

SENATE  
STATE OF MINNESOTA  
EIGHTY-NINTH SESSION

S.F. No. 1381

(SENATE AUTHORS: SCHMIT)

DATE	D-PG	OFFICIAL STATUS
03/05/2015	564	Introduction and first reading Referred to Jobs, Agriculture and Rural Development

A bill for an act

1.1 relating to labor and industry; making housekeeping changes related to  
 1.2 the Department of Labor and Industry, Office of Combative Sports, and  
 1.3 apprenticeship programs; removing obsolete, redundant, and unnecessary  
 1.4 laws and rules; making conforming changes; amending Minnesota Statutes  
 1.5 2014, sections 177.27, subdivision 4; 178.03, subdivision 3; 178.07; 181.171,  
 1.6 subdivision 1; 182.6553, subdivisions 1, 2; 184.21, subdivision 4; 184.24,  
 1.7 subdivision 1; 184.41; 341.21, subdivisions 2a, 4, 4f, 7, by adding a subdivision;  
 1.8 341.28, subdivision 3; 341.29; 341.30, subdivisions 1, 2, 4; 341.32, subdivisions  
 1.9 1, 2; 341.321; 341.33; repealing Minnesota Statutes 2014, sections 181.12;  
 1.10 181.9435, subdivision 2; 184.22, subdivision 1; 184.25; 184.26; 184.27; 184.28;  
 1.11 184.29; 184.30, subdivision 1; 184.32; 184.33; 184.34; 184.35; 184.36; 184.38,  
 1.12 subdivisions 2, 16, 17; 184.40; 609B.137; Minnesota Rules, parts 5200.0510;  
 1.13 5200.0520; 5200.0530; 5200.0540; 5200.0550; 5200.0560; 5200.0570;  
 1.14 5200.0750; 5200.0760.

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

ARTICLE 1

OFFICE OF COMBATIVE SPORTS

1.19 Section 1. Minnesota Statutes 2014, section 341.21, subdivision 2a, is amended to read:

1.20 Subd. 2a. **Combatant.** "Combatant" means an individual who employs the act of  
 1.21 attack and defense as a boxer, tough person, martial artist, or mixed martial artist while  
 1.22 engaged in a combative sport.

1.23 Sec. 2. Minnesota Statutes 2014, section 341.21, subdivision 4, is amended to read:

1.24 Subd. 4. **Combative sports contest.** "Combative sports contest" means a  
 1.25 professional boxing, a professional or amateur tough person, or a professional or amateur  
 1.26 martial art contest or mixed martial arts contest, bout, competition, match, or exhibition.

2.1 Sec. 3. Minnesota Statutes 2014, section 341.21, subdivision 4f, is amended to read:

2.2 Subd. 4f. **Mixed martial arts contest.** "Mixed martial arts contest" means a combat  
2.3 sport in which combatants are permitted to use a wide range of fighting techniques and is a  
2.4 contest between two or more individuals consisting of any combination of two or more  
2.5 full contact martial art including, but not limited to, Muay Thai and karate, kickboxing,  
2.6 wrestling, grappling, or other recognized martial art disciplines.

2.7 Sec. 4. Minnesota Statutes 2014, section 341.21, is amended by adding a subdivision  
2.8 to read:

2.9 Subd. 4h. **Martial art.** "Martial art" means a variety of weaponless disciplines of  
2.10 combat or self-defense that utilize physical skill and coordination, and are practiced as  
2.11 combat sports. The disciplines include, but are not limited to, Wing Chun, kickboxing, Tae  
2.12 kwon do, savate, karate, Muay Thai, sanshou, Jiu Jitsu, judo, ninjitsu, kung fu, Brazilian  
2.13 Jiu Jitsu, wrestling, grappling, tai chi, and other weaponless martial arts disciplines.

2.14 Sec. 5. Minnesota Statutes 2014, section 341.21, subdivision 7, is amended to read:

2.15 Subd. 7. **Tough person contest.** "Tough person contest," including contests  
2.16 marketed as tough man or tough woman contests, means a contest of two-minute rounds  
2.17 consisting of not more than four rounds between two or more individuals who use their  
2.18 hands, or their feet, or both in any manner. Tough person contest ~~does not include~~ includes  
2.19 kickboxing or any and other recognized martial arts art contest.

2.20 Sec. 6. Minnesota Statutes 2014, section 341.28, subdivision 3, is amended to read:

2.21 Subd. 3. **Regulatory authority; mixed martial arts contests; similar sporting**  
2.22 **events.** All professional and amateur mixed martial arts contests, martial arts contests  
2.23 except amateur contests regulated by the Minnesota State High School League (MSHSL),  
2.24 recognized martial arts studios and schools in Minnesota, and recognized national martial  
2.25 arts organizations holding contests between students, ultimate fight contests, and similar  
2.26 sporting events are subject to this chapter and all officials at these events must be licensed  
2.27 under this chapter.

2.28 Sec. 7. Minnesota Statutes 2014, section 341.29, is amended to read:

2.29 **341.29 JURISDICTION OF COMMISSIONER.**

2.30 The commissioner shall:

3.1 (1) have sole direction, supervision, regulation, control, and jurisdiction over all  
 3.2 combative sport contests that are held within this state unless a contest is exempt from the  
 3.3 application of this chapter under federal law;

3.4 (2) have sole control, authority, and jurisdiction over all licenses required by this  
 3.5 chapter;

3.6 (3) grant a license to an applicant if, in the judgment of the commissioner, the  
 3.7 financial responsibility, experience, character, and general fitness of the applicant are  
 3.8 consistent with the public interest, convenience, or necessity and the best interests of  
 3.9 combative sports and conforms with this chapter and the commissioner's rules; ~~and~~

3.10 (4) deny, suspend, or revoke a license using the enforcement provisions of section  
 3.11 326B.082, except that the licensing reapplication time frames remain within the sole  
 3.12 discretion of the commissioner; and

3.13 (5) serve final nonlicensing orders in performing the duties of this chapter which are  
 3.14 subject to the contested case procedures provided in sections 14.57 to 14.69.

3.15 Sec. 8. Minnesota Statutes 2014, section 341.30, subdivision 1, is amended to read:

3.16 Subdivision 1. **Licensure; individuals.** All referees, judges, promoters, trainers,  
 3.17 ring announcers, timekeepers, ringside physicians, combatants, managers, and seconds are  
 3.18 required to be licensed by the commissioner. The commissioner shall not permit any of  
 3.19 these persons to participate in ~~the holding or conduct of~~ any matter with any combative  
 3.20 sport contest unless the commissioner has first issued the person a license.

3.21 Sec. 9. Minnesota Statutes 2014, section 341.30, subdivision 2, is amended to read:

3.22 Subd. 2. **Entity licensure.** Before participating in the holding, promoting, or  
 3.23 ~~conduct~~ conducting of any combative sport contest, a corporation, partnership, limited  
 3.24 liability company, or other business entity organized and existing under law, ~~its officers~~  
 3.25 ~~and directors, and any person holding 25 percent or more of the ownership of the~~  
 3.26 ~~corporation~~ shall obtain a license from the commissioner and must be authorized to do  
 3.27 business under the laws of this state.

3.28 Sec. 10. Minnesota Statutes 2014, section 341.30, subdivision 4, is amended to read:

3.29 Subd. 4. **Prelicensure requirements.** (a) Before the commissioner issues a  
 3.30 promoter's license to a promoter an individual, corporation, or other business entity, the  
 3.31 applicant shall, a minimum of six weeks before the combative sport contest is scheduled  
 3.32 to occur, complete a licensing application on the Office of Combative Sports Web site or  
 3.33 on forms furnished or approved by the commissioner and shall:

4.1 (1) provide the commissioner with a copy of any agreement between a combatant  
 4.2 and the applicant that binds the applicant to pay the combatant a certain fixed fee or  
 4.3 percentage of the gate receipts;

4.4 (2) show on the licensing application the owner or owners of the applicant entity  
 4.5 and the percentage of interest held by each owner holding a 25 percent or more interest in  
 4.6 the applicant;

4.7 (3) provide the commissioner with a copy of the latest financial statement of the  
 4.8 entity applicant; and

4.9 (4) provide the commissioner with a copy or other proof acceptable to the  
 4.10 commissioner of the insurance contract or policy required by this chapter;

4.11 (5) provide proof, where applicable, of authorization to do business in the state  
 4.12 of Minnesota; and

4.13 ~~(b) Before the commissioner issues a license to a promoter, the applicant shall~~  
 4.14 (6) deposit with the commissioner a cash bond or surety bond in an amount set by the  
 4.15 commissioner, which must not be less than \$10,000. The bond shall be executed in favor  
 4.16 of this state and shall be conditioned on the faithful performance by the promoter of the  
 4.17 promoter's obligations under this chapter and the rules adopted under it. ~~An applicant for a~~  
 4.18 ~~license as a promoter and licensed promoters shall submit an application for each event a~~  
 4.19 ~~minimum of six weeks before the combative sport contest is scheduled to occur.~~

4.20 ~~(e)~~ (b) Before the commissioner issues a license to a combatant, the applicant shall:

4.21 (1) submit to the commissioner:

4.22 ~~(1) a mixed martial arts combatant national identification number or federal boxing~~  
 4.23 ~~identification number that is unique to the applicant, or both; and~~

4.24 (2) the results of a current medical examination on forms furnished or approved  
 4.25 by the commissioner. The medical examination must include an ophthalmological and  
 4.26 neurological examination, and documentation of test results for HBV, HCV, and HIV, and  
 4.27 any other blood test as the commissioner by rule may require. The ophthalmological  
 4.28 examination must be designed to detect any retinal defects or other damage or condition  
 4.29 of the eye that could be aggravated by combative sports. The neurological examination  
 4.30 must include an electroencephalogram or medically superior test if the combatant has  
 4.31 been knocked unconscious in a previous contest. The commissioner may also order an  
 4.32 electroencephalogram or other appropriate neurological or physical examination before  
 4.33 any contest if it determines that the examination is desirable to protect the health of the  
 4.34 combatant. The commissioner shall not issue a license to an applicant submitting positive  
 4.35 test results for HBV, HCV, or HIV;

5.1 (2) complete a licensing application on the Office of Combative Sports Web site or  
 5.2 on forms furnished or approved by the commissioner; and

5.3 (3) provide proof that the applicant is 18 years of age. Acceptable proof is a photo  
 5.4 driver's license, state photo identification card, passport, or birth certificate combined with  
 5.5 additional photo identification.

5.6 Sec. 11. Minnesota Statutes 2014, section 341.32, subdivision 1, is amended to read:

5.7 Subdivision 1. **Annual licensure.** The commissioner may establish and issue annual  
 5.8 licenses subject to the collection of advance fees by the commissioner for promoters,  
 5.9 managers, judges, referees, ring announcers, ringside physicians, timekeepers, combatants,  
 5.10 trainers, and seconds, business entities filing for a license to participate in the holding of  
 5.11 any contest, and officers, directors, or other persons affiliated with the business entity.

5.12 Sec. 12. Minnesota Statutes 2014, section 341.32, subdivision 2, is amended to read:

5.13 Subd. 2. **Expiration and renewal application.** Licenses expire annually on  
 5.14 December 31, ~~and may be renewed.~~ A license may be applied for each year by filing  
 5.15 an application for renewal with the commissioner licensure and satisfying all licensure  
 5.16 requirements established in section 341.30, and submitting payment of the license fees  
 5.17 established in section 341.321. An application for a license and renewal of a license  
 5.18 must be on a form provided by the commissioner. There is a 30-day grace period during  
 5.19 which a license may be renewed if a late filing penalty fee equal to the license fee is  
 5.20 submitted with the regular license fee. A licensee that files late shall not conduct any  
 5.21 activity regulated by this chapter until the commissioner has renewed the license. If the  
 5.22 licensee fails to apply to the commissioner within the 30-day grace period, the licensee  
 5.23 must apply for a new license under subdivision 1.

5.24 Sec. 13. Minnesota Statutes 2014, section 341.321, is amended to read:

5.25 **341.321 FEE SCHEDULE.**

5.26 (a) The fee schedule for professional and amateur licenses issued by the  
 5.27 commissioner is as follows:

5.28 (1) referees, \$80 ~~for each initial license and each renewal;~~

5.29 (2) promoters, \$700 ~~for each initial license and each renewal;~~

5.30 (3) judges and knockdown judges, \$80 ~~for each initial license and each renewal;~~

5.31 (4) trainers and seconds, \$80 ~~for each initial license and each renewal;~~

5.32 (5) ring announcers, \$80 ~~for each initial license and each renewal;~~

5.33 (6) seconds, \$80 ~~for each initial license and each renewal;~~

- 6.1 ~~(7) (6) timekeepers, \$80 for each initial license and each renewal;~~  
 6.2 ~~(8) (7) professional combatants, \$100 for each initial license and each renewal \$70;~~  
 6.3 ~~(8) amateur combatants, \$50;~~  
 6.4 ~~(9) managers, \$80 for each initial license and each renewal; and~~  
 6.5 ~~(10) ringside physicians, \$80 for each initial license and each renewal.~~

6.6 In addition to the license fee ~~and the late filing penalty fee in section 341.32, subdivision~~  
 6.7 ~~2, if applicable, an individual who applies for a professional license on the same day~~  
 6.8 ~~within the 48 hours preceding when the combative sporting event is held shall pay a late~~  
 6.9 ~~fee of \$100 plus the original license fee of \$120 at the time the application is submitted.~~

6.10 ~~(b) The fee schedule for amateur licenses issued by the commissioner is as follows:~~

- 6.11 ~~(1) referees, \$80 for each initial license and each renewal;~~  
 6.12 ~~(2) promoters, \$700 for each initial license and each renewal;~~  
 6.13 ~~(3) judges and knockdown judges, \$80 for each initial license and each renewal;~~  
 6.14 ~~(4) trainers, \$80 for each initial license and each renewal;~~  
 6.15 ~~(5) ring announcers, \$80 for each initial license and each renewal;~~  
 6.16 ~~(6) seconds, \$80 for each initial license and each renewal;~~  
 6.17 ~~(7) timekeepers, \$80 for each initial license and each renewal;~~  
 6.18 ~~(8) combatant, \$60 for each initial license and each renewal;~~  
 6.19 ~~(9) managers, \$80 for each initial license and each renewal; and~~  
 6.20 ~~(10) ringside physicians, \$80 for each initial license and each renewal.~~

6.21 ~~(e) (b) The commissioner shall establish a contest fee for each combative sport~~  
 6.22 ~~contest and shall consider the size and type of venue when establishing a contest fee. The~~  
 6.23 ~~professional combative sport contest fee is \$1,500 per event or not more than four percent~~  
 6.24 ~~of the gross ticket sales, whichever is greater, as determined by the commissioner when~~  
 6.25 ~~the combative sport contest is scheduled. The amateur combative sport contest fee shall~~  
 6.26 ~~be \$1,500 or not more than four percent of the gross ticket sales, whichever is greater.~~  
 6.27 ~~The commissioner shall consider the size and type of venue when establishing a contest~~  
 6.28 ~~fee. The commissioner may establish the maximum number of complimentary tickets~~  
 6.29 ~~allowed for each event by rule.~~

6.30 ~~(c) A professional or amateur combative sport contest fee is nonrefundable; and~~  
 6.31 ~~shall be paid as follows:~~

- 6.32 ~~(1) \$500 at the time the combative sport contest is scheduled; and~~  
 6.33 ~~(2) \$1,000 at the weigh-in prior to the contest.~~

6.34 ~~If four percent of the gross ticket sales is greater than \$1,500, the balance is due to the~~  
 6.35 ~~commissioner within 24 hours of the completed contest.~~

7.1 (d) The commissioner may establish the maximum number of complimentary tickets  
 7.2 allowed for each event by rule.

7.3 ~~(d)~~ (e) All fees and penalties collected by the commissioner must be deposited in the  
 7.4 commissioner account in the special revenue fund.

7.5 Sec. 14. Minnesota Statutes 2014, section 341.33, is amended to read:

7.6 **341.33 PHYSICAL EXAMINATION REQUIRED; FEES.**

7.7 Subdivision 1. **Examination by physician.** All combatants must be examined  
 7.8 by a physician licensed by this state within 36 hours before entering the ring, and the  
 7.9 examining physician shall immediately file with the commissioner a written report of the  
 7.10 examination. The physician's examination may report on the condition of the combatant's  
 7.11 heart and general physical and general neurological condition. The physician's report  
 7.12 may record the condition of the combatant's nervous system and brain as required by the  
 7.13 commissioner. The physician may prohibit the combatant from entering the ring if, in  
 7.14 the physician's professional opinion, it is in the best interest of the combatant's health.  
 7.15 The cost of the examination is payable by the ~~person or entity~~ promoter conducting the  
 7.16 contest or exhibition.

7.17 Subd. 2. **Attendance of physician.** A ~~person~~ promoter holding or sponsoring a  
 7.18 combative sport contest shall have in attendance a physician licensed by this state. The  
 7.19 commissioner may establish a schedule of fees to be paid to each attending physician by  
 7.20 the ~~person~~ promoter holding or sponsoring the contest.

7.21 Sec. 15. **REVISOR'S INSTRUCTION.**

7.22 The revisor shall renumber the subdivisions in Minnesota Statutes, section  
 7.23 341.21, so that the definitions appear in alphabetical order. The revisor shall make any  
 7.24 cross-reference changes necessary as a result of the renumbering.

7.25 **ARTICLE 2**

7.26 **APPRENTICESHIPS**

7.27 Section 1. Minnesota Statutes 2014, section 178.03, subdivision 3, is amended to read:

7.28 Subd. 3. **Duties and functions.** (a) The division shall be administered as prescribed  
 7.29 by this chapter and in accordance with Code of Federal Regulations, title 29, part 29; to  
 7.30 promote equal employment opportunity in apprenticeship and other on-the-job learning  
 7.31 and to establish a Minnesota plan for equal employment opportunity in apprenticeship

8.1 which shall be consistent with standards established under Code of Federal Regulations,  
8.2 title 29, part 30, as amended.

8.3 (b) The division shall have the authority to make wage determinations applicable  
8.4 to the graduated schedule of wages and journeyworker wage rate for apprenticeship  
8.5 agreements, giving consideration to the existing wage rates prevailing throughout the  
8.6 state, except that no wage determination by the director shall alter an existing wage  
8.7 provision for apprentices or journeyworkers that is contained in a bargaining agreement  
8.8 in effect between an employer and an organization of employees, nor shall the director  
8.9 make any determination for the beginning rate for an apprentice that is below the wage  
8.10 minimum established by federal or state law.

8.11 (c) The division shall:

8.12 (1) issue certificates of registration to sponsors of approved apprenticeship programs;

8.13 (2) approve apprenticeship agreements if the division determines that approval is  
8.14 in the best interest of the apprentice and the agreement meets the standards established  
8.15 in this chapter;

8.16 (3) terminate any apprenticeship agreement according to the provisions of the  
8.17 agreement and this chapter;

8.18 (4) maintain a record of apprenticeship agreements and their disposition;

8.19 (5) issue certificates of completion of apprentices; and

8.20 (6) perform other duties as the commissioner deems necessary to carry out the  
8.21 intent of this chapter.

8.22 Sec. 2. Minnesota Statutes 2014, section 178.07, is amended to read:

8.23 **178.07 REGISTERED APPRENTICESHIP AGREEMENTS.**

8.24 Subdivision 1. **Approval required.** (a) The division shall approve, if it determines  
8.25 that it is in the best interest of the apprentice, an apprenticeship agreement that meets  
8.26 the standards established in this section.

8.27 (b) All terminations, cancellations, and transfers of apprenticeship agreements shall  
8.28 be approved by the division in writing. The division must be notified in writing by the  
8.29 sponsor within 45 days of all terminations, cancellations, or transfer of apprenticeship  
8.30 agreements.

8.31 Subd. 2. **Signatures required.** Apprenticeship agreements shall be signed by the  
8.32 division, the sponsor, and by the apprentice, and if the apprentice is a minor, by a parent or  
8.33 legal guardian. When a minor enters into an apprenticeship agreement under this chapter  
8.34 for a period of learning extending into majority, the apprenticeship agreement shall  
8.35 likewise be binding for such a period as may be covered during the apprentice's majority.



9.1 Subd. 3. **Contents.** Every apprenticeship agreement entered into under this chapter  
9.2 shall contain:

9.3 (1) the names of the contracting parties, and the signatures required by subdivision 1  
9.4 2;

9.5 (2) the date of birth, and information as to the race and sex of the apprentice, and, on  
9.6 a voluntary basis, the apprentice's Social Security number;

9.7 (3) contact information of the sponsor and the division;

9.8 (4) a statement of the trade or occupation which the apprentice is to be taught, the  
9.9 date on which the apprenticeship will begin, and the number of hours to be spent by the  
9.10 apprentice in work and the number of hours to be spent in concurrent, related instruction;

9.11 (5) a statement of the wages to be paid the apprentice under sections 178.036,  
9.12 subdivision 2 6, paragraph (e), and 178.044, as applicable;

9.13 (6) a statement listing any fringe benefits to be provided to the apprentice;

9.14 (7) a statement incorporating as part of the agreement the registered standards of  
9.15 the apprenticeship program on the date of the agreement and as they may be amended  
9.16 during the period of the agreement;

9.17 (8) a statement that the apprentice will be accorded equal opportunity in all phases  
9.18 of apprenticeship employment and training, without discrimination due to race, color,  
9.19 creed, religion, national origin, sex, sexual orientation, marital status, physical or mental  
9.20 disability, receipt of public assistance, or age; and

9.21 (9) such additional terms and conditions as may be prescribed or approved by the  
9.22 commissioner not inconsistent with the provisions of this chapter.

### 9.23 ARTICLE 3

#### 9.24 OBSOLETE AND REDUNDANT STATUTES

9.25 Section 1. Minnesota Statutes 2014, section 182.6553, subdivision 1, is amended to read:

9.26 Subdivision 1. **Safe patient handling program required.** (a) ~~By July 1, 2008,~~

9.27 Every licensed health care facility in the state shall adopt a written safe patient handling  
9.28 policy establishing the facility's plan to achieve ~~by January 1, 2011,~~ the goal of minimizing  
9.29 manual lifting of patients by nurses and other direct patient care workers by utilizing  
9.30 safe patient handling equipment.

9.31 (b) The program shall address:

9.32 (1) assessment of hazards with regard to patient handling;

9.33 (2) the acquisition of an adequate supply of appropriate safe patient handling  
9.34 equipment;

10.1 (3) initial and ongoing training of nurses and other direct patient care workers on  
10.2 the use of this equipment;

10.3 (4) procedures to ensure that physical plant modifications and major construction  
10.4 projects are consistent with program goals; and

10.5 (5) periodic evaluations of the safe patient handling program.

10.6 Sec. 2. Minnesota Statutes 2014, section 182.6553, subdivision 2, is amended to read:

10.7 Subd. 2. **Safe patient handling committee.** (a) ~~By July 1, 2008,~~ Every licensed  
10.8 health care facility in the state shall establish a safe patient handling committee either by  
10.9 creating a new committee or assigning the functions of a safe patient handling committee  
10.10 to an existing committee.

10.11 (b) Membership of a safe patient handling committee or an existing committee must  
10.12 meet the following requirements:

10.13 (1) at least half the members shall be nonmanagerial nurses and other direct patient  
10.14 care workers; and

10.15 (2) in a health care facility where nurses and other direct patient care workers  
10.16 are covered by a collective bargaining agreement, the union shall select the committee  
10.17 members proportionate to its representation of nonmanagerial workers, nurses, and other  
10.18 direct patient care workers.

10.19 (c) A health care organization with more than one covered health care facility may  
10.20 establish a committee at each facility or one committee to serve this function for all the  
10.21 facilities. If the organization chooses to have one overall committee for multiple facilities,  
10.22 at least half of the members of the overall committee must be nonmanagerial nurses and  
10.23 other direct patient care workers and each facility must be represented on the committee.

10.24 (d) Employees who serve on a safe patient handling committee must be compensated  
10.25 by their employer for all hours spent on committee business.

10.26 Sec. 3. Minnesota Statutes 2014, section 184.21, subdivision 4, is amended to read:

10.27 Subd. 4. **Applicant.** The term "applicant;" ~~except when used to describe an~~  
10.28 ~~applicant for an employment agency or counselor's license,~~ means any person, whether  
10.29 employed or unemployed, seeking or entering into any arrangement for employment or  
10.30 change of employment through the medium or service of an employment agency.

10.31 Sec. 4. Minnesota Statutes 2014, section 184.24, subdivision 1, is amended to read:

10.32 Subdivision 1. **Generally.** It is the duty of the department to administer the  
10.33 provisions of sections 184.21 to 184.40. The commissioner shall have power to compel

11.1 the attendance of witnesses by the issuance of subpoenas, administer oaths, and to take  
 11.2 testimony and proofs concerning all matters within its jurisdiction. The department shall  
 11.3 ~~affix an official seal to all certificates or licenses granted, and~~ shall make all rules not  
 11.4 inconsistent with law needed in performing its duties.

11.5 Sec. 5. Minnesota Statutes 2014, section 184.41, is amended to read:

11.6 **184.41 VIOLATIONS.**

11.7 Any person who engages in the business of or acts as an employment agent or  
 11.8 counselor ~~without first procuring a license as required by section 184.22,~~ and any  
 11.9 employment agent, manager, or counselor who violates the provisions of this chapter is  
 11.10 guilty of a misdemeanor.

11.11 In addition to the penalties for commission of a misdemeanor, the department may  
 11.12 bring an action for an injunction ~~against any person who engages in the business of or~~  
 11.13 ~~acts as an employment agent or counselor without first procuring the license required~~  
 11.14 ~~under section 184.22,~~ and against any employment agent, manager, or counselor who  
 11.15 violates the applicable provisions of this chapter. ~~If an agency, manager, or counselor is~~  
 11.16 ~~found guilty of a misdemeanor in any action relevant to the operation of an agency, the~~  
 11.17 ~~department may suspend or revoke the license of the agency, manager, or counselor.~~

11.18 Sec. 6. **REVISOR'S INSTRUCTION.**

11.19 The revisor of statutes shall remove Minnesota Rules, part 5200.0370, item C,  
 11.20 subitem (1), from Minnesota Rules.

11.21 Sec. 7. **REPEALER.**

11.22 Subdivision 1. **Labor standards.** Minnesota Statutes 2014, sections 181.12; and  
 11.23 181.9435, subdivision 2, are repealed.

11.24 Subd. 2. **Fee employment agencies.** (a) Minnesota Statutes 2014, sections 184.22,  
 11.25 subdivision 1; 184.25; 184.26; 184.27; 184.28; 184.29; 184.30, subdivision 1; 184.32;  
 11.26 184.33; 184.34; 184.35; 184.36; 184.38, subdivisions 2, 16, and 17; and 184.40, are  
 11.27 repealed.

11.28 (b) Minnesota Rules, parts 5200.0510; 5200.0520; 5200.0530; 5200.0540;  
 11.29 5200.0550; 5200.0560; 5200.0570; 5200.0750; and 5200.0760, are repealed.

12.1 **ARTICLE 4**

12.2 **CONFORMING CHANGES**

12.3 Section 1. Minnesota Statutes 2014, section 177.27, subdivision 4, is amended to read:

12.4 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an  
12.5 employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032,  
12.6 181.101, 181.11, ~~181.12~~, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or  
12.7 (d), 181.275, subdivision 2a, 181.722, 181.79, and 181.939 to 181.943, or with any rule  
12.8 promulgated under section 177.28. The commissioner shall issue an order requiring an  
12.9 employer to comply with sections 177.41 to 177.435 if the violation is repeated. For  
12.10 purposes of this subdivision only, a violation is repeated if at any time during the two years  
12.11 that preceded the date of violation, the commissioner issued an order to the employer for  
12.12 violation of sections 177.41 to 177.435 and the order is final or the commissioner and the  
12.13 employer have entered into a settlement agreement that required the employer to pay back  
12.14 wages that were required by sections 177.41 to 177.435. The department shall serve the  
12.15 order upon the employer or the employer's authorized representative in person or by  
12.16 certified mail at the employer's place of business. An employer who wishes to contest the  
12.17 order must file written notice of objection to the order with the commissioner within 15  
12.18 calendar days after being served with the order. A contested case proceeding must then be  
12.19 held in accordance with sections 14.57 to 14.69. If, within 15 calendar days after being  
12.20 served with the order, the employer fails to file a written notice of objection with the  
12.21 commissioner, the order becomes a final order of the commissioner.

12.22 Sec. 2. Minnesota Statutes 2014, section 181.171, subdivision 1, is amended to read:

12.23 Subdivision 1. **Civil action; damages.** A person may bring a civil action seeking  
12.24 redress for violations of sections 181.02, 181.03, 181.031, 181.032, 181.08, 181.09, 181.10,  
12.25 181.101, 181.11, ~~181.12~~, 181.13, 181.14, 181.145, and 181.15 directly to district court.  
12.26 An employer who is found to have violated the above sections is liable to the aggrieved  
12.27 party for the civil penalties or damages provided for in the section violated. An employer  
12.28 who is found to have violated the above sections shall also be liable for compensatory  
12.29 damages and other appropriate relief including but not limited to injunctive relief.

12.30 Sec. 3. **REPEALER.**

12.31 Minnesota Statutes 2014, section 609B.137, is repealed.

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Article locations in 15-0106

ARTICLE 1	OFFICE OF COMBATIVE SPORTS .....	Page.Ln 1.17
ARTICLE 2	APPRENTICESHIPS .....	Page.Ln 7.25
ARTICLE 3	OBSOLETE AND REDUNDANT STATUTES .....	Page.Ln 9.23
ARTICLE 4	CONFORMING CHANGES .....	Page.Ln 12.1

**181.12 RAILROAD PAYCHECKS TO SHOW AMOUNT OF DEDUCTION.**

Every railroad corporation doing business within this state shall state clearly on a statement accompanying each check, issued to an employee for services rendered to such corporation in this state, the amount of any deduction made from the regular wage of such employee, the reason therefor, and the date or period covered by such deduction. Deductions authorized by the employee may be designated as miscellaneous on the statement accompanying such check.

**181.9435 DIVISION; INVESTIGATIONS, REPORTS.**

Subd. 2. **Report.** The division shall report to the legislature annually on the type and number of employee complaints under subdivision 1, the rate of resolution of complaints, and the rate of repeat complaints against employers.

**184.22 LICENSES REQUIRED.**

Subdivision 1. **Individuals; separate locations.** No person shall engage in the business of or act as an employment agent or counselor unless a license from the department is first obtained. Each separate location for the business of an employment agency or for employment counseling shall have a separate agency license and a licensed manager who shall have immediate control of only one location.

**184.25 RECORDS AND REPORTS.**

The department shall keep a full record of its proceedings which shall be open to the public for inspection at all reasonable times, and a register of all applicants for licenses which shall contain the names and addresses of such applicants as well as such other information as may be required by the department.

Such records shall include the date of application, place of business, the person by whom the applicant is employed or is to be employed in the case of a counselor, place of residence, whether or not an examination was required, the results thereof, and whether the applicant was rejected or a license granted, the date such license was granted and the type of license granted.

**184.26 APPLICATION; LICENSING.**

Subdivision 1. **Agent's license; written application.** Every applicant for an employment agent's license or a renewal thereof shall file with the department a written application stating the name and address of the applicant, the street and number of the building in which the business of the employment agent is to be conducted, the name of the person who is to have the general management of the office, the name under which the business of the office is to be carried on, whether or not the applicant is pecuniarily interested in any other business of a like nature and, if so, where. Such application shall also state whether the applicant is the only person pecuniarily interested in the business to be carried on under the license, and shall be signed by the applicant and sworn to before a notary public and shall identify anyone holding over 20 percent interest in the agency or receiving any percentage of the profits. If the applicant is a corporation, the application shall state the names and addresses of the officers and directors of the corporation, and shall be signed and sworn to by the president and secretary thereof. If the applicant is a partnership, the application shall also state the names and addresses of all partners therein, and shall be signed and sworn to by all of them. The application shall also state whether or not the applicant is, at the time of making application, or has at any previous time been engaged in or interested in, or employed by anyone engaged in the business of an employment agent, either in this state or any other, and, if so, when and where. Every applicant for a license to engage in the business of an employment agent shall, at the time of making application for said license, file with the department a schedule of the fees or charges to be collected by such employment agency for any services rendered, together with all rules and regulations that may in any way affect the fees charged or to be charged for any service. Such fees and such rules or regulations may thereafter be changed by filing an amended or supplemental schedule showing such charges, with the department. Such schedule of fees and charges shall contain all information concerning financing the payment of the same including the rate of interest charged as well as any other service or carrying charges or costs. It shall be unlawful for any employment agency to charge, demand, collect, or receive a greater compensation for any service performed than is specified in such schedule filed with the department.

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Subd. 2. **Counselor's license; written application.** Every applicant for a license for counselor or a renewal thereof shall file with the department a written application stating the name and address of the applicant, the kind of license desired, the name of the employment agency by whom such applicant will be employed if granted a license, the address where such agency conducts its business, whether or not the applicant is pecuniarily interested in the business of the employment agency by which the applicant shall be employed or of any other employment agency and if so the name and address of such agency or agencies as well as a description of such interest. The application shall also state whether or not the applicant is at the time of making application or has at any previous time been engaged or interested in or employed by an employment agency either in this state or any other and if so, when and where.

Subd. 3. **Requirements for license.** An applicant for an employment agency's license shall be a citizen of the United States or resident alien and shall be at least 18 years of age. An applicant for a counselor's license shall be at least 18 years of age.

Subd. 4. **Manager's license.** No employment agent's license shall be issued or a renewal thereof granted to a firm, partnership, corporation, or association unless all the members, shareholders, directors, or officers thereof who will actively engage in the business of the employment agent, shall have obtained an employment agency manager's license.

Subd. 5. **Prerequisites.** As a prerequisite to the granting of an employment agent's license to any firm, partnership, corporation, or association, an applicant therefor shall designate which of its members, shareholders, officers or directors are or shall be actively engaged in the business of the employment agency who, upon compliance with the terms of sections 184.21 to 184.40 shall, upon issuance of said employment agent's license, be entitled to perform all of the acts of an employment agent contemplated by sections 184.21 to 184.40.

Each such member, shareholder, director, or officer so designated, however, must make application for an employment agency manager's license, which application shall accompany the application for the employment agent's license for the firm, partnership, corporation, or association and be filed with the department at the same time as the application of the firm, partnership, corporation, or association for a license.

In the event any person becomes an active designated member, shareholder, officer, or director of a firm, partnership, corporation, or association after the issuance of an employment agent's license thereto, the person shall as a prerequisite to becoming such an active member, or shareholder, officer, or director procure an employment agency manager's license as herein provided.

### **184.27 TRANSFER OF LICENSE AND CONSENT TO OTHERS BECOMING CONNECTED WITH LICENSEE.**

No employment agent's license granted under the terms of sections 184.21 to 184.40 shall be transferable, except with the consent of the department. No employment agent shall permit any person not mentioned in the license to become connected with the business as a member, shareholder, officer, or director active in the conduct of the business of the employment agent unless the consent of the department shall first be obtained. Such consent may be withheld for any reason for which an original application for a license might have been rejected, if the person in question had been mentioned therein. If such consent is given, the names of the persons so becoming connected with the employment agency shall be endorsed upon the license and, if such license is renewed, shall be substituted for or added to the names of the persons originally mentioned therein.

### **184.28 EXAMINATION.**

Subdivision 1. **Manager's license exam; counselor's license exam.** Every applicant for an employment agency manager's license or a counselor's license shall, before the department issues a license, be required to take and successfully complete a written examination conducted by the department or its authorized representative of such nature and scope as will be sufficient in the judgment of the department to establish the competency of the applicant to operate and conduct an employment agency or to perform services as a counselor for such agency. The examination for a license to manage an employment agency shall be more exacting and shall require a higher standard of knowledge as to the fundamentals of operating an employment agency and of the law and rules pertaining thereto, than that for a counselor's license. No examination shall be required for the renewal of any license unless such license has theretofore been revoked or suspended. Provided, however, that any licensee having been licensed to conduct an employment agency or

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as a counselor in the state of Minnesota who shall fail to renew the license within 90 days after the date of expiration may be required by the department to again take an examination.

Subd. 2. **Exam time, place, and fee.** The department shall hold such examinations at such times and places as it shall determine. An examination fee of \$20 shall be paid by each applicant in addition to the license fee, which examination fee shall be retained by the department whether or not the applicant passes the examination. The examination fee shall be forfeited if the applicant does not take the examination within six months of the application date. The examination fee of \$20 shall cover the costs of preparing and printing the examinations and the cost of giving each person taking the examination a copy of the latest rules. Rules shall be kept on the premises readily available to the counselor, manager, or agent.

#### **184.29 FEES.**

Before a license is granted to an applicant, the applicant shall pay the following fee:

(a) An employment agent shall pay an annual license fee of \$250 for each license.  
(b) An applicant for a counselor's license shall pay a license fee of \$20 and a renewal fee of \$10.

(c) An applicant for an employment agency manager's license shall pay a license fee of \$20 and a renewal fee of \$10.

#### **184.30 BONDS.**

Subdivision 1. **Surety bond.** Every application for an employment agency's license must be accompanied by a surety bond approved by the department in the amount of \$10,000 for each location. The bond must be filed in the department and conditioned that the employment agency and each member, shareholder, director, or officer of a firm, partnership, corporation, or association operating as an employment agency will comply with the provisions of sections 184.21 to 184.40 and any contract made by the employment agent in the conduct of the business. A person damaged by a breach of any condition of the bond may bring an action on the bond, and successive actions may be maintained on it.

#### **184.32 DURATION OF LICENSE.**

Every license, unless previously revoked, shall remain in force until January immediately following the date of its issue, and every employment agent and counselor shall, upon the filing of a new application and upon payment of the amount of the license fee required and the filing of a new bond, and complying in all respects with the lawful requirements, have issued to it a license for the ensuing year, unless the department shall refuse to do so for any of the reasons stated in this chapter. Applications for the renewal of an agency license shall be in the office of the Department of Labor and Industry no later than 30 days prior to the expiration of the license and must be accompanied by the remittance prescribed by law, a bond filing fee, and a surety bond in the amount of \$10,000.

#### **184.33 ISSUANCE OR REFUSAL TO ISSUE; REVOCATION OR SUSPENSION.**

Subdivision 1. **License issuance, revocation, and suspension.** The department shall issue a license as an employment agent, employment agency manager or counselor to any person who qualifies for such license under the terms of sections 184.21 to 184.40. The department may refuse to issue an employment agency license whenever, after due investigation, the department finds that the character of the applicant makes the applicant unfit to be an employment agent, or when the premises for conducting the business of an employment agent is found upon investigation to be unfit for such use. No agency license shall be issued to any person, firm, corporation or association that has, within the past three years, been convicted in any court of fraud or felony. No license shall be issued to any attorney whose license to practice law has been suspended or revoked, for a period of three years after the date of such suspension or revocation. The department may refuse to issue a license to any person or may suspend or revoke the license of any employment agent, employment agency manager or counselor when it finds that any of the following conditions exist:

(1) that the employment agent or counselor has violated any condition of the bond required by sections 184.21 to 184.40;

(2) that the person, employment agent or counselor has personally engaged in a fraudulent, deceptive, or dishonest practice;

(3) that the person, employment agent or counselor has violated any provisions of sections 184.21 to 184.40;



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(4) that the person, employment agent or counselor has been legally adjudicated incompetent and has not been restored to capacity.

Subd. 2. **Application of other laws.** This section shall not be construed to relieve any person from civil liability or from criminal prosecution under sections 184.21 to 184.40 or under the laws of this state. A violation of this section shall be treated as a violation of section 325F.69.

### **184.34 PROCEDURE FOR SUSPENSION OR REVOCATION OF LICENSE.**

Subdivision 1. **Incompetency.** Upon the adjudication of incompetency, revocation shall be automatic and shall be permanent except that in the event of restoration to capacity a license may be reissued to such person on payment of all proper fees.

Subd. 2. **Statement of charges; right to hearing.** In all other cases the department may not refuse to issue a license or suspend or revoke a license under section 184.33 unless it furnishes the person, employment agent or counselor with a written statement of the charges and affords an opportunity to be heard on the charges. At least ten days' written notice of the date and time of the hearing shall be given. The notice shall be sent by certified mail to the address of the person as shown on the application for license or it may be served in the manner in which a summons is served in civil cases commenced in the district court.

Subd. 3. **Hearing.** At the time and place fixed for the hearing the department shall hold such hearing and thereafter make its order either dismissing the charges or refusing, suspending or revoking the license. At the hearing the accused shall have the right to appear personally and by counsel and to cross examine witnesses, and to produce evidence and witnesses in defense, and shall have the right to have witnesses subpoenaed, which subpoena shall be issued by the commissioner.

Subd. 4. **Record of hearing.** A stenographic record of all proceedings shall be made and a transcript of such proceedings shall be made if desired by the department or by the accused; provided, that the transcript shall be paid for by the party ordering the same.

### **184.35 APPEAL TO DISTRICT COURT.**

If the department refuses to grant a license, or suspends or revokes a license that has been granted, the applicant shall have the right of appeal to the district court of the county of the applicant's residence; and in the event the applicant is a nonresident of the state, then to the District Court for Ramsey County. Such court shall advance such causes on their calendars for early disposition; and in counties having continuous sessions of court, the same shall be heard within 20 days after such appeal shall have been perfected. Such appeal shall be perfected by the service of a written notice of appeal upon the commissioner within 60 days after notice to the applicant of the department's action.

### **184.36 PLACES OF BUSINESS.**

Subdivision 1. **Location.** No employment agent shall open, conduct, or maintain an employment agency at any other place than that specified in the license without first obtaining the consent of the department. Such consent may be withheld for any reason for which an original application might have been rejected, if such place has been mentioned therein. If such consent is given, it shall be endorsed upon the license and, if such license is renewed, such other place shall be substituted for the place originally named in the license. So long as any employment agent shall continue to act as such under a license the agent shall maintain and keep open an office or place of business at the place specified in the license.

Subd. 2. **Notice of agency change.** No counselor shall be employed by any employment agency other than that specified in the license without first notifying the department. When such notification is given, it shall be endorsed upon the license and, if such license is renewed, the name of such other employment agency shall be substituted for the place originally named in the license.

### **184.38 RULES GOVERNING AGENCIES.**

Subd. 2. **Posting requirement.** The agency license shall be hung in a conspicuous place in the office of the employment agency.

Subd. 16. **Change of address.** Every employment agent shall notify the department within ten days of any change in the address where such agent conducts business, and shall notify the department within ten days when the employment agent can no longer be reached at the last business address given to the department.

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Subd. 17. **Applicant information restrictions; agency shutdown requirements.** Except for applicant information given in the course of normal agency operations, no employment agent shall voluntarily sell, give, or otherwise transfer any files, records, or other information relating to its employment agency applicants and employers to any person other than a licensed employment agent or a person who agrees to obtain an employment agency license. Every employment agent who ceases to engage in the business of or act as an employment agent shall notify the department of such fact within 30 days thereof, and shall advise the department as to the disposition of all files and other records relating to its employment agency business.

**184.40 EXISTING AGENCIES, CONTINUATION.**

All employment agents and counselors who are actually engaged in or act as employment agents or counselors and all members, shareholders, officers, and directors of a firm, partnership, association, or corporation actively engaged in the business of an employment agency on the effective date of Laws 1967, chapter 884, shall be deemed to comply with the provisions of sections 184.21 to 184.40 provided they shall obtain a license as provided by sections 184.21 to 184.40 within a period of six months from the effective date of Laws 1967, chapter 884. All such employment agents and counselors and members, shareholders, officers, and directors of a firm, partnership, corporation, or association actively engaged in the business of an employment agency shall be entitled to a license within such six-month period without meeting the requirement of successfully taking and completing the examination provided for herein upon complying with all other provisions of sections 184.21 to 184.40; provided, however, that any employment agent licensed pursuant to Minnesota Statutes 1965, chapter 184, on the effective date of Laws 1967, chapter 884, shall receive a credit applicable to the license fee required to be paid by such employment agent hereunder in an amount equal to that portion of the license fee paid pursuant to Minnesota Statutes 1965, chapter 184, applicable to the unexpired portion of the year for which such fee was paid.

**609B.137 FRAUD OR FELONY CONVICTION; LICENSE REFUSAL, REVOCATION, OR SUSPENSION.**

Under section 184.33, no agency license shall be issued to any person, firm, corporation, or association that has, within the past three years, been convicted in any court of fraud or a felony.

**5200.0510 LICENSE REQUIREMENT.**

An employment agency license shall be obtained by any individual or entity whose agents physically operate in Minnesota as described in Minnesota Statutes, section 184.21, subdivision 2, irrespective of whether such operations are on a short-term or a transient basis.

**5200.0520 EXAMINATION BY DEPARTMENT.**

The department shall examine the recruitment, search, counseling, and/or placement activities of a business in order to determine whether an employment agent's license shall be obtained. After considering its findings and any recommendations of the Employment Agency Advisory Council, the department shall decide whether an employment agency license shall be required.

**5200.0530 LICENSE APPLICATION FORMS.**

Application for an employment agency license shall be on forms approved and supplied by the department. Bonds shall be on forms approved and supplied by the department.

**5200.0540 AGENCY NAME.**

Only one name may be used per agency license. This will not prohibit an agency from applying for more than one license per location. Each application must be accompanied by the appropriate bond and fees. A corporation may operate and do business only under its corporate name.

**5200.0550 AGENCY LICENSE.**

An agency shall not commence operations until a license has been formally issued by the department. Existing agencies applying for an additional license are not exempt from this provision.

**5200.0560 TEMPORARY HELP SERVICES.**

An organization that hires persons to work in temporary positions for employers who are clients of that organization is a temporary help service. If at any time a fee, other than liquidated damages due under an agreement between the service and the company, is charged by such organization for the permanent placement of individuals, then that organization is operating as a fee employment agency and shall be licensed as such.

**5200.0570 LICENSE ENDORSEMENT.**

An employment agent shall return to the department within five calendar days the license of any manager or counselor who leaves the employ of that agent. An employment agent requesting consent to change the name or address provided on the license shall return the license to the department for endorsement no less than ten calendar days prior to the requested date of change, along with a new bond or bond rider covering the change.

**5200.0750 DISPLAY OF LICENSES.**

Each manager or counselor license shall be displayed in a conspicuous place on or near the individual's desk.

**5200.0760 USE OF NAME OTHER THAN THAT ON LICENSE.**

No employment agency, manager, or counselor shall use any name in the conduct of business or advertising other than that name which appears on the license.