SENATE

STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 1550

1.1   A bill for an act

1.2   relating to capital investment; requiring the withholding of certain grant funds for
1.3   capital projects before receipt of an approval of compliance with sustainable
1.4   building guidelines; requiring the adjustment of certain capital project construction
1.5   cost thresholds by the commissioner of administration; appropriating money for
1.6   sustainable building guideline education; amending Minnesota Statutes 2022,
1.7   sections 16B.325, by adding a subdivision; 16B.335, subdivision 1.

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

1.9   Section 1. Minnesota Statutes 2022, section 16B.325, is amended by adding a subdivision

1.10   to read:

1.11   Subd. 5. **Grant agreements; sustainable building 2030 certification.** A grant agreement

1.12   must specify that no funds for phases of a capital project beyond final design may be

1.13   disbursed until the grantee receives an approval from the Center for Sustainable Building

1.14   Research at the University of Minnesota stating that the capital project design complies

1.15   with sustainable building design guidelines under this section.

1.16   Sec. 2. Minnesota Statutes 2022, section 16B.335, subdivision 1, is amended to read:

1.17   Subdivision 1. **Construction and major remodeling.** (a) The commissioner, or any

1.18   other recipient to whom an appropriation is made to acquire or better public lands or buildings

1.19   or other public improvements of a capital nature, must not prepare final plans and

1.20   specifications for any construction, major remodeling, or land acquisition in anticipation

1.21   of which the appropriation was made until the agency that will use the project has presented

1.22   the program plan and cost estimates for all elements necessary to complete the project to

1.23   the chair of the senate Finance Committee and the chair of the house of representatives

1.24   Ways and Means Committee and the chairs have made their recommendations, and the

2.1   chair and ranking minority member of the senate Capital Investment Committee and the

2.2   chair and ranking minority member of the house of representatives Capital Investment

2.3   Committee are notified. "Construction or major remodeling" means construction of a new

2.4   building, a substantial addition to an existing building, or a substantial change to the interior

2.5   configuration of an existing building. The presentation must note any significant changes

2.6   in the work that will be done, or in its cost, since the appropriation for the project was

2.7   enacted or from the predesign submittal. The program plans and estimates must be presented

2.8   for review at least two weeks before a recommendation is needed. The recommendations

2.9   are advisory only. Failure or refusal to make a recommendation is considered a negative

2.10   recommendation. The chairs and ranking minority members of the senate Finance and

2.11   Capital Investment Committees and the house of representatives Capital Investment and

2.12   Ways and Means Committees must also be notified whenever there is a substantial change

2.13   in a construction or major remodeling project, or in its cost.

2.14   (b) Capital projects exempt from the requirements of this subdivision include demolition

2.15   or decommissioning of state assets, hazardous material projects, utility infrastructure projects,

2.16   environmental testing, parking lots, parking structures, ~~park and ride facilities,~~ bus rapid

2.17   transit stations, light rail lines, passenger rail projects, freight rail projects, exterior lighting,

2.18   fencing, highway rest areas, truck stations, storage facilities not consisting primarily of

2.19   offices or heated work areas, roads, bridges, trails, pathways, campgrounds, athletic fields,

2.20   dams, floodwater retention systems, water access sites, harbors, sewer separation projects,

2.21   ~~water and wastewater facilities,~~ port development projects for which the commissioner of

2.22   transportation has entered into an assistance agreement under section 457A.04, ~~ice centers,~~

2.23   a local government project with a construction cost of less than $1,500,000, or any other

2.24   capital project with a construction cost of less than $750,000.

2.25   (c) Notwithstanding the exemption from the requirements of this subdivision under

2.26   paragraph (b), a grantee of state funds for a local government project with a construction

2.27   cost of less than $1,500,000 and any other capital project with a construction cost of less

2.28   than $750,000 must hire a qualified cost-estimating professional as a part of the project

2.29   planning process.

2.30   (d) No later than December 31 of every fifth year starting in 2025, the commissioner

2.31   shall determine the percentage increase in the rate of inflation, as measured by the means

2.32   quarterly construction cost index, during the four-year period preceding that year. The

2.33   construction cost thresholds in paragraphs (b) and (c) for exemption of local government

2.34   projects and other capital projects from the requirements under this subdivision shall be

3.1   increased by the percentage calculated by the commissioner to the nearest ten-thousandth

3.2   dollar.

3.3   Sec. 3. **APPROPRIATION; CENTER FOR SUSTAINABLE BUILDING**

3.4   **RESEARCH.**

3.5 $....... in fiscal year 2024 is appropriated from the general fund to the Board of Regents

3.6   of the University of Minnesota to fund outreach and education efforts by the Center for

3.7   Sustainable Building Research to inform local governments and other grantees of state funds

3.8   for capital projects subject to the requirements under Minnesota Statutes, section 16B.335,

3.9   subdivision 1, about planning for and compliance with sustainable building design guidelines.