An Overview of the 2017 Session

The 2017 legislative session is moving ahead at full speed with the first of three committee deadlines rapidly approaching. Legislators and lobbyists alike are scurrying to have bills heard in their respective committees.

This rush is due to the 2017 Deadlines that are the shortest in decades and a record number of bill introductions. To date there have been 1,943 bills introduced in the House and 1,735 bills introduced in the Senate.

Despite the huge number of bills and the quickening pace, only a small number of bills have been heard in committee. Many believe this bottleneck is somewhat intentional as Republican Committee Chairs are working to create greater transparency in government as well as maintain tight control over the recently announced Republican “Advancing Minnesota” agenda.

Since session began on January 3, 2017, we have seen the passage of a federal tax conformity bill, passage of a healthcare kickback for insurees, and passage of the Sunday liquor sales bill. Legislators have also been working on the “Real ID Act”, the “Uniform State Labor Standards Act”, and legislation increasing fines for protesting.

Legislators continue to develop a bonding package and major transportation bill, but the House, Senate and Governor each have their own approach to improving Minnesota’s infrastructure. We’ll see if they can agree on a way forward in the weeks to come.

Minnesota Management and Budget office recently released their February forecast stating the current biennium is projected to end with a balance of $743 million and a $1.65 billion balance is projected for the 2018-19 budget. This is good news but doesn’t solve the political divide growing in Minnesota and across the country.

Although there have been a number of notable accomplishments, several of the major bills making their way to the Governor appear to be “veto bait”. This term refers to a bill that the party passing it knows, will be vetoed by the Governor. Why would a party send veto bait to the Governor?

The answer is simple, so the Governor vetoes it. Once the bill is vetoed the partying pushing it will use the Governor’s veto as campaign material over the interim – Yes, the parties are already looking ahead to the next election!

AMBO at the Capitol in 2017

AMBO has been at the Capitol everyday of the legislative session since it began on January 3, 2017, meeting with key industry members, including the Commissioner of DLI, the Builders Association of Minnesota (BAM), and the League of Minnesota Cities.

Our presence is more important than ever as the construction codes, the rulemaking process, and code administration have become a target of many recent bill introductions. As we expected the rulemaking process is under fire from private companies and associations who want to rein in costs and blame the government for eating into too much of their profit.

* If you are aware of legislation that may impact the profession or have questions, please contact your AMBO lobbyist, Nick McNeely, at Nick@mnlobby.com or (651) 206-6733.
AMBO has already become engaged in numerous pieces of legislation that could impact the profession. Below are some of the major bills AMBO is working on:

- **Requiring that any rule(s) increasing the cost of residential construction, on “average”, by more than $1,000 be sent to the legislature (HF1001/SF745).**
  - AMBO opposes this legislation and has met with the advocates and chief author to express our concern. The primary advocate is the Builders Association of the Twin Cities (BATC).
  - We have delivered a letter expressing our concerns to every committee member in the House and Senate; and we will work alongside DLI, Fresh Energy and ICC.
  - The advocates had an amendment drafted to address some of the issues we raised.
  - This is one of many bills giving the legislature mandatory review/discretion over rulemaking, and it will likely make it to the Governor.

- **The 2016 Architectural and Affirmative Defenses Bill designed to prevent “drive-by” ADA lawsuits is being worked on again in the House and Senate (HF1542/SF1407).**
  - AMBO has met numerous times with leading advocates of this bill – MN Legal Aid and the Minnesota Chamber of Commerce – to discuss how this legislation can better ensure that buildings are safe and accessible for the public, while limiting frivolous lawsuits designed to extract money from local businesses.
  - Initially advocates wanted to require each building permit to inform the owners that the particular work/permit did not ensure compliance with the ADA. But once Brian Hoffman, of Saint Louis Park, was able to walk them through the permitting process it became evident that building permits were not the best method for owner notification of ADA compliance/non-compliance.
  - So far this legislation has been a great opportunity for AMBO to work with new associations and build not only positive relationships, but be both helpful and instrumental in improving MN law.

- **The “Jobs” Bill: Ensures commercial code administration of a “place of public accommodation”, in outstate MN; and a does a few addition things (HF1081/SF942).**
  - Since the dangerous collapse of the Thumper Pond Water Park in Ottertail, MN, AMBO has considered methods to ensure facilities used by the public meet safety standards. DLI has included language in the “Jobs Bill” that will begin to address this concern. The language states that a “place of public accommodation” must be in compliance with the SBC, and will be administered by the commissioner of DLI.
  - This bill changes numerous state building permit fees under 326.153.

- **Two Business Day Certificate of Occupancy required by Law (HF612).**
  - This bill requires Building Officials to issue certificates of occupancy “two business days” after a “final inspection”. The impetus of this legislation is reportedly due to
Association of Minnesota Building Officials

Building Officials administrating the building, mechanical, plumbing & electrical codes, are committed to serving the public interest and the professionals that ensure safety in the building environment.

private inspection firms who have not been working to issue certificates of occupancy within a reasonable time.

o Although AMBO supports models and methods to achieve the highest customer service for residents and builders across Minnesota, AMBO does not believe mandating customer service delivery methods in statute is the way to address this concern. We worked with the advocate, BAM, and the bill will not likely be moving forward this year. AMBO has drafted a letter of opposition in case it does.

• The DLI “Housekeeping” Bill does several things (HF1204/SF1457):
  o It changes the method of accounting for Building Official hours of accreditation from 38 units to 16 hours. There is no substantive change in educational requirements or the amount of education necessary; the change merely simplifies the way credits are reported and recorded.
  o It changes the requisite number of education hours to become an “Accessibility Specialist” from four hours to nine hours.
  o It clarifies that the High-Pressure Piping Code is exempt from the Commissioner of DLI’s final interpretive authority.
  o It decreases the days late licensees have to correct/renew their licensure prior to being assessed a late fee, from 90 days to 30 days.

2017 Construction Relevant Bill Introductions

HF145/SF533: Making Public entities liable for any loss associated with unbounded projects.

HF334/SF639: Repeal of the 2016 Radon Mitigation Act. This would remove the MN Dept. of Health from control radon mitigation contractor licensing.

HF551: Eliminates the Rulemaking authority of the Pollution Control Agency (PCA), giving the legislature that authority.

HF552: Creates the presumption that rulemaking is invalid unless the agency or board identifies the statutory basis for the rule, and decreasing the number of requests for an administrative hearing from 100 to 25.

HF600/SF580: “Uniform State Labor Standards Act” Mandating that no municipality enact any wage requirements in law that are not required by the state.

HF681/SF579: Prohibition of requiring fire sprinklers in some residential dwellings.

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HF700: Transferring the fire code and its adoption from DLI to Public Safety.

HF702/SF695: Requiring review and authorization of action by the PCA & ensuring that un-adopted rules are not enforced.

HF792/HF598: Changing the definition of “Townhome” from 2 units to 3 or more units. This bill has gone through numerous committees and continues to change.

HF805/SF369: Creating a carve-out from plumbing licensure for water conditioning contractors performing work on certain projects.

HF1119/SF1533: Increase the criminal charge for from a misdemeanor to a gross misdemeanor for unlicensed residential contractors building in MN.

HF1143/SF1505: $1,000,000 per year, for 2018-19, to Summit Academy OIC.

HF1202/SF969: Mandating Commissioner of DLI must administer & amend the SBC.

HF1285/SF769: Requiring legislative approval for the adoption of any rule in MN.

HF1291/SF1087: Putting the Environmental Quality Control Board under the PCA; Establishing Permit Timelines and penalties for the PCA failing to meet them.

HF1433: Rulemaking sent to the legislature if there’s “substantial economic impact”.

HF1538/SF1455: Making it more difficult to bring a lawsuit under MCIOA law.

HF1542/SF1407: Creating a process for notice, remedy, and limiting ADA litigation.

HF1638/SF1350: $200,000, per year, for 2018-19, to Helmets to Hardhats.

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