

Updated storm repair law is now in effect

Roofing, siding contractors can't offer compensation to sign a contract for repairs

In 2010, the legislature passed a bill prohibiting contractors from covering the cost of, or offering to cover the cost of, homeowners' insurance deductibles for roofing work. This legislation created a [new statute, Minn. Statutes 325E.66](#).

The 2011 legislature revisited this issue because of concerns that the original legislation provided no enforcement mechanism and was unclear what constituted "covering the cost of a deductible." For example, some roofing contractors sidestepped the prohibition by offering a "sign credit" that was equal to the homeowner's deductible.

As a result, [SF 249](#) was signed by Gov. Mark Dayton and became effective Aug. 1, 2011. The new law extends the deductible prohibition to siding work and clarifies that contractors cannot promise or provide any compensation to a consumer as an inducement to sign a contract for storm repairs to roofing or siding. It also provides enforcement authority to DLI.

Based on this legislation contractors performing storm repair on roofing and siding cannot do the following:

- cover the cost of or rebate any amount a homeowner's deductible;
- offer a sign or other credit either before or after work is performed;
- offer a free materials upgrade;



An updated law prohibits roofing and siding contractors from providing compensation to a consumer to sign a contract for storm repair.

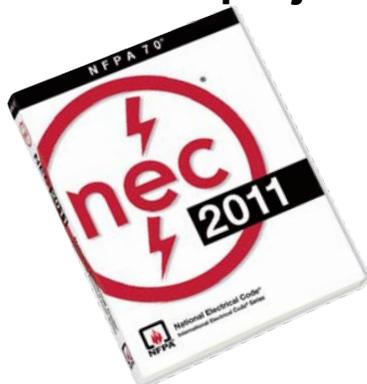
- offer a gift card, free restaurant meal, or any other thing of value.

In addition to possible enforcement action by DLI, a contractor who violates these prohibitions may be subject to civil action by the insurance company or the homeowner plus the insurance company is not obligated to consider the contractor's estimate.

Questions about residential building contractor laws and rules can be directed to CCLD Enforcement Services staff at (651) 284-5069 or DLI.contractor@state.mn.us.

2011 NEC

Electrical projects must now follow 2011 National Electrical Code



The Notice of Adoption of the 2011 National Electrical Code was published in the State Register Aug. 1, 2011, and the effective date is Aug. 8, 2011.

[Electrical permits/Requests for Electrical Inspection](#) received by DLI on or after Aug. 1, 2011, are subject to the provisions of the 2011 National Electrical Code regardless of when the work was started.

» View questions and answers about the 2011 NEC at www.dli.mn.gov/CCLD/Electrical.asp

Requirements for elevator compliance schedules

Legislature provides specific timelines for meeting elevator code changes

2011 session laws, Chapter 26 (House File 664) established the new Section 326B.188 that provides specific timelines for compliance with elevator code changes affecting existing elevators and related devices. These provisions became effective Aug. 1, 2011.

The provisions of this new section will allow an owner of existing

» View more information about the changes at www.dli.mn.gov/CCLD/PDF/elev_compliance.pdf

elevators and related devices to submit a compliance plan to DLI or municipality with its own inspection authority by Jan. 29, 2012, or within 60 days after notice of required compliance, whichever is later.

With an approved compliance plan,

owners have up to three years to complete any work required for compliance.

For more information about compliance schedules see www.dli.mn.gov/CCLD/PDF/elev_compliance.pdf

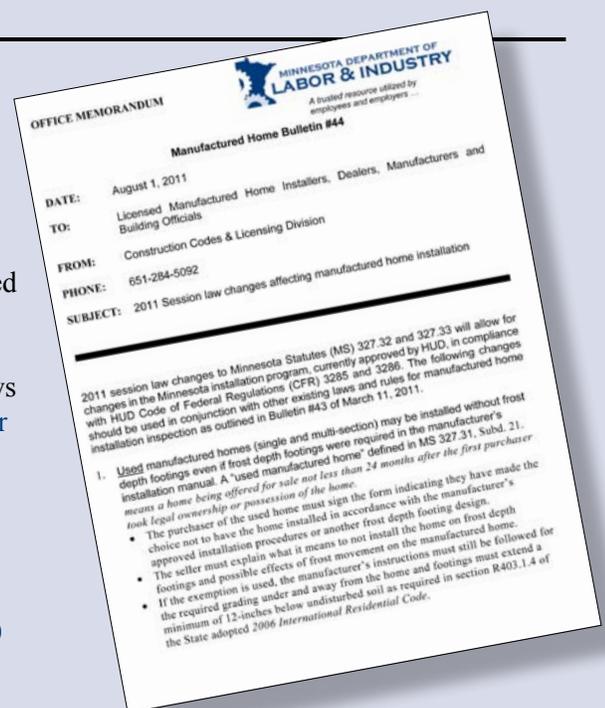
Manufactured structures

2011 session laws affect manufactured home installation

2011 session law changes to Minnesota Statutes 327.32 and 327.33 will allow for changes in the Minnesota installation program, currently approved by HUD, in compliance with HUD. [Read Bulletin No. 44 here.](#)

The array of changes should be used in conjunction with other existing laws and rules for manufactured home installation inspection outlined in another bulletin: No. 43 of March 11, 2011.

» View all of the changes on DLI's website at www.dli.mn.gov/CCLD/ManufacturedBulletins.asp



Codes

Preparation underway for adoption of 2012 International Codes

The 2012 International Codes have been published and staff of the CCLD has been reviewing the changes from the 2006 to 2009 to 2012 versions to prepare a draft for committees to use as starting point.

The technical advisory committees will be formed in the near future to review and recommend changes to the codes to help make the codes fit the needs of the citizens of the state.

Labor and Industry Commissioner Ken Peterson and Assistant Commissioner Jessica Looman have approved policies for committee work. Visit www.dli.mn.gov/RulemakingCCL.asp to view the policies.

Licenses impacted by new system

On Oct. 3, 2011, a uniform license numbering system will take effect for all licenses, registrations and certifications administered by the Construction Codes and Licensing Division.

Each license number will include two alphabet characters (i.e., XX) to identify the license type and a unique six-digit number (i.e., 0123456) associated with the licensee. [Click here to view a table representing the letter code for each license type.](#) Every license type will be impacted by this change.

Why the change?

CCLD determined that a uniform license numbering system was necessary to efficiently implement the newly restructured licensing system and better manage a large number of license types. The main changes will include:

- All license numbers will be eight characters in length.
- License class-codes will be on all license types.
- License class-codes will be the first two characters.
- License numbers will include six numeric digits.

What licenses are most affected?

[Most licensees will see the license class-codes](#) relocate from the end of the license to the front and/or more zeros in the number. However, some licensees will see a significant change including:

Electrical contractors. The class-code for Class A and Class B electrical contractors will change from CA and CB, respectively, to EA and EB. The change became necessary because class-codes CA and CB are associated with boiler licenses. EA and EB are the class-codes used in the department's computer systems to identify these electrical contractor licenses.

High-pressure-piping licenses. The class-codes for HPP licenses were replaced with HPP-focused codes rather than retaining the existing generic codes. Licensed HPP businesses will have HC for HPP contractor rather than BL. Licensed HPP contracting pipefitters will have HM rather than CL. Licensed HPP journeymen pipefitters will have HJ rather than JL.

Residential contractors. License class-codes will replace the first two digits ("20") of the eight-digit license number. Qualifying persons will also be able to register independent from the affiliated contractor. To clearly distinguish licensed contractors from holders of certificates of exemption, class-codes starting with "X" will be used for certificates of exemptions.

Water conditioning licenses. Under the restructured licensing system, a water conditioning contractor's license is held by a business rather than an individual. A master-level personal license was established to replace the individual contractor license. And, the installer's license was renamed water conditioning journeyman.

Plumbing business license

Currently a master plumber who obtains a bond and insurance can work as a business offering services to the public. Under the new law a business license is created to "house" these bonded and ensured entities.

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Contact information

CCLD main contact info

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Fax: (651) 284-5749
TTY: (651) 297-4198

Visit the [Contact Us](#) page

Licensing information

DLI.License@state.mn.us

Business/Contractor Licenses

and Bonds: (651) 284-5034
(Including: Electrical, HPP, Plumbing, Residential, Manufactured Structures, Mechanical Bonds, Technology System, Water Conditioning)

Personal Licenses and

Certificates: (651) 284-5031
(Including: Boiler Engineers, Electricians, Plumbers, Power Limited Technicians, Pipefitters, Unlicensed Individuals)

Electrical information

Phone: (651) 284-5026
Fax: (651) 284-5749
DLI.Electricity@state.mn.us

Boiler, High-Pressure Piping, Boats-for-Hire inspection

Phone: (651) 284-5544
Fax: (651) 284-5737
DLI.Code@state.mn.us

Plumbing information

Phone: (651) 284-5063
Fax: (651) 284-5748
DLI.Plumbing@state.mn.us

License enforcement details

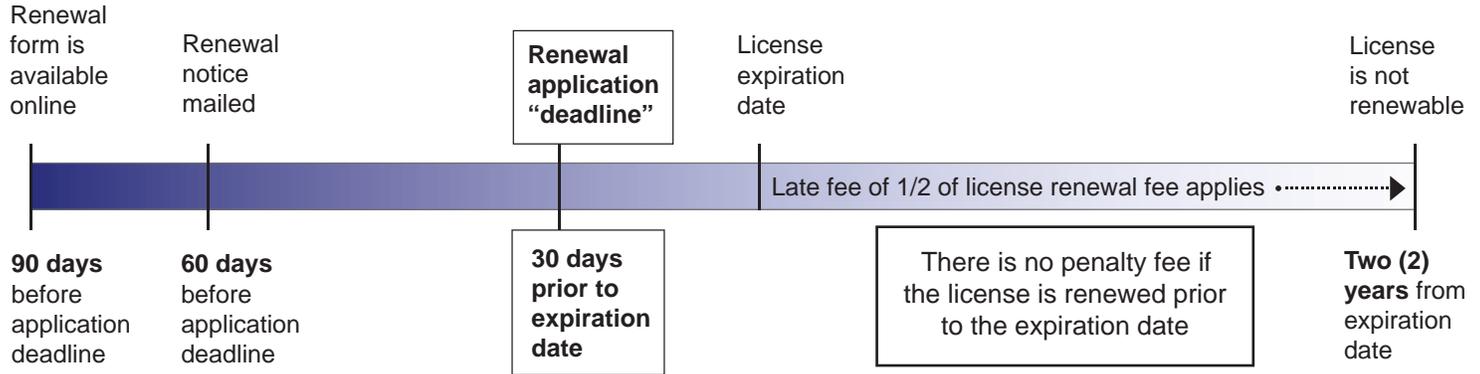
Phone: (651) 284-5069
Fax: (651) 284-5746
DLI.Contractor@state.mn.us

Independent Contractor Exemption Cert. information

Phone: (651) 284-5074
DLI.ic@state.mn.us

Changes to license renewal process update

Updates include a new timeline and online renewal options for licenses



The timeline above shows important dates to note in the steps to renew a license, certificate or registration that expires on or after Dec. 31, 2011.

Online renewal options for all licenses

Effective Jan. 1, 2012, individuals and businesses will be able to submit license renewals online. Holders of boiler, high-pressure piping, plumbing and water conditioning licenses have already been able to renew licenses online. This capability will be expanded to building official, electrical, mechanical bond, registered employer and residential contractor licenses. Individuals and businesses can attach required documents when submitting their renewal. A license becomes available for online renewal 120 days before the expiration date. Paper forms that can be submitted by mail or in person will also be available online or by contacting the department.

Renewal – 30 days before expiration date

To encourage timely license renewals, the Legislature set the "renewal deadline" at 30 days before a license's expiration date. Renewals received by the department by this date are presumed to be timely and, if complete, the license will be renewed and issued before the expiration date.

However, if the department receives a complete renewal before the expiration date, no late fee is incurred by the licensee.

90 days to fix deficient and incomplete renewals

Licensees will have 90 days to fix deficient or incomplete renewals. By law, if the corrections are not received by the department before the license expires, the licensee must pay the applicable late fee.

Expired means expired

Unlicensed activity is a misdemeanor and may result in enforcement action against unlicensed persons, including a civil penalty of up to \$10,000.

Complete renewal required

Before a license may be renewed, the holder must submit

a complete renewal. Although the requirements for each license vary, the following list highlights the most common requirements for renewals:

Individual renewal (no continuing education)

- renewal fee
- work verification hours report (for registered unlicensed individuals only)

Individual renewal (continuing education required)

- renewal fee
- continuing education hours completed before expiration date
- continuing education hours reported by sponsor
- work verification hours report (for registered unlicensed individuals only)

Business/contractor renewal

- renewal fee
- business registration status report from Secretary of State
- workers' compensation insurance certification
- certificate of liability insurance (as applicable)
- certificate of responsible individual (as applicable)
- surety bond and power of attorney (as applicable)

Many renewal requirements may be completed well in advance of submitting the renewal fee. For individuals, continuing education sponsors will be able to log licensees' hours directly into the department's computer system well in advance of a license renewal. Likewise, businesses will be able to keep insurance information current, thereby reducing the documents needed at the time of renewal.

Late fee mandatory after license expires

By law, as of Jan. 1, 2012, all renewals of expired licenses will be required to pay a late fee equal to one-half of the license fee. The Legislature eliminated the 30-day grace period for renewing electrical and boiler licenses without a late fee. No license will be renewed without payment of a late fee if the license is expired. There is no penalty fee for licenses renewed prior to the expiration date.

Business/contractor license changes in store

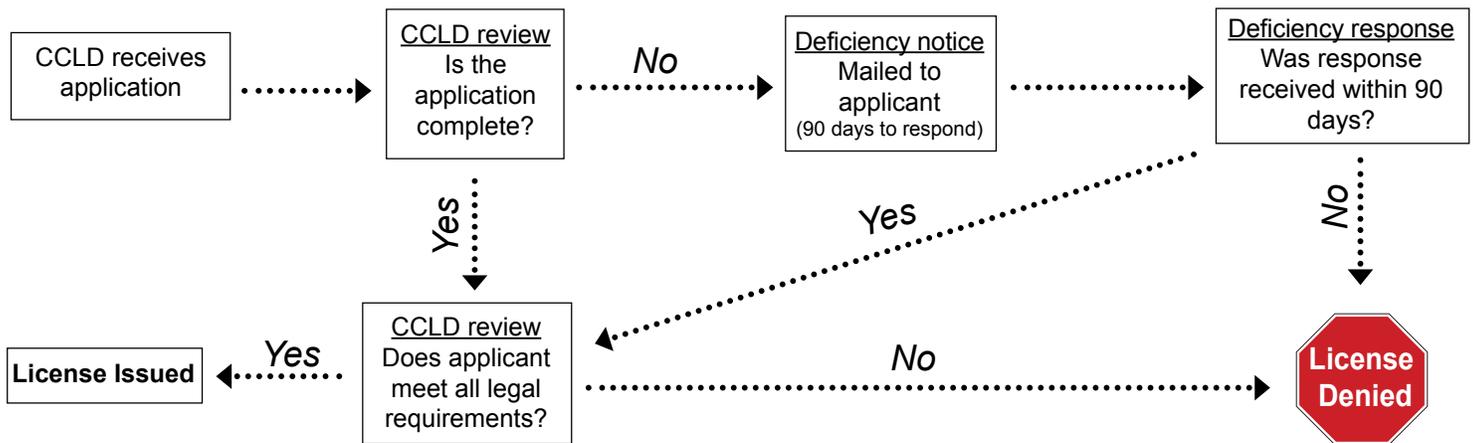
New process for applying, issuance will take effect Jan. 1, 2012

Uniform application process

Effective Jan. 1, 2012, all business license and bond applications will follow the same review path, illustrated below, which is detailed in Minnesota Statutes, sections 326B.092 to 326B.097. DLI has 60 days from the date an application is complete to either approve or deny the application. The applicant is required to submit a complete application, which is defined as providing all information and documents required to issue a license, certificate or register a bond. **Required information for each license type, which DLI administers, is identified in the table below.** All application materials will be scanned and available to staff for timely review and responding to applicant inquiries.

Deficient applications

Applicants with deficiencies in their applications will be notified of the deficiencies and what is required to make the application complete. The applicant will have 90 days from the date on the first deficiency notice to correct the deficiencies and complete the application. There is only one 90-day window to make the application complete. The application will be denied, license fees paid will be forfeited, and a new application will be required, with payment of new fees, if the corrections are not received within the 90 days or if the corrections received within 90 days do not fix the deficiency.

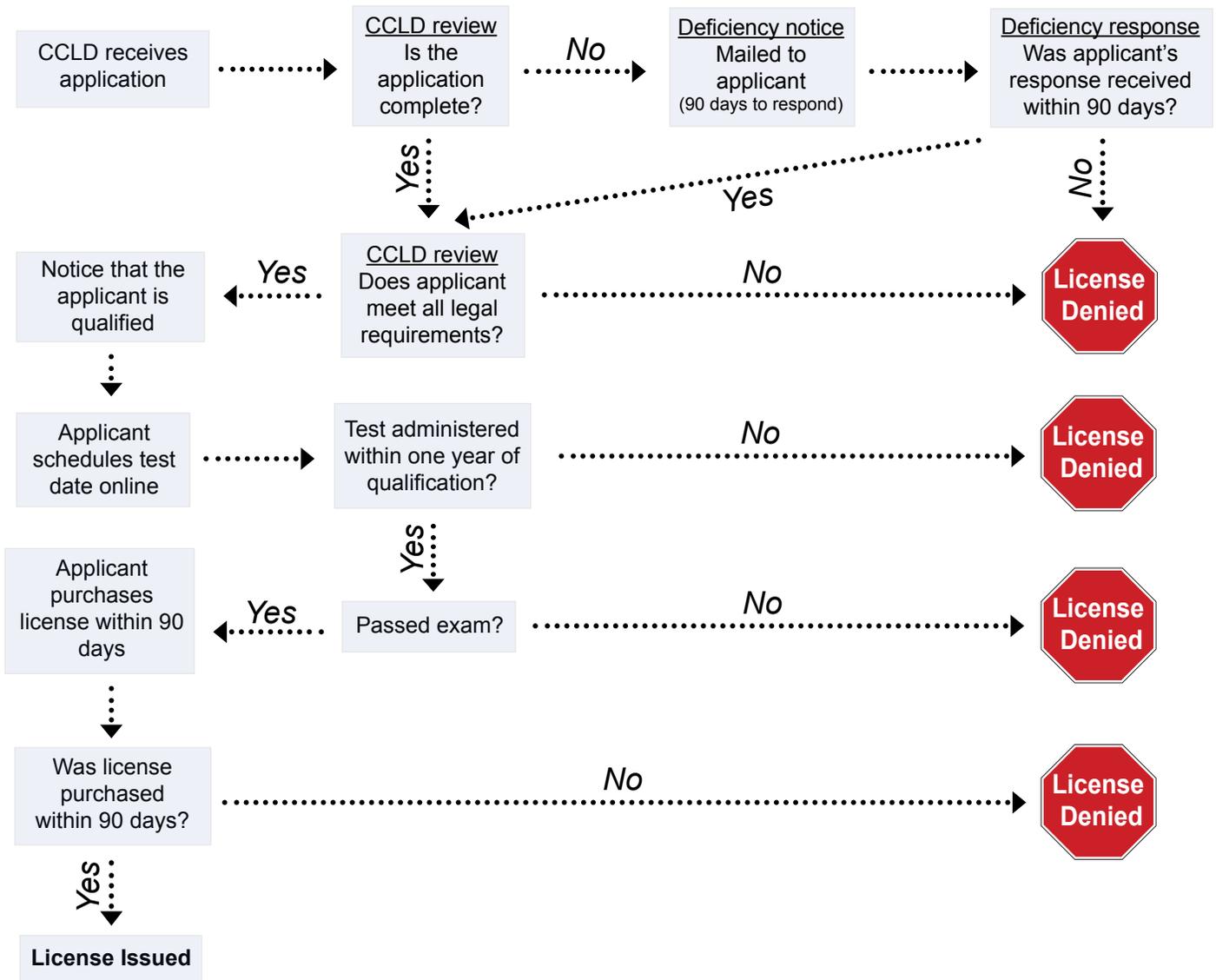


License type	Renewal fee	MN SOS business registration	Officer/owner disclosure	Designated responsible individual	Liability insurance	Workers' Compensation Insurance	Surety bond	Background disclosure
Class A electrical contractor	X	X	X	X	X	X	X	
Class B electrical contractor	X	X	X	X	X	X	X	
Elevator contractor	X	X	X	X	X	X	X	
HPP business (contractor)	X	X	X	X	X	X	X	
Manufactured home installer	X	X	X	X	X	X	X	X
Mechanical contractor bond	X	X	X			X	X	
Mfd home dealer & sub agency dlr.	X	X	X	X	X	X	X	X
Mfd home limited dealer	X	X	X	X	X	X	X	X
Mfd home manufacturer	X	X	X	X	X	X	X	X
Plumbing bond	X	X	X		X	X	X	
Plumbing contractor	X	X	X	X	X	X	X	
Registered employer electrical	X	X		X		X		
Registered employer plumbing	X	X		X		X		
Residential building contractor	X	X	X	X	X	X		X
Residential remodeler	X	X	X	X	X	X		X
Residential roofer	X	X	X	X	X	X	X	X
Certificate of exemption - builder	X	X	X			X		X
Certificate of exemption - remodel.	X	X	X			X		X
Certificate of exemption - roofer	X	X	X			X		X
Restricted plumbing contractor	X	X	X	X	X	X	X	
Sign contractor bond	X	X	X			X	X	
Technology systems contractor	X	X	X	X	X	X	X	
Water conditioning contractor	X	X	X	X	X	X	X	

Licenses requiring exams will see a new process

Effective Jan. 1, 2012, a single, uniform process will be used to qualify individuals for licenses requiring an examination. The basic elements of this process are shown below.

» [Click here to view a table of each license that requires an exam and how the process for obtaining a license will change](#)



Residential contractor licensing changes coming

Independent registration of qualifying persons

A key change in the restructured licensing system is the ability of individuals who passed a residential contractor exam to register as a qualifying person and then independently report and track their continuing education hours even though they are not associated with an active, licensed residential contractor. These individuals will be able to renew their registration every two years.

This change eliminates multiple reporting of continuing education (CE) attendance for individuals affiliated with multiple contractor licenses. It also enables individuals who “put their license on ice” to maintain their eligibility to obtain a license in the future by having their CE hours reported and logged.

Effective Oct. 1, 2011, individuals who pass a contractor exam may register with the department. They may maintain this registration indefinitely if they complete the required continuing education and renew their registration every two years.

Greater clarity with certificates of exemption

The restructured licensing system will bring greater clarity and transparency to the issuance and use of certificates of exemption in residential construction. State law exempts contractors who do not exceed \$15,000 in gross annual

receipts derived from residential building contracting, residential remodeling or residential roofing activities during a 12-month period from being licensed as residential building contractors, residential remodelers or residential roofers. In conjunction with the license restructuring that takes effect Jan. 1, 2012, the following changes are scheduled:

- Certificates of exemption will be administered separate and distinct from licensed residential contractors.
- Certificates of exemption will have clearly identifiable certificate numbers that start with “X”.
- Certificates of exemption will be issued for up to one year and may be renewed annually.
- Certificates of exemption will clearly indicate on the certificate that the holder is not licensed; did not contribute to the Contractor Recovery Fund; and is exempt from licensure provided the certificate is immediately surrendered when annual gross receipts exceed \$15,000 during the registration period.
- Certificates of exemption applicants must pay an annual \$15 registration fee to cover DLI administrative costs.

Payment of the registration fee will start with all new certificates of exemption received by the department starting Jan. 1, 2012.

Continuing ed

CE change allows for quicker license renewals

Effective Oct. 1, 2012, a uniform continuing education program will be implemented. A key improvement for residential contractor licensing will be the ability of CE sponsors to directly report individual qualifying person’s course attendance to the department.

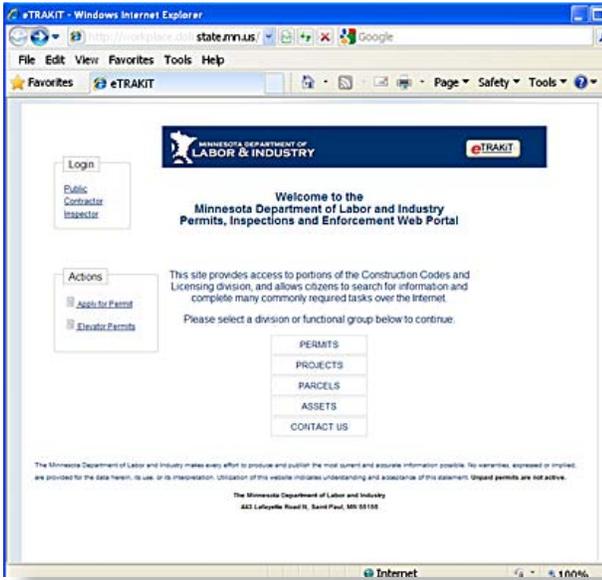
Attendance will be logged into DLI’s licensing system and will automatically update a qualifying person’s CE status. This change will eliminate submitting copies of CE certificates with license renewals and enable quicker license renewals provided timely completion of CE requirements by qualifying persons.



CE course directory

➤ [Click here to view a directory of continuing education courses on DLI’s web site](#)

eTRAKiT online permit system on the right track



The electrical portion of eTRAKiT, the new online permitting system now in use by CCLD, is in the beta-testing phase with several hundred contractors. eTRAKiT allows the contractor to directly enter permits/requests for inspections entirely on-line, including payment.

With the feedback from the beta testers, the next step is to allow all contractors and homeowners access to the online system.

CCLD is putting together a tutorial to help first time users better navigate the new program and the goal is to go live with eTRAKiT for all contractors before October 1.

Fall-protection safety

Grants for fall-protection guidelines available

Contractors can apply for up to \$10,000 to help with new safety rules

Contractors can apply now for a safety grant of up to \$10,000 to help them comply with Minnesota OSHA's new residential fall-protection guidelines.

In June 2011, Minnesota OSHA Compliance began enforcing 29 CFR 1926.501(b)(13). The standard states each employee engaged in residential construction activities six feet (1.8 m) or more above lower levels shall be protected by a guardrail system, safety net system or personal fall-arrest system unless another provision in paragraph (b) of the section provides for an alternate fall-protection measure.

The Safety Grant Program, administered by Minnesota OSHA Workplace Safety Consultation, awards funds up to \$10,000 to qualifying employers for projects designed to reduce the risk of injury and illness to their workers. The employer must provide at least \$1 in project costs for every dollar awarded. No grant will be awarded for more than half the amount of the approved project.

Projects are judged according to the criteria established

More information and how to apply

For further information, visit www.dli.mn.gov/WSC/Grants.asp. Interested applicants can also contact the safety grants administrator at (651) 284-5162, 1-800-731-7232 or dli.grants@state.mn.us.

Information about the new residential fall-protection guidelines is available online at www.dli.mn.gov/OSHA/ResFallProtect.asp.

by law. Qualified projects having the greatest impact and feasibility are given priority.

Grant applications are reviewed on an ongoing basis and grants are awarded six times each year. The next grant application deadline is Aug. 26; grant contracts or denial letters will be issued by Oct. 24.