

Builders Association of Minnesota
2018 Minnesota Legislative Session
Proactive and Defensive Priorities

PROACTIVE AGENDA

APPRAISALS

Appraisal Board & Standards: Establish appraisal criteria that will recognize new construction and energy codes cost drivers, and modern techniques such as green building. Require appraisers to use similar new construction from real estate markets around the state when determining “comps” for new construction appraisals.

CODES

The Wisconsin Solution: Require legislative approval for all for any new code items that increase the cost of building a home by \$1000 or more.

Insurance: Require insurance adjusters to maintain competency in Minnesota’s construction codes AND require building officials to make insurance companies make repairs to current code.

INSPECTIONS & LICENSURE

Eliminate the Handyman Exception

Eliminate the One-Home Exception for Unlicensed Owners

Require Homeowners doing Own Work to be Responsible for Warranty Obligations.

Payment to Unlicensed Contractors: Unlicensed contractors are not eligible to be paid for work requiring a license AND unlicensed contractors must refund everything they were paid for such work.

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Unlicensed Contractor Litigation: Allow homeowners to sue unlicensed contractors to recover all compensation paid to the unlicensed contractor for performance of any work, including recovery of payments made in consideration for the land or promise of future services.

Prohibit Lenders from Issuing Mortgages for new and remodeled construction without verification that work is done by licensed contractor.

Prohibit Insurers from Selling general liability or workers compensation policies to residential contractors without verification that the residential contractor holds a valid license.

Penalties for Unlicensed Activities: Increase the penalty for unlicensed residential construction activity from misdemeanor to gross misdemeanor AND require DLI to issue mandatory minimum fines.

Code Enforcement: Public Health, Safety, and Welfare: Work with industry regulators to advance public health, wellness, and safety in non-code enforced areas by implementing enforcement tools requiring all new residential construction to be built by a licensed contractor and be subject to code inspections.

Options include:

- Remove all LGU opt-out provisions for adoption / inspection of code.
- Mandatory building permits regardless of LGU
- Non-code enforced areas are subject to state inspection:
 - State inspectors, municipal inspectors via joint powers agreement, private inspection services through state RFP

Sunset Licensure: Repeal licensure and pre-empt local government licensure if regulators and industry are unable to create reliable, meaningful, statewide enforcement of code and licensure.

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WORKFORCE DEVELOPMENT

Construction Career Counseling: Require career counseling to incorporate specific career pathways information regarding opportunities within the construction industry and skill trades.

Employment of Minors. Work with Department of Labor to provide opportunities for younger workers to find employment on construction sites with a particular eye to allowing high school students the ability to hold summer jobs on site in the residential construction industry.

WORKFORCE HOUSING

Market Rate Workforce Housing Development: Work with legislative and agency stakeholders to increase development of market-rate workforce housing in key areas statewide.

WARRANTIES, LIABILITY & CONTRACTS

Warranties: Conform one and two year warranties to the same claim timeframe as ten year warranties by requiring actions based on breach of the statutory or express written warranties to within two years of the discovery of the breach (current law) or within two years of the end of the period for which the warranty explicitly extends, whichever is earlier.

ANTICIPATED MITIGATION & DEFENSE

Attorney's Fees: Oppose efforts to provide attorney's fees to litigious homeowners, but not for prevailing builders.

Codes to DPS: Manage attempts to shift fire code adoption from Department of Labor & Industry to Department of Public Safety

Indemnification: Manage attempts to change indemnification laws that could harm ability for residential contractors to secure general liability insurance

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Retainage: Work with stakeholders to ensure retainage does not interfere with residential building contracts.

P.A.C.E: Ensure licensure of private energy investment organizations doing residential renovation for energy efficiency or other resource conservation work where public resources or public assessments are used to fund the work.

“Stretch” Codes: Stop state agencies from implementing prohibitively costly patchwork stretch energy codes, such as MN’s Sustainable Building 2030, which would make it easier to apply aggressive building energy codes to an increasing share of buildings statewide, *including residential*.