

2025 legislative session summary

All legislation is effective July 1, 2025, unless otherwise noted.

Special session laws

Jobs and Labor Omnibus ([SF17/Ch. 6](#))

Article 2: Labor appropriations

DLI budget

The Department of Labor and Industry's (DLI's) budget is established in Article 2 of SF17. This section details changes in the budget, including the following.

- General fund operating adjustment: The Labor Standards Division will receive an additional \$310,000 in fiscal-year (FY) 2026, an additional \$458,000 in FY27 and an additional \$297,000 ongoing from the general fund.
- Workers' compensation operating adjustment: The Workers' Compensation Division will receive an additional \$1.844 million in FY26 and an additional \$2.194 million ongoing from the workers' compensation fund.
- Misclassification enforcement: The Labor Standards Division will receive an additional \$281,000 in FY26 and an additional \$286,000 ongoing from the general fund for misclassification enforcement.
- Misclassification fraud impact report: DLI will receive an additional \$460,000 in FY26 and \$160,000 in FY27 from the general fund to complete a misclassification fraud impact report.
- Statewide registered teacher apprenticeship: Apprenticeship Minnesota will receive \$3.5 million in FY26 and \$3.5 million in FY27 from the workforce development fund for a competitive grant program to establish registered teacher apprenticeship programs in the state. The funds are a one-time appropriation and are available until June 30, 2029. Beginning Jan. 15, 2028, the commissioner must submit an annual report about the program.
- Construction worker mental health: The Construction Codes and Licensing Division will receive \$500,000 in FY26 and \$500,000 in FY27 from the workforce development fund for initiatives to promote mental health and prevent suicide in the construction industry. The funds are a one-time appropriation and are available until June 30, 2029.
- Single-egress-stairway report: The availability of funds for the report is extended until June 30, 2026.
- The funding for Dual-Training Pipeline has been consolidated to provide additional flexibility in the use of funds.
- The remaining appropriation of \$25,000 for the veterans benefits and services poster is canceled.
- One million dollars of the clean economy apprenticeship program grants is canceled.

- Personnel records rider eliminated: Previously, funding of \$141,000 each year from the general fund was allocated for activities related to personnel records, but this rider is eliminated and the funding moved to the labor standards base.

Direct appropriations

This section details appropriations to DLI where the grant recipient is named in statute.

- In FY26, \$500,000 from the workforce development fund to the Minnesota Virtual Academy career pathways program with the International Union of Operating Engineers Local 49. This is a one-time appropriation and is available until June 30, 2027.
- In FY26 and in FY27, \$400,000 from the workforce development fund to Building Strong Communities for apprenticeship readiness programming. This is a one-time appropriation.
- An additional \$13,000 ongoing from the workforce development fund to Building Strong Communities for the Helmets to Hardhats program. Overall, this appropriation is now \$238,000 ongoing.

Article 5: Labor policy

Strengthening break laws

Article 5, sections 1-5, of SF17 update rest and meal break laws. Employers will now be required to allow an employee a paid rest break of 15 minutes or enough time to use the nearest restroom, whichever is longer, for every four hours worked. Employers will be required to allow an employee an unpaid meal break of 30 minutes for every six hours worked.

All five of these sections are effective Jan. 1, 2026.

Temporary restraining orders

Article 5, section 6, establishes the commissioner's authority to apply for an order enjoining and restraining violations of employment laws under DLI's jurisdiction. Previously, DLI only had this authority for violations of the Child Labor Act. Some violations, including certain violations of the Women's Economic Security Act, retaliation and more, are so time-sensitive that irreparable damage may be done to the employee by the time a compliance order is issued and resolved with an employer. This authority provides a pathway to swiftly restrain and enjoin violations of that nature.

Nursing Home Workforce Standards Board technical

Article 5, sections 7-8, clarify the definitions of "nursing home" and "nursing home employer" in the Nursing Home Workforce Standards Board (NHWSB) law. This clarifies that veterans' homes, private-pay-only facilities, facilities on Tribal land and Medicare-only rehabilitation homes are not included in the definition of "nursing home."

Misclassification fraud impact report

Article 5, section 9, establishes a misclassification fraud impact report that the commissioner must complete by Jan. 15, 2027, and provides associated funding (see page 1). It also establishes that the commissioners of the Department of Revenue and the Department of Employment and Economic Development must coordinate with the DLI commissioner on the report. It also requires that the commissioners of the departments of Labor and Industry, Revenue, and Employment and Economic Development must submit a budget request detailing the costs to complete another report by Jan. 15, 2031, and every six years thereafter.

Earned sick and safe time

Article 5, sections 10-13, make the following changes to the earned sick and safe time (ESST) law:

- updates notice requirements when the need for ESST is unforeseeable;
- updates documentation requirements such that an employer may require reasonable documentation when an employee uses earned sick and safe time for more than *two* consecutive scheduled work days;
- updates replacement-worker requirements to clarify an employee may voluntarily seek or trade shifts with a replacement worker; and
- updates requirements related to advancing sick and save time to an employee before accrual by the employee.

Construction Codes and Licensing Division fee alignment

The Construction Codes and Licensing Division (CCLD) fee alignment proposal is included over the next several sections, including the following.

- Article 5, section 14: Correcting a reference to the International Accreditors for Continuing Education and Training.
- Article 5, sections 15-19: Establishes plan review and inspections fees for industrialized/modular or prefabricated buildings, as well as associated definitions.
- Article 5, section 20: Establishes the \$10 virtual inspection fee for stairway chairlift devices at a private residence.
- Article 5, section 21: Increases the elevator operating permit fee to \$145.
- Article 5, sections 22-30: Updates electrical inspection fees and includes class 4 electrical systems policy.
- Article 5, section 31: Integrates the fee schedule for energy storage and battery systems into law.
- Article 5, sections 23-34: Establishes plumbing plan review and plumbing inspection fees.
- Article 5, section 35: Increases the boiler and pressure vessel registration fee to \$25.
- Article 5, section 36: Updates a definition of “manufactured home” for federal conformity.
- Article 5, sections 37 and 40: Updates requirements for the notice of compliance form for a used manufactured home to require licensees to file the form with the commissioner and pay a filing fee of \$100. It also establishes requirements to complete the notice of compliance form for rentals and for the owner to make necessary corrections for rentals. The new requirements for rentals and filing the notice of compliance form are effective Jan. 1, 2026.
- Article 5, sections 38-40 and sections 47-48: Provides technical changes to manufactured home sections.
- Article 5, sections 41-43 and 45-46: Updates fees related to manufactured homes.

Plumbing plan review and inspections delegated to the Minnesota Department of Health for well contractors performing plumbing work

Article 5, section 32, directs the commissioner to enter into an agreement with the Minnesota Department of Health (MDH) delegating plumbing plan review and inspections for work covered under Minnesota Statutes section 326B.46, subdivision 6, by Jan. 1, 2026. It also scopes what the agreement with MDH must contain and how the agreement may be terminated. This section became effective June 15, 2025.

Human Services Budget Omnibus (HF3/Ch. 9)

HF3 Human Services Omnibus: Funding for NHWSB wage standards and technical

- Article 1 includes updates to Minn. Stat. section 181.213 related to effective dates of new employment standards and the implementation of rate increases, including an application for upfront Medicaid reimbursement rate increases while an inflationary cap is in place.
- Article 1 also includes funding for the NHWSB wage standards.

Data Center Regulations (HF16/Ch. 12)

Section 17, paragraph I, provides that laborers and mechanics performing work on qualified large-scale data centers must be paid the prevailing-wage rate and that the project is subject to prevailing-wage enforcement. This is effective for sales and purchases made after June 30, 2025.

K-12 Education Finance Omnibus (HF5 /Ch. 10)

Special education registered apprenticeship program funding

The Minnesota Department of Education will receive \$2 million in FY26 and FY27 for grants to intermediate school districts' special education registered apprenticeship programs; \$493,000 in each year must go to school districts 287, 288, 916 and 917.

Regular session laws

Housing Policy Omnibus (SF2298/Ch. 32)

Wood-frame carpenter prevailing-wage rate

This provision provides a path to using the federal Davis-Bacon prevailing-wage rate for residential wood-frame carpenter projects up to six stories, when the only source of financial assistance for the project is low-income housing tax credits. The section of law establishing this path expires Dec. 31, 2027. This provision became effective May 24, 2025.

Pensions Omnibus (SF2884/Ch. 37)

Wages, how often paid

This provision clarifies that paid on-call firefighters, as defined in Minn. Stat. section 424A.001, subd. 10, are included under the requirements of Minn. Stat. section 181.101, paragraph (b).

Underground Telecommunications Installers bill (SF908/Ch. 23)

This law makes updates to the underground telecommunication installers law, including the following.

- It removes requirements that no fewer than two safety-qualified underground telecommunications installers must be present at all times where telecommunications infrastructure is being installed by means of directional drilling.

- It updates effective dates such that all installations of underground telecommunications infrastructure in the state must be performed by safety-qualified underground telecommunications installers beginning Jan. 1, 2026.
- It provides a grandfathering provision that allows an approved training provider to apply to the commissioner to receive approval for equivalent or substantially equivalent classroom instruction course material delivered up to two years prior to becoming an approved training provider and before Jan. 1, 2026. Once approved, a training provider may grant full or partial retroactive credit for completion of this training. A person granted retroactive credit must successfully complete the exam to be certified as a safety-qualified underground telecommunications installer.
- The effective date for all provisions is May 20, 2025.

Workers' Compensation Advisory Council (WCAC) bill ([HF3228/Ch. 27](#))

The technical provisions of the bill amend Chapter 176. These provisions are effective May 23, 2025, unless otherwise noted:

- clarification concerning who qualifies as an employee for purposes of workers' compensation related to certain direct care programs under the Minnesota Department of Human Services;
- clarification of the definition of a corporate executive officer related to workers' compensation insurance requirements;
- clarification related to the payment for nursing services provided by a household member of an injured worker;
- technical changes to certain filing provisions in chapter 176;
- increases the limit of the amount of workers' compensation benefits that is nonassignable, effective for dates of injury on or after Oct. 1, 2025; and
- repeal of Minnesota Rules, part 5220.2840, which was previously fully codified into statute.

The bill also includes provisions that amend Chapters 176 and 79, addressing workers' compensation fraud in the construction industry and workers' compensation policies allowed for certain large construction projects. These provisions are effective as noted individually below.

- It adds a definition for a key term used in the rest of the language, "zero estimated exposure policy," effective May 23, 2025.
- It adds additional public information required to be reported by an insurer when issuing a zero estimated exposure policy, effective Jan. 1, 2026.
- It requires a construction employer that obtains a zero estimated exposure policy to provide all entities with which it directly contracts to provide construction or improvement services written notification of its use of the policy and a copy of the policy, and for the entity receiving the notification to maintain the documents for three years. This is effective Jan. 1, 2026.
- It requires insurers to include a statement as part of any zero estimated exposure policy application that attests to the accuracy of the application, including the absence of employees and estimated zero exposure. This "attestation" must include specific language as described in the statute. This provision is effective for policies issued or renewed on or after Jan. 1, 2026.
- It allows for use of an owner or contractor-controlled insurance program in which a series of workers' compensation policies are issued to a project sponsor to cover the workers' compensation liability for multiple contractors on a specific project and sets out requirements necessary to apply for the series of

policies and the process for approval or disapproval with the Department of Commerce. This provision is effective Jan. 1, 2026.

Human Services Policy bill ([HF2115/Ch. 38](#))

Article 9, section 1, of this bill updates claims filing requirements in Minn. Stat. section 62Q.75, subd. 3. This provision is effective Aug. 1, 2025.

Commercial Diving Operations Scuba Requirements ([HF1355/Ch. 8](#))

Sections 1 and 2 of the law incorporate workplace safety requirements into the Department of Natural Resources (DNR) permitting process. Section 1 requires that the applicant for a commercial mechanical control permit must inform the DNR commissioner whether scuba equipment will be used and, if so, incorporates requirements that an on-site hazard survey be completed before a permit is issued. Section 2 restricts the ability of the DNR commissioner to issue a commercial mechanical control permit to an entity with a willful violation of an occupational safety and health standard and applies the same restriction to a successor person. These sections are effective Oct. 1, 2025.

Section 3 of the law is the portion in DLI's area. It includes additional occupational safety and health requirements for persons conducting scuba diving at a place of employment while making improvements to land. It requires that any diver be scuba certified, requires certain equipment for all dives, requires an employer to provide certain equipment upon request of the employee, requires a standby diver (already required under federal regulations) and requires first aid and CPR training (also already required under federal regulations). Finally, it requires the DLI commissioner to develop an information sheet for employers that explains the requirements of this section. This section became effective on May 2, 2025.

Revisor's bill ([HF3022/Ch. 20](#))

The revisor's bill includes one small provision in DLI's area:

- In section 181, there is a technical correction to a cross reference in Minn. Stat. 181.953, subd. 5a.

Agriculture and Broadband Finance Omnibus ([HF2446/Ch. 34](#))

This bill funds the Office of Broadband Development that DLI coordinates with regarding the underground telecommunications installer requirements. Relevant to that work, this bill provides \$50,000 for a study of factors that may contribute to incorrect marking for the installation of underground telecommunication infrastructure. The study must include recommendations to the Legislature.