in and selling of high pressure
4.11 pipe material and supplies, unless, at all times, a person possessing a contracting pipefitter
4.12 individual competency license or a journeyman pipefitter individual competency license is
4.13 responsible for the high pressure pipefitting work conducted by the person, partnership,
4.14 firm, or corporation being in conformity with Minnesota Statutes and Minnesota Rules.

4.15 The ~~Department of Labor and Industry~~ board shall prescribe rules, not inconsistent
4.16 herewith, for the examination and individual competency licensing of contracting
4.17 pipefitters and journeyman pipefitters and for issuance of permits by the department and
4.18 municipalities for the installation of high pressure piping.

4.19 An employee performing the duties of inspector for the Department of Labor and
4.20 Industry in regulating pipefitting shall not receive time credit for the inspection duties
4.21 when making an application for a license required by this section.

4.22 Sec. 7. Minnesota Statutes 2006, section 326.48, subdivision 2, is amended to read:

4.23 Subd. 2. **High pressure pipefitting business license.** Before obtaining a permit
4.24 for high pressure piping work, a person, partnership, firm, or corporation must obtain or
4.25 utilize a business with a high pressure piping business license.

4.26 A person, partnership, firm, or corporation must have at all times as a full-time
4.27 employee at least one individual holding an individual contracting pipefitter competency
4.28 license. Only full-time employees who hold individual contracting pipefitter licenses
4.29 are authorized to obtain high pressure piping permits in the name of the business. The
4.30 individual contracting pipefitter competency license holder can be the employee of only
4.31 one high pressure piping business at a time.

4.32 To retain its business license without reapplication, a person, partnership, firm, or
4.33 corporation holding a high pressure piping business license that ceases to employ a person
4.34 holding an individual contracting pipefitter competency license shall have 60 days from
4.35 the last day of employment of its previous individual contracting pipefitter competency

5.1 license holder to employ another license holder. The Department of Labor and Industry
5.2 must be notified no later than five days after the last day of employment of the previous
5.3 license holder.

5.4 No high pressure pipefitting work may be performed during any period when the
5.5 high pressure pipefitting business does not have an individual contracting pipefitter
5.6 competency license holder on staff. If a license holder is not employed within 60 days,
5.7 the pipefitting business license shall lapse.

5.8 The ~~Department of Labor and Industry~~ board shall prescribe by rule procedures for
5.9 application for and issuance of business licenses and fees.

5.10 Sec. 8. Minnesota Statutes 2006, section 326.50, is amended to read:

5.11 **326.50 APPLICATION; FEES.**

5.12 Application for an individual contracting pipefitter competency or an individual
5.13 journeyman pipefitter competency license shall be made to the Department of Labor and
5.14 Industry, with fees. The applicant shall be licensed only after passing an examination
5.15 administered by the Department of Labor and Industry in accordance with rules adopted
5.16 by the board.

5.17 Sec. 9. Minnesota Statutes 2006, section 326.51, is amended to read:

5.18 **326.51 DEPARTMENT MAY REVOKE LICENSES.**

5.19 The ~~department~~ board may revoke or suspend, for cause, any license obtained
5.20 through error or fraud, or if the licensee is shown to be incompetent, or for a violation
5.21 of any of its rules and regulations applicable to high pressure pipefitting work. The
5.22 licensee shall have notice, in writing, enumerating the charges, and be entitled to a hearing
5.23 on at least ten days' notice, with the right to produce testimony. The hearing shall be
5.24 held pursuant to chapter 14. The ~~commissioner~~ board shall issue a final order based on
5.25 testimony and the record at hearing. One year from the date of revocation application
5.26 may be made for a new license.

5.27 Sec. 10. Minnesota Statutes 2006, section 326.52, is amended to read:

5.28 **326.52 DEPOSIT OF FEES.**

5.29 All fees received under sections 326.46 to 326.52 shall be deposited by the
5.30 Department of Labor and Industry to the credit of the general fund in the state treasury.
5.31 The salaries and per diem of the inspectors and examiners hereinbefore provided, their
5.32 expenses, and all incidental expenses of the department and board in carrying out the

6.1 provisions of sections 326.46 to 326.52 shall be paid from the appropriations made to the
6.2 Department of Labor and Industry. The ~~commissioner~~ board by rule shall set the amount
6.3 of the fees at a level that approximates, to the greatest extent possible, the salaries, per
6.4 diem, and incidental expenses of the department.

6.5 Sec. 11. **TRANSFER OF AUTHORITY.**

6.6 The authority of the commissioner of labor and industry to adopt rules relating to
6.7 high pressure piping systems is transferred to the Board of High Pressure Piping Systems.
6.8 Licenses and permits currently in effect remain in effect according to their terms unless
6.9 affected by board action. Rules adopted by the commissioner of labor and industry remain
6.10 in effect until amended or repealed by the board.