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State of Minnesota

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HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE NO. **927**

February 19, 2009

Authored by Mahoney, Obermueller, Nelson, Gottwalt and Hilstrom

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

March 19, 2009

Committee Recommendation and Adoption of Report:

To Pass as Amended and re-referred to the Committee on Finance

April 1, 2009

Committee Recommendation and Adoption of Report:

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

April 14, 2009

Committee Recommendation and Adoption of Report:

To Pass and re-referred to the Committee on Finance

April 29, 2009

Committee Recommendation and Adoption of Report:

To Pass as Amended and re-referred to the Committee on Ways and Means

May 7, 2009

Committee Recommendation and Adoption of Report:

To Pass as Amended

Read Second Time

1.1 A bill for an act
1.2 relating to labor and industry; modifying construction codes and licensing;
1.3 requiring rulemaking; amending Minnesota Statutes 2008, sections 326B.082,
1.4 subdivision 12; 326B.084; 326B.121, by adding a subdivision; 326B.43,
1.5 subdivision 1, by adding a subdivision; 326B.435, subdivisions 2, 6; 326B.475,
1.6 subdivisions 1, 6; 326B.52; 326B.53; 326B.55; 326B.57; 326B.58; 326B.59;
1.7 326B.801; 326B.84; 326B.921, subdivision 1; 326B.974; proposing coding for
1.8 new law in Minnesota Statutes, chapter 326B; repealing Minnesota Statutes
1.9 2008, section 326B.43, subdivision 5.

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

1.11 Section 1. Minnesota Statutes 2008, section 326B.082, subdivision 12, is amended to
1.12 read:

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

1.14 (a) If the commissioner determines that a permit, license, registration, or certificate
1.15 should be conditioned, limited, suspended, revoked, or denied under subdivision 11,
1.16 or that the permit holder, licensee, registrant, or certificate holder should be censured
1.17 under subdivision 11, then the commissioner shall issue to the person an order denying,
1.18 conditioning, limiting, suspending, or revoking the person's permit, license, registration,
1.19 or certificate, or censuring the permit holder, licensee, registrant, or certificate holder.

1.20 (b) Any order issued under paragraph (a) may include an assessment of monetary
1.21 penalties and may require the person to cease and desist from committing the violation
1.22 or committing the act, conduct, or practice set out in subdivision 11, paragraph (b). The
1.23 monetary penalty may be up to \$10,000 for each violation or act, conduct, or practice
1.24 committed by the person. The procedures in section 326B.083 must be followed when
1.25 issuing orders under paragraph (a).

2.1 (c) The permit holder, licensee, registrant, certificate holder, or applicant to whom
2.2 the commissioner issues an order under paragraph (a) shall have 30 days after ~~service~~
2.3 issuance of the order to request a hearing. The request for hearing must be in writing and
2.4 must be served on or faxed to the commissioner at the address or fax number specified
2.5 in the order by the 30th day after ~~service~~ issuance of the order. If the person does not
2.6 request a hearing or if the person's written request for hearing is not served on or faxed
2.7 to the commissioner by the 30th day after ~~service~~ issuance of the order, the order shall
2.8 become a final order of the commissioner and will not be subject to review by any court or
2.9 agency. The date on which a request for hearing is served by mail shall be the postmark
2.10 date on the envelope in which the request for hearing is mailed. If the person submits to
2.11 the commissioner a timely request for hearing, the order is stayed unless the commissioner
2.12 summarily suspends the license, registration, certificate, or permit under subdivision 13,
2.13 and a contested case hearing shall be held in accordance with chapter 14.

2.14 Sec. 2. Minnesota Statutes 2008, section 326B.084, is amended to read:

2.15 **326B.084 FALSE INFORMATION.**

2.16 Subdivision 1. False information. A person subject to any of the requirements in
2.17 the applicable law may not make a false material statement, representation, or certification
2.18 in; omit material information from; or alter, conceal, or fail to file or maintain a notice,
2.19 application, record, report, plan, or other document required under the applicable law.

2.20 Subd. 2. Unlicensed advertising. No person shall offer to perform services for
2.21 which a license issued by the commissioner is required unless the person holds an active
2.22 license to perform those services. Nothing herein shall prohibit an offer to sell, repair, or
2.23 perform services provided those services are performed by a licensed person.

2.24 Sec. 3. Minnesota Statutes 2008, section 326B.121, is amended by adding a
2.25 subdivision to read:

2.26 Subd. 1a. Municipal ordinance; completion of exterior work. A municipality
2.27 may, by ordinance, adopt an official control that requires exterior work authorized by
2.28 a building permit issued in accordance with the State Building Code to be completed
2.29 within a specified number of days following issuance of the building permit. The local
2.30 regulation may not require completion of exterior work earlier than 180 days following
2.31 the issuance of the permit.

2.32 Sec. 4. Minnesota Statutes 2008, section 326B.43, subdivision 1, is amended to read:

3.1 Subdivision 1. **Rules.** The Plumbing Board may, by rule, prescribe minimum
3.2 standards which shall be uniform and which shall be effective for all new plumbing
3.3 installations performed anywhere in the state, including additions, extensions, alterations,
3.4 and replacements ~~connected with any water or sewage disposal system owned or operated~~
3.5 ~~by or for any municipality, institution, factory, office building, hotel, apartment building,~~
3.6 ~~or any other place of business regardless of location or the population of the city or town in~~
3.7 ~~which the installation is to be located.~~ Notwithstanding the provisions of Minnesota Rules,
3.8 part 4715.3130, as they apply to review of plans and specifications, the commissioner may
3.9 allow plumbing construction, alteration, or extension to proceed without approval of the
3.10 plans or specifications by the commissioner.

3.11 Except for powers granted to the Plumbing Board, the commissioner of labor and
3.12 industry shall administer the provisions of sections 326B.42 to 326B.49 and for such
3.13 purposes may employ plumbing inspectors and other assistants.

3.14 Sec. 5. Minnesota Statutes 2008, section 326B.43, is amended by adding a subdivision
3.15 to read:

3.16 Subd. 1a. **Licenses; experience.** All state plumbing inspectors and plumbing
3.17 inspectors contracted by the department shall hold licenses as master or journeyman
3.18 plumbers and have five years of documented practical plumbing experience under this
3.19 chapter.

3.20 Sec. 6. Minnesota Statutes 2008, section 326B.435, subdivision 2, is amended to read:

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

3.23 (1) elect its chair, vice-chair, and secretary;

3.24 (2) adopt bylaws that specify the duties of its officers, the meeting dates of the board,
3.25 and containing such other provisions as may be useful and necessary for the efficient
3.26 conduct of the business of the board;

3.27 (3) adopt the plumbing code that must be followed in this state and any plumbing
3.28 code amendments thereto. The Plumbing Code shall include the minimum standards
3.29 described in sections 326B.43, subdivision 1, and 326B.52, subdivision 1. The board
3.30 shall adopt the plumbing code and any amendments thereto pursuant to chapter 14 and
3.31 as provided in subdivision 6, paragraphs (b), (c), and (d);

3.32 (4) review requests for final interpretations and issue final interpretations as provided
3.33 in section 326B.127, subdivision 5;

4.1 (5) ~~except for rules regulating continuing education,~~ adopt rules that regulate the
4.2 licensure, certification, or registration of ~~plumbing contractors,~~ journeymen, apprentices,
4.3 master plumbers, restricted master plumbers, ~~and~~ restricted journeymen, water
4.4 conditioning contractors, and water conditioning installers, and other persons engaged
4.5 in the design, installation, and alteration of plumbing systems or engaged in or working
4.6 at the business of water conditioning installation or service, except for those individuals
4.7 licensed under section 326.02, subdivisions 2 and 3. The board shall adopt these rules
4.8 pursuant to chapter 14 and as provided in subdivision 6, paragraphs (e) and (f);

4.9 ~~(6) advise the commissioner regarding educational requirements for plumbing~~
4.10 ~~inspectors;~~

4.11 (6) adopt rules that regulate continuing education for individuals licensed as master
4.12 plumbers, journeyman plumbers, restricted master plumbers, restricted journeyman
4.13 plumbers, water conditioning contractors, and water conditioning installers. The board
4.14 shall adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs
4.15 (e) and (f);

4.16 (7) refer complaints or other communications to the commissioner, whether oral or
4.17 written, as provided in subdivision 8, that allege or imply a violation of a statute, rule, or
4.18 order that the commissioner has the authority to enforce pertaining to code compliance,
4.19 licensure, or an offering to perform or performance of unlicensed plumbing services;

4.20 (8) approve per diem and expenses deemed necessary for its members as provided in
4.21 subdivision 3;

4.22 (9) approve license reciprocity agreements;

4.23 (10) select from its members individuals to serve on any other state advisory council,
4.24 board, or committee; and

4.25 (11) recommend the fees for licenses and certifications.

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

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

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

5.1 Sec. 7. Minnesota Statutes 2008, section 326B.435, subdivision 6, is amended to read:

5.2 Subd. 6. **Officers, quorum, voting.** (a) The board shall elect annually from its
5.3 members a chair, vice-chair, and secretary. A quorum of the board shall consist of a
5.4 majority of members of the board qualified to vote on the matter in question. All questions
5.5 concerning the manner in which a meeting is conducted or called that is not covered
5.6 by statute shall be determined by Robert's Rules of Order (revised) unless otherwise
5.7 specified by the bylaws.

5.8 (b) Except as provided in paragraph (c), each plumbing code amendment considered
5.9 by the board that receives an affirmative two-thirds or more majority vote of all of the
5.10 voting members of the board shall be included in the next plumbing code rulemaking
5.11 proceeding initiated by the board. If a plumbing code amendment considered, or
5.12 reconsidered, by the board receives less than a two-thirds majority vote of all the voting
5.13 members of the board, the plumbing code amendment shall not be included in the next
5.14 plumbing code rulemaking proceeding initiated by the board.

5.15 (c) If the plumbing code amendment considered by the board is to replace the
5.16 Minnesota Plumbing Code with a model plumbing code, then the amendment may only be
5.17 included in the next plumbing code rulemaking proceeding if it receives an affirmative
5.18 two-thirds or more majority vote of all the voting members of the board.

5.19 (d) The board may reconsider plumbing code amendments during an active
5.20 plumbing code rulemaking proceeding in which the amendment previously failed to
5.21 receive a two-thirds majority vote or more of all the voting members of the board only if
5.22 new or updated information that affects the plumbing code amendment is presented to the
5.23 board. The board may also reconsider failed plumbing code amendments in subsequent
5.24 plumbing code rulemaking proceedings.

5.25 (e) Each proposed rule and rule amendment considered by the board pursuant to the
5.26 rulemaking authority specified in subdivision 2, paragraph (a), clause (5) or clause (6),
5.27 that receives an affirmative majority vote of all the voting members of the board shall be
5.28 included in the next rulemaking proceeding initiated by the board. If a proposed rule or
5.29 rule amendment considered, or reconsidered, by the board receives less than an affirmative
5.30 majority vote of all the voting members of the board, the proposed rule or rule amendment
5.31 shall not be included in the next rulemaking proceeding initiated by the board.

5.32 (f) The board may reconsider proposed rules or rule amendments during an
5.33 active rulemaking proceeding in which the amendment previously failed to receive an
5.34 affirmative majority vote of all the voting members of the board only if new or updated
5.35 information that affects the proposed rule or rule amendment is presented to the board.

6.1 The board may also reconsider failed proposed rules or rule amendments in subsequent
6.2 rulemaking proceedings.

6.3 **Sec. 8. [326B.438] MEDICAL GAS SYSTEMS.**

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

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

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

6.11 **Subd. 2. License and certification required.** No person shall engage in the
6.12 installation, maintenance, or repair of a medical gas system unless the person possesses
6.13 a current Minnesota master or journeyman plumber's license and is certified by the
6.14 commissioner under rules adopted by the Minnesota Plumbing Board. The certification
6.15 must be renewed annually for as long as the certificate holder engages in the installation,
6.16 maintenance, or repair of medical gas and vacuum systems. Failure to renew a medical
6.17 gas and vacuum system certificate within 12 months after the expiration date will result in
6.18 permanent forfeiture of that medical gas and vacuum certificate.

6.19 **Subd. 3. Exemptions.** (a) A person who on the effective date of this section holds
6.20 a valid certificate authorized by the American Society of Sanitary Engineering (ASSE)
6.21 in accordance with standards recommended by the National Fire Protection Association
6.22 under NFPA 99C is exempt from the requirements of subdivision 2. This exemption
6.23 applies only if the person maintains a valid certification authorized by the ASSE.

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

6.31 **Subd. 4. Fees.** The fee for a medical gas certificate issued by the commissioner
6.32 according to subdivision 2 is \$30 per year.

6.33 **EFFECTIVE DATE.** This section is effective August 1, 2009, except that the
6.34 requirement under subdivision 2 that a master or journeyman plumber must be certified by

7.1 the Minnesota Plumbing Board and the fee in subdivision 4 are not effective until 180
 7.2 days after the board adopts rules.

7.3 Sec. 9. Minnesota Statutes 2008, section 326B.475, subdivision 1, is amended to read:

7.4 Subdivision 1. **Licensure.** (a) The commissioner of labor and industry shall grant a
 7.5 restricted journeyman or restricted master plumber license to an individual if:

7.6 (1) the individual completes an application with information required by the
 7.7 commissioner of labor and industry;

7.8 (2) the completed application is accompanied by a fee of \$30;

7.9 (3) the commissioner of labor and industry receives the completed application and
 7.10 fee ~~before October 1, 2008~~ between October 1, 2009, and October 15, 2009;

7.11 (4) the completed application for a restricted journeyman plumber license
 7.12 demonstrates that, prior to the application, the applicant has had at least two years of
 7.13 practical plumbing experience in the plumbing trade; and

7.14 (5) the completed application for a restricted master plumber license demonstrates
 7.15 that, prior to the application, the applicant has had:

7.16 (i) at least four years of practical plumbing experience in the plumbing trade; or

7.17 (ii) at least two years of practical plumbing experience as a plumbing contractor in
 7.18 the plumbing trade.

7.19 (b) ~~Until October 1, 2008~~ For applications received between October 1, 2009, and
 7.20 October 15, 2009, the commissioner may waive penalties for an applicant who failed to
 7.21 post a bond after June 30, 1999, under section 326B.46, subdivision 2, if the commissioner
 7.22 finds that the penalty would cause undue hardship or the waiver is otherwise warranted
 7.23 under the circumstances.

7.24 Sec. 10. Minnesota Statutes 2008, section 326B.475, subdivision 6, is amended to read:

7.25 Subd. 6. **Bond; insurance.** A restricted master ~~or a restricted journeyman~~ plumber
 7.26 licensee is subject to the bond and insurance requirements of section 326B.46, subdivision
 7.27 2, unless the exemption provided by section 326B.46, subdivision 3, applies.

7.28 Sec. 11. Minnesota Statutes 2008, section 326B.52, is amended to read:

7.29 **326B.52 WATER CONDITIONING CONTRACTOR AND INSTALLER**
 7.30 **STANDARDS.**

7.31 Subdivision 1. **Rulemaking by ~~commissioner~~ Plumbing Board.** The ~~commissioner~~
 7.32 Plumbing Board shall, by rule, prescribe minimum standards which shall be uniform, and
 7.33 which standards shall thereafter be effective for all new water conditioning servicing and

8.1 water conditioning installations performed anywhere in the state, including additions,
 8.2 extensions, alterations, and replacements ~~connected with any water or sewage disposal~~
 8.3 ~~system owned or operated by or for any municipality, institution, factory, office building,~~
 8.4 ~~hotel, apartment building or any other place of business, regardless of location or the~~
 8.5 ~~population of the city, county or town in which located.~~

8.6 Subd. 2. **Inspectors.** Except for powers granted to the Plumbing Board, the
 8.7 commissioner shall administer the provisions of sections 326B.50 to 326B.59 and for such
 8.8 purposes may employ water conditioning inspectors and other assistants.

8.9 Sec. 12. Minnesota Statutes 2008, section 326B.53, is amended to read:

8.10 **326B.53 LOCAL REGULATIONS.**

8.11 Any city, county, or town ~~with a population of 5,000 or more according to the last~~
 8.12 ~~federal census~~ may, by ordinance, adopt local regulations providing for water conditioning
 8.13 permits, bonds, approval of plans, and inspections of water conditioning installations and
 8.14 servicing, which regulations shall not be in conflict with the ~~water conditioning standards~~
 8.15 rules on the same subject prescribed by the commissioner. No such city, county, or town
 8.16 shall prohibit water conditioning contractors or installers licensed by the commissioner
 8.17 from engaging in or working at the business.

8.18 Sec. 13. Minnesota Statutes 2008, section 326B.55, is amended to read:

8.19 **326B.55 LICENSING IN CERTAIN CITIES; QUALIFICATIONS; RULES.**

8.20 Subdivision 1. **Licensing in certain cities.** ~~In any city or town having a population~~
 8.21 ~~of 5,000 or more according to the last federal census~~; No person shall engage in or work at
 8.22 the business of water conditioning installation or servicing ~~after January 1, 1970~~; anywhere
 8.23 in the state unless (1) at all times an individual licensed as a water conditioning contractor
 8.24 by the commissioner shall be responsible for the proper water conditioning installation and
 8.25 servicing work of such person, and (2) all installations, other than exchanges of portable
 8.26 equipment, are performed by a licensed water conditioning contractor or licensed water
 8.27 conditioning installer. Any individual not so licensed may perform water conditioning
 8.28 work that complies with the minimum ~~standard~~ standards prescribed by the ~~commissioner~~
 8.29 Plumbing Board on premises or that part of premises owned and occupied by the worker
 8.30 as a residence, unless otherwise prohibited by a local ordinance.

8.31 Subd. 2. **Qualifications for licensing.** A water conditioning contractor license shall
 8.32 be issued only to an individual who has demonstrated skill in planning, superintending,
 8.33 and servicing water conditioning installations, and has successfully passed the examination
 8.34 for water conditioning contractors. A water conditioning installer license shall only be

9.1 issued to an individual other than a water conditioning contractor who has demonstrated
 9.2 practical knowledge of water conditioning installation, and has successfully passed
 9.3 the examination for water conditioning installers. A water conditioning installer must
 9.4 successfully pass the examination for water conditioning contractors before being licensed
 9.5 as a water conditioning contractor.

9.6 Subd. 3. **Rules Commissioner.** The commissioner shall:

9.7 (1) ~~prescribe rules, not inconsistent herewith, for the licensing of water conditioning~~
 9.8 ~~contractors and installers;~~

9.9 ~~(2) license water conditioning contractors and installers; and~~

9.10 ~~(3) prescribe rules not inconsistent herewith for the examining of water conditioning~~
 9.11 ~~contractors and installers prior to first granting a license as a water conditioning contractor~~
 9.12 ~~or water conditioning installer; and~~

9.13 ~~(4) (2) collect an examination fee from each examinee for a license as a water~~
 9.14 ~~conditioning contractor and an examination fee from each examinee for a license as~~
 9.15 ~~a water conditioning installer in an amount set forth in section 326B.58. A water~~
 9.16 ~~conditioning installer must successfully pass the examination for water conditioning~~
 9.17 ~~contractors before being licensed as a water conditioning contractor.~~

9.18 Sec. 14. Minnesota Statutes 2008, section 326B.57, is amended to read:

9.19 **326B.57 RULES.**

9.20 In order to provide effective protection of the public health, the ~~commissioner~~
 9.21 Plumbing Board may by rule prescribe limitations on the nature of alteration to, extension
 9.22 of, or connection with, the said water distribution system initially established by a
 9.23 licensed plumber which may be performed by a person licensed hereunder, ~~and~~. The
 9.24 commissioner may by rule in appropriate instances require filing of plans, blueprints and
 9.25 specifications prior to commencement of installation. The installation of water heaters
 9.26 shall not constitute water conditioning installation and consequently such work shall be
 9.27 accomplished in accordance with the provisions of sections 326B.42 to 326B.49.

9.28 Sec. 15. Minnesota Statutes 2008, section 326B.58, is amended to read:

9.29 **326B.58 FEES.**

9.30 Examination fees for both water conditioning contractors and water conditioning
 9.31 installers shall be \$50 for each examination. Each water conditioning contractor and
 9.32 installer license shall expire on December 31 of the year for which it was issued. The
 9.33 license fee for each initial water conditioning contractor's license shall be \$70, except that
 9.34 the license fee shall be \$35 if the application is submitted during the last three months

10.1 of the calendar year. The license fee for each renewal water conditioning contractor's
 10.2 license shall be \$70. The license fee for each initial water conditioning installer license
 10.3 shall be \$35, except that the license fee shall be \$17.50 if the application is submitted
 10.4 during the last three months of the calendar year. The license fee for each renewal water
 10.5 conditioning installer license shall be \$35. The ~~commissioner~~ Plumbing Board may by
 10.6 rule prescribe for the expiration and renewal of licenses. Any licensee who does not renew
 10.7 a license within two years after the license expires is no longer eligible for renewal. Such
 10.8 an individual must retake and pass the examination before a new license will be issued.
 10.9 A water conditioning contractor or water conditioning installer who submits a license
 10.10 renewal application after the time specified in rule but within two years after the license
 10.11 expired must pay all past due renewal fees plus a late fee of \$25.

10.12 Sec. 16. Minnesota Statutes 2008, section 326B.59, is amended to read:

10.13 **326B.59 STATE LICENSE; EXAMINATION; APPLICATION; EXEMPTION.**

10.14 The provisions of sections 326B.50 to ~~326B.59~~ 326B.58 that require licenses to
 10.15 engage in the work or business of water conditioning installation, and the provisions that
 10.16 provide for the examination of applicants for such licenses, ~~shall only apply to work~~
 10.17 ~~accomplished in cities or towns having populations of 5,000 or more according to the last~~
 10.18 ~~federal census, and shall~~ do not apply to master plumbers and journeymen plumbers
 10.19 licensed under the provisions of sections 326B.42 to 326B.49. In all areas of the state,
 10.20 except in cities or towns with a population of more than 5,000 according to the last federal
 10.21 census, the provisions of sections 326B.50 to 326B.58 that require licenses to engage in
 10.22 the work or business of water conditioning installation, and the provisions that provide for
 10.23 the examination of applicants for such licenses, do not apply to restricted master plumbers
 10.24 and restricted journeyman plumbers licensed under the provisions of section 326B.475.

10.25 Sec. 17. Minnesota Statutes 2008, section 326B.801, is amended to read:

10.26 **326B.801 SCOPE.**

10.27 Except as otherwise provided by law, ~~the provisions of sections 326B.801 to~~
 10.28 ~~326B.825~~ 326B.885 apply to residential contractors, residential remodelers, residential
 10.29 roofers, and manufactured home installers.

10.30 Sec. 18. Minnesota Statutes 2008, section 326B.84, is amended to read:

10.31 **326B.84 GROUNDS FOR LICENSE SANCTIONS.**

11.1 In addition to the grounds set forth in section 326B.082, subdivision 11, the
11.2 commissioner may deny, suspend, limit, place conditions on, or revoke a license or
11.3 certificate of exemption, or may censure the person holding the license or certificate of
11.4 exemption, if the applicant, licensee, certificate of exemption holder, qualifying person,
11.5 owner, officer, or affiliate of an applicant, licensee, or certificate of exemption holder, or
11.6 other agent owner:

11.7 (1) has filed an application for licensure or a certificate of exemption which is
11.8 incomplete in any material respect or contains any statement which, in light of the
11.9 circumstances under which it is made, is false or misleading with respect to any material
11.10 fact;

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

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

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

11.18 (5) has violated or failed to comply with any provision of sections 326B.802 to
11.19 326B.885, any rule or order under sections 326B.802 to 326B.885, or any other law, rule,
11.20 or order related to the duties and responsibilities entrusted to the commissioner;

11.21 (6) has been convicted of a violation of the State Building Code or has refused to
11.22 comply with a notice of violation or stop order issued by a certified building official, or in
11.23 local jurisdictions that have not adopted the State Building Code has refused to correct a
11.24 violation of the State Building Code when the violation has been documented or a notice
11.25 of violation or stop order issued by a certified building official has been received;

11.26 (7) has failed to use the proceeds of any payment made to the licensee for the
11.27 construction of, or any improvement to, residential real estate, as defined in section
11.28 326B.802, subdivision 13, for the payment of labor, skill, material, and machinery
11.29 contributed to the construction or improvement, knowing that the cost of any labor
11.30 performed, or skill, material, or machinery furnished for the improvement remains unpaid;

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

11.35 (9) has engaged in an act or practice that results in compensation to an aggrieved
11.36 owner or lessee from the contractor recovery fund pursuant to section 326B.89, unless:

12.1 (i) the applicant or licensee has repaid the fund twice the amount paid from the fund,
12.2 plus interest at the rate of 12 percent per year; and

12.3 (ii) the applicant or licensee has obtained a surety bond in the amount of at least
12.4 \$40,000, issued by an insurer authorized to transact business in this state;

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

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

12.11 (12) if unlicensed, has obtained a building permit by the fraudulent use of a fictitious
12.12 license number or the license number of another, or, if licensed, has knowingly allowed
12.13 an unlicensed person to use the licensee's license number for the purpose of fraudulently
12.14 obtaining a building permit; or has applied for or obtained a building permit for an
12.15 unlicensed person;

12.16 (13) has made use of a forged mechanic's lien waiver under chapter 514;

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

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

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

12.26 Sec. 19. Minnesota Statutes 2008, section 326B.921, subdivision 1, is amended to read:

12.27 Subdivision 1. **License required; rules; time credit.** No individual shall engage in
12.28 or work at the business of a contracting high pressure pipefitter unless issued a contracting
12.29 high pressure pipefitter license to do so by the department under rules adopted by the
12.30 board. No license shall be required for repairs on existing installations. No individual shall
12.31 engage in or work at the business of journeyman high pressure pipefitter unless issued a
12.32 journeyman high pressure pipefitter competency license to do so by the department under
12.33 rules adopted by the board. An individual possessing a contracting high pressure pipefitter
12.34 competency license may also work as a journeyman high pressure pipefitter.

13.1 No person shall construct or install high pressure piping, nor install high pressure
 13.2 piping in connection with the dealing in and selling of high pressure pipe material and
 13.3 supplies, unless, at all times, an individual possessing a contracting high pressure pipefitter
 13.4 competency license or a journeyman high pressure pipefitter competency license is
 13.5 responsible for ensuring that the high pressure pipefitting work is in conformity with
 13.6 Minnesota Statutes and Minnesota Rules.

13.7 The board shall prescribe rules, not inconsistent herewith, for the examination
 13.8 and competency licensing of contracting high pressure pipefitters and journeyman high
 13.9 pressure pipefitters ~~and for issuance of permits by the department and municipalities~~
 13.10 ~~for the installation of high pressure piping.~~

13.11 An employee performing the duties of inspector for the department in regulating
 13.12 pipefitting shall not receive time credit for the inspection duties when making an
 13.13 application for a license required by this section.

13.14 Sec. 20. **[326B.961] TRIENNIAL AUDITS AND TEAM LEADER**
 13.15 **CERTIFICATIONS.**

13.16 Subdivision 1. **Triennial audits; assignment; qualifications.** The chief boiler
 13.17 inspector shall assign a qualified ASME designee or team leader to perform triennial
 13.18 audits on ASME Code and national board stamp holders at the request of the stamp holder.
 13.19 The department shall maintain qualifications for ASME designees and national board team
 13.20 leaders in accordance with ASME and national board requirements.

13.21 Subd. 2. **Fees.** The fee for performing ASME and national board triennial audits
 13.22 shall be the hourly rate pursuant to section 326B.986, subdivision 4.

13.23 Sec. 21. Minnesota Statutes 2008, section 326B.974, is amended to read:

13.24 **326B.974 SCHOOL ENGINEER OPERATIONAL REQUIREMENTS.**

13.25 Subdivision 1. **License required.** Any custodial engineer employed by a school
 13.26 whose duties include the operation of a boiler shall be licensed pursuant to section
 13.27 326B.978, to operate the particular class of boiler used in the school.

13.28 Subd. 2. **School district training.** A school district shall allow to occur annually
 13.29 at least eight hours of training related to boiler operation to a licensee described in
 13.30 subdivision 1. The training must be administered by a licensed first or chief class engineer
 13.31 during the licensee's normal working hours. Two hours of the required training shall occur
 13.32 in the boiler room and must include demonstration of tasks associated with operating
 13.33 boilers. The tasks associated with operating boilers acceptable for the training must be
 13.34 from the list of approved tasks supplied by the chief boiler inspector. The administrator of

14.1 the training shall receive training credit for time spent administering training pursuant
14.2 to this subdivision.

14.3 Sec. 22. **TIME LIMIT.**

14.4 Notwithstanding the lapse of the time limit to adopt rules under Minnesota Statutes,
14.5 section 14.125, the commissioner of labor and industry's authority to adopt rules under
14.6 Minnesota Statutes, section 326B.978, subdivisions 4 and 18, is extended by 18 months
14.7 following the effective date of this section.

14.8 Sec. 23. **RULE CHANGE.**

14.9 The Plumbing Board shall amend Minnesota Rules, part 4715.0320, subpart 1, so
14.10 that it conforms with Minnesota Statutes, sections 326B.43 and 326B.52, as amended
14.11 by this act. The Plumbing Board may use the good cause exemption under Minnesota
14.12 Statutes, section 14.388, subdivision 1, clause (3), in adopting the amendment, and
14.13 Minnesota Statutes, section 14.386, does not apply.

14.14 Sec. 24. **REPEALER.**

14.15 Minnesota Statutes 2008, section 326B.43, subdivision 5, is repealed.

APPENDIX
Repealed Minnesota Statutes: H0927-4

326B.43 PLUMBING STANDARDS; RULES; AGREEMENT WITH MUNICIPALITY; EXEMPTION.

Subd. 5. **Exemption.** No license or registration authorized by sections 326B.42 to 326B.49 shall be required of any individual engaged in or employed by a person engaged in the work or business of pipe laying outside of buildings if such individual or employer is engaged in a business or trade which has traditionally performed such work within the state prior to January 1, 1994.