

# 2019 MINNESOTA LEGISLATIVE SESSION

## BUILDERS ASSOCIATION OF MINNESOTA

### Proactive and Defensive Priorities

#### PROACTIVE AGENDA

##### CODES

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

**Codes:** Seek legislation to pre-empt any efforts to put a sprinkler mandate into future State Building Codes.

##### LICENSURE & ENFORCEMENT

**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.

**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: *As a last resort*,** repeal licensure and pre-empt local government licensure if regulators and industry are unable to create reliable, meaningful, statewide enforcement of code and licensure.

### **WORKFORCE DEVELOPMENT**

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

**Youth Apprenticeships.** 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, agency, and non-profit stakeholders to increase development of market-rate workforce housing including new development tools such as a tax credit contribution fund, while defending against ideas such as inclusionary housing and rent controls.

## **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.

**Contractor Recovery Fund:** **Defend the Contractor Recovery Fund from being used to correct problems caused by unlicensed contractors or to balance budgets.**

**Inclusionary Housing:** Defend against cross-subsidies and other inclusionary housing policies that harm the middle market and make market-rate housing artificially more expensive.

**Indemnification & Retainage:** Manage attempts to shift fire code adoption from Department of Labor & Industry to Department of Public Safety and work with stakeholders to ensure retainage does not interfere with residential building contracts.

**PTO & Scheduling:** Work with our business partners to manage initiatives to mandate PTO and advanced scheduling.

**"Stretch" Codes:** Stop state agencies and local governments from implementing prohibitively costly patchwork stretch energy codes, such as MN's Sustainable Building 2030 that would make it easier to apply aggressive building energy codes to an increasing share of buildings statewide, *including residential construction*.