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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 4227

03/09/2020 Authored by Gruenhagen The bill was read for the first time and referred to the Capital Investment Division

1.1 A bill for an act
1.2 relating to capital investment; establishing procedures for determining a compelling
1.3 reason to waive or modify the nonstate match requirement for funding a project
1.4 with bond proceeds; amending Minnesota Statutes 2018, section 16A.86,
1.5 subdivisions 2, 4.

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

1.7 Section 1. Minnesota Statutes 2018, section 16A.86, subdivision 2, is amended to read:

1.8 Subd. 2. Budget request. A political subdivision that requests an appropriation of state
1.9 money for a local capital improvement project is encouraged to submit the request to the
1.10 commissioner of management and budget by July 15 of an odd-numbered year to ensure
1.11 its full consideration. The requests must be submitted in the form and with the supporting
1.12 documentation required by the commissioner of management and budget. All requests
1.13 timely received by the commissioner must be submitted to the legislature, along with the
1.14 governor's recommendations, whether or not the governor recommends that a request be
1.15 funded, by the deadline established in section 16A.11, subdivision 1. A political subdivision
1.16 that requests state funding of more than half the total cost of the project must describe how
1.17 the project meets the criteria specified in section 16A.86, subdivision 4, paragraph (c).

1.18 Sec. 2. Minnesota Statutes 2018, section 16A.86, subdivision 4, is amended to read:

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

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

2.4 (c) Nothing in this section prevents the governor from recommending, or the legislature  
2.5 from considering or funding, projects that do not meet the deadline in subdivision 2 or a  
2.6 state share that is greater than half the total cost of the project when the governor or the  
2.7 legislature determines that there is a compelling reason for the recommendation or funding,  
2.8 through consideration of the following criteria:

2.9 (1) the value of the project, as evidenced by the following criteria:

2.10 (i) the regional or statewide significance of the project;

2.11 (ii) effectiveness of the proposed project to resolve an infrastructure need;

2.12 (iii) the number of people who will be positively impacted by the project;

2.13 (iv) the project's contribution to other local, regional, or state economic development or  
2.14 redevelopment efforts;

2.15 (v) whether the project is required by state or federal law;

2.16 (vi) the ability of the political subdivision to adequately provide for the safe operation  
2.17 and maintenance of the facility upon project completion;

2.18 (vii) the degree to which the project is expected to result in or will attract substantial  
2.19 public and private capital investment and provide substantial economic benefit to the county  
2.20 or city in which the project would be located;

2.21 (viii) whether the project is relocating substantially the same operation from another  
2.22 location in the state unless the project cannot be reasonably accommodated within the county  
2.23 or city in which the business is currently located, or the business would otherwise relocate  
2.24 to another state; and

2.25 (ix) the number of full-time jobs that the project will create or retain; and

2.26 (2) the financial need for state funding of more than half, as evidenced by the following  
2.27 criteria:

2.28 (i) financial hardship on people who would be required to pay the nonstate share of the  
2.29 project cost;

2.30 (ii) debt carried by and debt capacity of the political subdivision;

3.1 (iii) the degree to which the political subdivision has exercised the local option sales  
3.2 tax; and

3.3 (iv) the foreseeability of the need for the project and the efforts that the political  
3.4 subdivision has made to save or raise money to pay for the project, including soliciting  
3.5 contributions from other political subdivisions that benefit from the project.

3.6 (d) Amounts received by a political subdivision from the state through any transfer,  
3.7 grant, aid, apportionment, allotment, for any purpose, and that are committed to the project,  
3.8 must count toward the state share under this section.