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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 1131

02/01/2023 Authored by Lee, F.; Reyer; Xiong and Hansen, R., The bill was read for the first time and referred to the Committee on State and Local Government Finance and Policy

1.1 A bill for an act
1.2 relating to capital investment; amending nonstate funding and capital project
1.3 submission requirements for projects requesting state assistance; amending
1.4 Minnesota Statutes 2022, sections 16A.502; 16A.86, subdivision 3a; repealing
1.5 Minnesota Statutes 2022, section 16A.86, subdivision 4.

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

1.7 Section 1. Minnesota Statutes 2022, section 16A.502, is amended to read:

1.8 16A.502 NONSTATE COMMITMENTS TO CAPITAL PROJECTS.

1.9 (a) The state share of a capital project for which state assistance is requested by a political
1.10 subdivision is intended to fund no more than half the total cost of the project.

1.11 (b) If a state appropriation or grant for a capital project or project phase is not sufficient,
1.12 by itself, to complete the project or project phase, and thus requires a commitment from
1.13 other sources:

1.14 (1) the commitment, including any required match, must be in an amount that, when
1.15 added to the appropriation or grant, is sufficient to complete the project or project phase;
1.16 and

1.17 (2) the appropriation or grant is not available until the commissioner has determined
1.18 that the commitment is sufficient.

1.19 (c) In making the determination, the commissioner must apply generally accepted
1.20 governmental accounting standards and principles, including those that are particularly
1.21 applicable to capital projects.

1.22 EFFECTIVE DATE. This section is effective the day following final enactment.

2.1 Sec. 2. Minnesota Statutes 2022, section 16A.86, subdivision 3a, is amended to read:

2.2 Subd. 3a. **Information provided.** All requests for state assistance under this section
2.3 must include the following information:

2.4 (1) the name of the political subdivision that will own the capital project for which state
2.5 assistance is being requested;

2.6 (2) the public purpose of the project;

2.7 (3) the ~~extent to~~ percentage of funding necessary to complete the capital project or project
2.8 phase for which the political subdivision has ~~or expects to provide~~ secured local, private,
2.9 user financing, or other nonstate funding for the project;

2.10 (4) a list of the bondable activities that the project encompasses; examples of bondable
2.11 activities are public improvements of a capital nature for land acquisition, predesign, design,
2.12 construction, and furnishing and equipping for occupancy;

2.13 (5) whether the project will require new or additional state operating subsidies;

2.14 (6) whether the governing body of the political subdivision requesting the project has
2.15 passed a resolution in support of the project and has established priorities for all projects
2.16 within its jurisdiction for which bonding appropriations are requested when submitting
2.17 multiple requests;

2.18 (7) if the project requires a predesign under section 16B.335, whether the predesign has
2.19 been completed at the time the capital project request is submitted, and whether the political
2.20 subdivision has submitted the project predesign to the commissioner of administration for
2.21 review and approval; and

2.22 (8) if applicable, the information required under section 473.4485, subdivision 1a.

2.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.24 Sec. 3. **REPEALER.**

2.25 Minnesota Statutes 2022, section 16A.86, subdivision 4, is repealed.

2.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

16A.86 CAPITAL PROJECT GRANTS TO POLITICAL SUBDIVISIONS.

Subd. 4. **Funding.** (a) The state share of a project covered by this section must be no more than half the total cost of the project, including predesign, design, construction, furnishings, and equipment, except as provided in paragraph (b) or (c). This subdivision does not apply to a project proposed by a school district or other school organization.

(b) The state share may be more than half the total cost of a project if the project is deemed needed as a result of a disaster or to prevent a disaster or is located in a political subdivision with a very low average net tax capacity.

(c) Nothing in this section prevents the governor from recommending, or the legislature from considering or funding, projects that do not meet the deadline in subdivision 2 or a state share that is greater than half the total cost of the project when the governor or the legislature determines that there is a compelling reason for the recommendation or funding.