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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. **984**

02/10/2021 Authored by Lislegard, Long, Wolgamott, Hornstein, Reyer and others

The bill was read for the first time and referred to the Committee on Labor, Industry, Veterans and Military Affairs Finance and Policy

03/15/2021 Adoption of Report: Amended and re-referred to the Committee on Judiciary Finance and Civil Law

1.1 A bill for an act  
1.2 relating to labor and industry; requiring outside contractors to have  
1.3 apprenticeship-level training to perform work at high-hazard facilities; amending  
1.4 Minnesota Statutes 2020, section 177.27, subdivision 4; proposing coding for new  
1.5 law in Minnesota Statutes, chapter 181.

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

1.7 Section 1. Minnesota Statutes 2020, section 177.27, subdivision 4, is amended to read:

1.8 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an  
1.9 employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032,  
1.10 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275,  
1.11 subdivision 2a, 181.722, 181.79, ~~and~~ 181.939 to 181.943, and 181.987, or with any rule  
1.12 promulgated under section 177.28. The commissioner shall issue an order requiring an  
1.13 employer to comply with sections 177.41 to 177.435 or 181.987 if the violation is repeated.  
1.14 For purposes of this subdivision only, a violation is repeated if at any time during the two  
1.15 years that preceded the date of violation, the commissioner issued an order to the employer  
1.16 for violation of sections 177.41 to 177.435 or 181.987 and the order is final or the  
1.17 commissioner and the employer have entered into a settlement agreement that required the  
1.18 employer to pay back wages that were required by sections 177.41 to 177.435. The  
1.19 department shall serve the order upon the employer or the employer's authorized  
1.20 representative in person or by certified mail at the employer's place of business. An employer  
1.21 who wishes to contest the order must file written notice of objection to the order with the  
1.22 commissioner within 15 calendar days after being served with the order. A contested case  
1.23 proceeding must then be held in accordance with sections 14.57 to 14.69. If, within 15

2.1 calendar days after being served with the order, the employer fails to file a written notice  
2.2 of objection with the commissioner, the order becomes a final order of the commissioner.

2.3 **EFFECTIVE DATE.** This section is effective October 15, 2021.

2.4 Sec. 2. **[181.987] USE OF SKILLED AND TRAINED CONTRACTOR**  
2.5 **WORKFORCES AT OIL REFINERIES.**

2.6 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have  
2.7 the meanings given.

2.8 (b) "Contractor" means a vendor that enters into or seeks to enter into a contract with  
2.9 an owner or operator of an oil refinery to perform construction, alteration, demolition,  
2.10 installation, repair, maintenance, or hazardous material handling work at the site of the oil  
2.11 refinery. Contractor includes all contractors or subcontractors of any tier performing work  
2.12 as described in this paragraph at the site of the oil refinery. Contractor does not include  
2.13 employees of the owner or operator of an oil refinery.

2.14 (c) "Registered apprenticeship program" means an apprenticeship program registered  
2.15 with the Department of Labor and Industry under chapter 178 or with the United States  
2.16 Department of Labor Office of Apprenticeship or a recognized state apprenticeship agency  
2.17 under Code of Federal Regulations, title 29, parts 29 and 30.

2.18 (d) "Skilled and trained workforce" means a workforce in which a minimum of 85 percent  
2.19 of the employees of the contractor or subcontractor of any tier working at the site of the oil  
2.20 refinery meet one of the following criteria:

2.21 (1) are currently registered as apprentices in a registered apprenticeship program in the  
2.22 applicable trade;

2.23 (2) have graduated from a registered apprenticeship program in the applicable trade; or

2.24 (3) have completed all of the classroom training and work hour requirements needed to  
2.25 graduate from the registered apprenticeship program their employer participates in.

2.26 Subd. 2. **Use of contractors by owner, operator; requirement.** (a) An owner or operator  
2.27 of an oil refinery shall, when contracting with contractors for the performance of construction,  
2.28 alteration, demolition, installation, repair, maintenance, or hazardous material handling  
2.29 work at the site of the oil refinery, require that the contractors performing that work, and  
2.30 any subcontractors of any tier, use a skilled and trained workforce when performing all  
2.31 work at the site of the oil refinery.

3.1 (b) The requirement under this subdivision applies only when each contractor and  
3.2 subcontractor of any tier is performing work at the site of the oil refinery.

3.3 Subd. 3. **Penalties.** The Division of Labor Standards shall receive complaints of violations  
3.4 of this section. The commissioner of labor and industry shall fine an owner, operator,  
3.5 contractor, or subcontractor of any tier not less than \$5,000 nor more than \$10,000 for each  
3.6 violation of the requirements in this section. Each shift on which a violation of this section  
3.7 occurs shall be considered a separate violation. This penalty is in addition to any penalties  
3.8 provided under section 177.27, subdivision 7. In determining the amount of a civil penalty  
3.9 under this subdivision, the appropriateness of the penalty to the size of the violator's business  
3.10 and the gravity of the violation shall be considered.

3.11 Subd. 4. **Civil actions.** Any company, organization, or person injured by a violation of  
3.12 this section may bring an action for damages against the violator directly to district court.  
3.13 There is a rebuttable presumption that a losing bidder for work for which a violation of this  
3.14 section has occurred has suffered damages in an amount equal to the profit it projected to  
3.15 make on its bid. The court may award to a party recovering under this subdivision damages,  
3.16 attorney fees, costs, disbursements, civil penalties in the amounts provided under subdivision  
3.17 3, and any other appropriate relief as otherwise provided by law.

3.18 **EFFECTIVE DATE.** This section is effective October 15, 2021.