

**SENATE  
STATE OF MINNESOTA  
NINETY-THIRD SESSION**

**S.F. No. 263**

(SENATE AUTHORS: GREEN)

DATE  
01/12/2023

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Introduction and first reading  
Referred to Environment, Climate, and Legacy

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to legacy; prohibiting payment of certain indirect costs from legacy funds;  
1.3 amending Minnesota Statutes 2022, sections 16A.127, subdivision 8; 85.53, by  
1.4 adding a subdivision; 97A.056, by adding a subdivision; 114D.50, by adding a  
1.5 subdivision; 129D.17, by adding a subdivision.

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

1.7 Section 1. Minnesota Statutes 2022, section 16A.127, subdivision 8, is amended to read:

1.8 Subd. 8. **Exemptions.** (a) No statewide or agency indirect cost liability shall be accrued  
1.9 to any program, appropriation, or account that is specifically exempted from the liability in  
1.10 federal or state law, or if the commissioner determines the funds to be held in trust, or to  
1.11 be a pass-through, workshop, or seminar account. Accounts receiving proceeds from bond  
1.12 issues and general fund accounts are also exempt from this section.

1.13 (b) Except for the costs of the legislative auditor to conduct financial audits of federal  
1.14 funds, this section does not apply to the Board of Trustees of the Minnesota State Colleges  
1.15 and Universities. Receipts attributable to financial audits conducted by the legislative auditor  
1.16 of federal funds administered by the board shall be deposited in the general fund.

1.17 (c) The commissioner must not use this section to obtain money appropriated from the  
1.18 outdoor heritage, clean water, parks and trails, or arts and cultural heritage fund to pay for  
1.19 statewide or agency indirect costs.

2.1 Sec. 2. Minnesota Statutes 2022, section 85.53, is amended by adding a subdivision to  
2.2 read:

2.3 Subd. 7. **Overhead costs.** Notwithstanding any law, policy, or guidance to the contrary,  
2.4 a recipient of money from the parks and trails fund must not use the money to pay for rent,  
2.5 lease payments, insurance, utilities, custodial services, building maintenance, or another  
2.6 overhead cost unless the recipient has documented the amount that specific overhead costs  
2.7 increased as a direct and necessary result of the recipient's responsibility to administer a  
2.8 program, project, or activity paid for with money from the parks and trails fund. The amount  
2.9 of money from the fund the recipient may use to pay for that specific overhead cost must  
2.10 not exceed the amount the recipient documented as the increase in the cost.

2.11 Sec. 3. Minnesota Statutes 2022, section 97A.056, is amended by adding a subdivision to  
2.12 read:

2.13 Subd. 25. **Overhead costs.** Notwithstanding any law, policy, or guidance to the contrary,  
2.14 a recipient of money from the outdoor heritage fund must not use the money to pay for rent,  
2.15 lease payments, insurance, utilities, custodial services, building maintenance, or another  
2.16 overhead cost unless the recipient has documented the amount that specific overhead costs  
2.17 increased as a direct and necessary result of the recipient's responsibility to administer a  
2.18 program, project, or activity paid for with money from the outdoor heritage fund. The amount  
2.19 of money from the fund the recipient may use to pay for that specific overhead cost must  
2.20 not exceed the amount the recipient documented as the increase in the cost.

2.21 Sec. 4. Minnesota Statutes 2022, section 114D.50, is amended by adding a subdivision to  
2.22 read:

2.23 Subd. 8. **Overhead costs.** Notwithstanding any law, policy, or guidance to the contrary,  
2.24 a recipient of money from the clean water fund must not use the money to pay for rent, lease  
2.25 payments, insurance, utilities, custodial services, building maintenance, or another overhead  
2.26 cost unless the recipient has documented the amount that specific overhead costs increased  
2.27 as a direct and necessary result of the recipient's responsibility to administer a program,  
2.28 project, or activity paid for with money from the clean water fund. The amount of money  
2.29 from the fund the recipient may use to pay for that specific overhead cost must not exceed  
2.30 the amount the recipient documented as the increase in the cost.

3.1 Sec. 5. Minnesota Statutes 2022, section 129D.17, is amended by adding a subdivision to  
3.2 read:

3.3 Subd. 6. **Overhead costs.** Notwithstanding any law, policy, or guidance to the contrary,  
3.4 a recipient of money from the arts and cultural heritage fund must not use the money to pay  
3.5 for rent, lease payments, insurance, utilities, custodial services, building maintenance, or  
3.6 another overhead cost unless the recipient has documented the amount that specific overhead  
3.7 costs increased as a direct and necessary result of the recipient's responsibility to administer  
3.8 a program, project, or activity paid for with money from the arts and cultural heritage fund.  
3.9 The amount of money from the fund the recipient may use to pay for that specific overhead  
3.10 cost must not exceed the amount the recipient documented as the increase in the cost.