CHAPTER 16B

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16B.001 MS 2006 [Renumbered 15.001]

ORGANIZATION

16B.01 DEFINITIONS.

Subdivision 1. **Applicability.** For purposes of this chapter, the following terms have the meanings given them, unless the context clearly indicates otherwise.

Subd. 2. **Agency.** "Agency" means any state officer, employee, board, commission, authority, department, or other agency of the executive branch of state government. Unless specifically provided elsewhere in this chapter, agency does not include the Minnesota State Colleges and Universities.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of administration.

Subd. 4. [Repealed, 2014 c 196 art 1 s 6]

Subd. 5. [Repealed, 2014 c 196 art 1 s 6]

Subd. 6. **Utility services.** "Utility services" includes telephone, postal, electric light, and power service, and all other services required for the maintenance, operation, and upkeep of buildings and offices.

History: *1984 c 544 s 6; 1994 c 632 art 3 s 28; 1996 c 398 s 3; 2014 c 196 art 1 s 1*

16B.02 DEPARTMENT OF ADMINISTRATION.

The Department of Administration is under the supervision and control of the commissioner of administration, who is appointed by the governor under section 15.06.

History: *1984 c 544 s 7*

16B.03 APPOINTMENTS.

The commissioner is authorized to appoint staff, including two deputy commissioners, in accordance with chapter 43A.

History: *1984 c 544 s 8; 1999 c 250 art 1 s 53*

16B.04 AUTHORITY.

Subdivision 1. **Rulemaking authority.** Subject to chapter 14, the commissioner may adopt, amend, and rescind rules relating to any purpose, responsibility, or authorization in this chapter. Rules adopted must comply with any provisions in this chapter which specify or restrict the adoption of particular rules.

Subd. 2. **Powers and duties, generally.** Subject to other provisions of this chapter, the commissioner is authorized to:

(1) supervise, control, review, and approve all state contracts and purchasing;

(2) provide agencies with supplies and equipment;

(3) investigate and study the management and organization of agencies, and reorganize them when necessary to ensure their effective and efficient operation;

(4) manage and control state property, real and personal;

(5) maintain and operate all state buildings, as described in section 16B.24, subdivision 1;

(6) supervise, control, review, and approve all capital improvements to state buildings and the Capitol building and grounds;

(7) provide central mail facilities;

(8) oversee publication of official documents and provide for their sale;

(9) manage and operate parking facilities for state employees and an enterprise fleet for travel on state business;

(10) provide rental space within the Capitol complex for a private day care center for children of state employees. The commissioner shall contract for services as provided in this chapter;

(11) settle state employee workers' compensation claims;

(12) purchase, accept, transfer, warehouse, sell, distribute, or dispose of surplus property in accordance with state and federal rules and regulations. The commissioner may charge a fee to cover any expenses incurred in connection with any of these acts; and

(13) provide and manage a central distribution center for federal and state surplus personal property, as defined in section 16B.2975, and may provide and manage a warehouse facility.

Subd. 3. **Delegation from governor.** The governor, unless otherwise provided by law, may delegate to the commissioner the administration of programs and projects of the Office of the Governor directed by either state or federal law, or which may be made available to the state under a grant of funds either public or private. Unless specifically prohibited by law, the governor may delegate to the commissioner general supervision of any program or activity of any agency the head of which is either appointed by the governor or by a gubernatorially appointed board. The provisions of this subdivision shall not be construed as authority to transfer programs or activities, or part of them, from one department to another.

Subd. 4. **Mission; efficiency.** It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

(1) prevent the waste of public money;

(2) use innovative fiscal and human resource practices;

(3) coordinate the department's activities with other governmental agencies;

(4) use technology to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;

(5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;

(6) report to the legislature the agency's biennial budget according to section 16A.10, subdivision 1; and

(7) recommend to the legislature changes in law necessary to carry out the mission and improve the performance of the department.

History: *1984 c 485 s 1; 1984 c 544 s 9; 1984 c 655 art 2 s 13 subd 1; 1995 c 248 art 11 s 2; 1998 c 359 s 2; 1998 c 366 s 26; 2005 c 156 art 5 s 3; 2007 c 140 art 4 s 1; 2008 c 204 s 5; 2010 c 215 art 12 s 25; 2014 c 196 art 1 s 2,3; art 2 s 15; 2021 c 31 art 1 s 26*

16B.05 DELEGATION BY COMMISSIONER.

Subdivision 1. **Delegation of duties by commissioner.** The commissioner may delegate duties imposed by this chapter to the head of an agency and to any subordinates of the head. Delegated duties are to be exercised in the name of the commissioner and under the commissioner's supervision and control.

Subd. 2. **Facsimile or digital signatures and electronic approvals.** When authorized by the commissioner, facsimile signatures, electronic approvals, or digital signatures may be used in accordance with the commissioner's delegated authority and instructions. Copies of the delegated authority and instructions must be filed with the commissioner of management and budget and the secretary of state. A facsimile signature, electronic approval, or digital signature, when used in accordance with the commissioner's delegated authority and instructions, is as effective as an original signature.

History: *1984 c 544 s 10; 1986 c 444; 1994 c 632 art 3 s 29; 1997 c 202 art 3 s 1; 2003 c 112 art 2 s 50; 2009 c 101 art 2 s 109*

16B.052 AUTHORITY TO TRANSFER FUNDS.

The commissioner may, with the approval of the commissioner of management and budget, transfer from an internal service or enterprise fund account to another internal service or enterprise fund account, any contributed capital appropriated by the legislature. The transfer may be made only to provide working capital or positive cash flow in the account to which the money is transferred. The commissioner shall report the amount and purpose of the transfer to the chair of the committee or division in the senate and house of representatives with primary jurisdiction over the budget of the Department of Administration. The transfer must be repaid within 18 months.

History: *1988 c 613 s 3; 2000 c 488 art 12 s 14; 2009 c 101 art 2 s 109*

16B.053 GRANTS.

The commissioner may apply for, receive, and expend money made available from federal or other sources for the purposes of carrying out the duties and responsibilities of the commissioner under sections 16B.054 and 16B.055.

All moneys received by the commissioner under sections 16B.054 and 16B.055 must be deposited in the state treasury and are appropriated to the commissioner for the purpose for which the moneys are received. The money does not cancel and is available until expended.

History: *1998 c 359 s 3*

16B.054 DEVELOPMENTAL DISABILITIES.

The Department of Administration is designated as the responsible agency to assist the Minnesota Governor's Council on Developmental Disabilities in carrying out all responsibilities under the Developmental

Disabilities Assistance and Bill of Rights Act of 2000, also known as United States Code, title 42, sections 15001 to 15115, and Public Law 106-402 (October 30, 2000, 106th Congress), as well as those responsibilities relating to the program which are not delegated to the council. Public members of the council shall be compensated and reimbursed for expenses as provided in section 15.059, subdivision 3.

History: *1998 c 359 s 4; 1Sp2003 c 8 art 1 s 1; 2019 c 53 s 1*

16B.055 LEAD AGENCY.

Subdivision 1. **Federal Assistive Technology Act.** (a) The Department of Administration is designated as the lead agency to carry out all the responsibilities under the 21st Century Assistive Technology Act, as provided by Public Law 117-263. The Minnesota Assistive Technology Advisory Council is established to fulfill the responsibilities required by the 21st Century Assistive Technology Act, as provided by Public Law 117-263. Because the existence of this council is required by federal law, this council does not expire.

(b) Except as provided in paragraph (c), the governor shall appoint the membership of the council as required by the 21st Century Assistive Technology Act, as provided by Public Law 117-263. After the governor has completed the appointments required by this subdivision, the commissioner of administration, or the commissioner's designee, shall convene the first meeting of the council following the appointments. Members shall serve two-year terms commencing July 1 of each odd-numbered year, and receive the compensation specified by the 21st Century Assistive Technology Act, as provided by Public Law 117-263. The members of the council shall select their chair at the first meeting following their appointment.

(c) After consulting with the appropriate commissioner, the commissioner of administration shall appoint a representative from:

(1) State Services for the Blind who has assistive technology expertise;

(2) vocational rehabilitation services who has assistive technology expertise;

(3) the Workforce Development Board;

(4) the Department of Education who has assistive technology expertise; and

(5) the Board on Aging.

Subd. 2. [Repealed, 2007 c 133 art 2 s 13]

Subd. 3. [Repealed, 2007 c 133 art 2 s 13]

History: *1998 c 359 s 5; 1999 c 250 art 1 s 114; 2001 c 162 s 2; 2007 c 133 art 2 s 1; 2014 c 286 art 8 s 3; 1Sp2017 c 4 art 2 s 20; 2018 c 182 art 1 s 108; 2025 c 39 art 2 s 33*

16B.06 [Repealed, 1998 c 386 art 1 s 35]

16B.07 [Repealed, 1998 c 386 art 1 s 35]

16B.08 [Repealed, 1998 c 386 art 1 s 35]

16B.089 [Renumbered 16B.189]

16B.09 [Repealed, 1998 c 386 art 1 s 35]

16B.10 [Repealed, 1984 c 544 s 88]

16B.101 [Repealed, 1998 c 386 art 1 s 35]

16B.102 [Repealed, 1998 c 386 art 1 s 35]

16B.103 [Repealed, 1998 c 386 art 1 s 35]

16B.104 [Renumbered 16C.145]

16B.11 [Repealed, 1984 c 544 s 88]

16B.12 [Repealed, 1984 c 544 s 88]

16B.121 MS 2012 [Renumbered 16C.0725]

16B.122 MS 2012 [Renumbered 16C.073]

16B.123 [Repealed, 1998 c 386 art 1 s 35]

16B.124 MS 2012 [Renumbered 16C.074]

16B.125 [Repealed, 1991 c 337 s 90]

16B.126 MS 2012 [Renumbered 16C.0745]

16B.13 [Repealed, 1998 c 386 art 1 s 35]

16B.14 [Repealed, 1998 c 386 art 1 s 35]

16B.15 [Repealed, 1998 c 386 art 1 s 35]

16B.16 [Repealed, 1998 c 386 art 1 s 35]

16B.165 [Repealed, 1999 c 135 s 10]

16B.167 [Repealed, 1998 c 386 art 1 s 35]

16B.17 [Repealed, 1998 c 386 art 1 s 35]

16B.171 [Renumbered 16C.081]

16B.175 [Repealed, 1998 c 386 art 1 s 35]

16B.18 [Repealed, 1998 c 386 art 1 s 35]

16B.181 MS 2012 [Renumbered 16C.151]

16B.185 [Repealed, 1998 c 386 art 1 s 35]

16B.189 [Repealed, 1990 c 541 s 31]

16B.19 [Repealed, 1998 c 386 art 1 s 35]

16B.20 [Repealed, 1998 c 386 art 1 s 35]

16B.21 [Repealed, 1998 c 386 art 1 s 35]

16B.22 [Repealed, 1998 c 386 art 1 s 35]

16B.226 [Repealed, 1998 c 386 art 1 s 35]

16B.227 [Repealed, 1998 c 386 art 1 s 35]

16B.23 [Repealed, 1998 c 386 art 1 s 35]

MANAGEMENT OF STATE PROPERTY

16B.24 GENERAL AUTHORITY.

Subdivision 1. **Operation and maintenance of buildings.** The commissioner is authorized to maintain and operate the State Capitol building and grounds, subject to whatever standards and policies are set for its appearance and cleanliness by the Capitol Area Architectural and Planning Board and the commissioner under section 15B.15, subdivision 2, and all other buildings, cafeterias, and grounds in state-owned buildings in the Capitol Area under section 15B.02, the state Department of Public Safety, Bureau of Criminal Apprehension building in St. Paul, 603 Pine Street building in St. Paul, Fleet and Surplus Services building in Arden Hills, Ely Revenue building, any other properties acquired by the Department of Administration, and, when the commissioner considers it advisable and practicable, any other building or premises owned or rented by the state for the use of a state agency. The commissioner shall assign and reassign office space in the Capitol and state buildings to make an equitable division of available space among agencies. The commissioner shall regularly update the long-range strategic plan for locating agencies and shall follow the plan in assigning and reassigning space to agencies. The plan must include locational and urban design criteria, a cost-analysis method to be used in weighing state ownership against leasing of space in specific instances, and a transportation management plan. If the commissioner determines that a deviation from the plan is necessary or desirable in a specific instance, the commissioner shall provide the legislature with a timely written explanation of the reasons for the deviation. The power granted in this subdivision does not apply to state hospitals or to educational, penal, correctional, or other institutions not enumerated in this subdivision the control of which is vested by law in some other agency.

Subd. 2. **Repairs.** The commissioner shall supervise and control the making of necessary repairs to all state buildings and structures, except:

(1) structures, other than buildings, under the control of the state Transportation Department; and

(2) buildings and structures under the control of the Board of Trustees of the Minnesota State Colleges and Universities.

All repairs to the public and ceremonial areas and the exterior of the State Capitol building shall be carried out subject to the standards and policies of the Capitol Area Architectural and Planning Board and the commissioner of administration adopted pursuant to section 15B.15, subdivision 2.

Subd. 3. **Disposal of old buildings.** (a) Upon request from the head of an agency with control of a state-owned building with an estimated market value of less than $50,000, as determined by the commissioner, the commissioner may sell, demolish, or otherwise dispose of the building if the commissioner determines that the building is no longer used or is a fire or safety hazard.

(b) Upon request of the head of an agency with control of a state-owned building with an estimated market value of $50,000 or more, as determined by the commissioner, the commissioner may sell, demolish, or otherwise dispose of the building after determining that the building is no longer used or is a fire or safety hazard and obtaining approval of the chairs of the senate Finance Committee and house of representatives Ways and Means Committee.

(c) In the event a sale is made under this subdivision, the proceeds shall be deposited in the account provided by law. If there is no requirement in law specifying how proceeds must be deposited other than section 16A.72, the proceeds must be deposited in the account from which the appropriation to acquire or construct the building was made. If the account from which the appropriation was made cannot be identified or has been terminated, the proceeds shall be deposited in the general fund.

Subd. 3a. **Sale of real property.** By February 1 of each year, the commissioner shall report to the chairs of the senate Committee on Finance and the house of representatives Committees on Ways and Means and Capital Investment all sales or other transfers of real property owned by the state that have taken place in the preceding calendar year. The report shall include a description of the property, reason for the sale, the name of the buyer, and the price for which the property was sold. Sales of easements need not be included. This subdivision does not apply to real property held by the Department of Natural Resources, the Department of Transportation, or the Board of Water and Soil Resources, except for real property that has been used for office space by any of those agencies. This subdivision does not apply to property owned by the Board of Trustees of the Minnesota State Colleges and Universities or the University of Minnesota.

Subd. 4. **Inspections; appraisals; inventories.** The commissioner shall provide for the periodic inspection and appraisal of all state property, real and personal, and for current and perpetual inventories of all state property. The commissioner shall require agencies to make reports of the real and personal property in their custody at the intervals and in the form the commissioner considers necessary.

Subd. 5. **Renting out state property.** (a) **Authority.** The commissioner may rent out state property, real or personal, that is not needed for public use, if the rental is not otherwise provided for or prohibited by law. The property may not be rented out for more than five years at a time without the approval of the State Executive Council and may never be rented out for more than 25 years. A rental agreement may provide that the state will reimburse a tenant for a portion of capital improvements that the tenant makes to state real property if the state does not permit the tenant to renew the lease at the end of the rental agreement.

(b) **Restrictions.** Paragraph (a) does not apply to state trust fund lands, other state lands under the jurisdiction of the Department of Natural Resources, lands forfeited for delinquent taxes, or lands acquired under section 298.22.

(c) **Rental of living accommodations.** The commissioner shall establish rental rates for all living accommodations provided by the state for its employees. Money collected as rent by state agencies pursuant to this paragraph must be deposited in the state treasury and credited to the general fund.

(d) **Lease of space in certain state buildings to state agencies.** The commissioner may lease portions of the state-owned buildings under the custodial control of the commissioner to state agencies and the court administrator on behalf of the judicial branch of state government and charge rent on the basis of space occupied. Notwithstanding any law to the contrary, all money collected as rent pursuant to the terms of this section shall be deposited in the state treasury. Money collected as rent to recover the bond interest costs of a building funded from the state bond proceeds fund shall be credited to the general fund. Money collected as rent to recover the depreciation costs of a building funded from the state bond proceeds fund and money collected as rent to recover capital expenditures from capital asset preservation and replacement appropriations and statewide building access appropriations shall be credited to a segregated asset preservation and replacement account in a special revenue fund. Fifty percent of the money credited to the account each fiscal year must be transferred to the general fund. The remaining money in the account is appropriated to the commissioner to be expended for asset preservation projects as determined by the commissioner. Money collected as rent to recover the depreciation and interest costs of a building built with other state dedicated

funds shall be credited to the dedicated fund which funded the original acquisition or construction. All other money received shall be credited to the general services revolving fund.

(e) **Lease of space in Andersen and Freeman buildings.** The commissioner may lease space in the Elmer L. Andersen and Orville L. Freeman buildings to state agencies and charge rent on the basis of space occupied. Money collected as rent under this paragraph to fund future building repairs must be credited to a segregated account for each building in the special revenue fund and is appropriated to the commissioner to make the repairs. When the state acquires title to each building, the account for that building must be abolished and any balance remaining in the account must be transferred to the appropriate asset preservation and replacement account created under paragraph (d).

Subd. 5a. **Veterans Service Building tenants.** (a) The commissioner must assign quarters in the Veterans Service Building to the Department of Veterans Affairs. Some of what is assigned, as mutually determined with the commissioner of veterans affairs, must be on the first floor.

(b) The commissioner of administration must also assign space in the Veterans Service Building to:

(1) the American Legion;

(2) Veterans of Foreign Wars;

(3) Disabled American Veterans;

(4) Military Order of the Purple Heart;

(5) Veterans of World War I;

(6) auxiliaries of the groups in clauses (1) to (5), if incorporated in Minnesota; and

(7) as space becomes available and as the commissioner of administration considers desirable, other state departments and agencies.

Subd. 5b. **Employee fitness and wellness facilities.** An entity in the executive, legislative, or judicial branch may use space under its control to offer fitness, wellness, or similar classes or activities to its employees, and may allow persons conducting these classes or activities to charge employees a fee to participate. Revenue received by a public entity under this section is appropriated to the entity. This authorization applies to all state space, including property in the Capitol Area, and other designated property as defined in rules adopted by the commissioner of public safety. Persons conducting these classes or activities, and participating employees, waive any and all claims of liability against the state for any damage or injury arising from the use of state space for employee fitness and wellness classes or similar classes or activities. Persons conducting these classes or activities agree to indemnify, save, and hold the state, its agents, and employees harmless from any claims or causes of action, including attorney fees incurred by the state that arise from these classes or activities.

Subd. 6. **Property leases.** (a) **Leases.** The commissioner shall lease land and other premises when necessary for state purposes. Notwithstanding subdivision 6a, paragraph (a), the commissioner may lease land or premises for up to ten years, subject to cancellation upon 30 days' written notice by the state for any reason except lease of other non-state-owned land or premises for the same use. The commissioner may not lease non-state-owned land and buildings or substantial portions of land or buildings within the Capitol Area as defined in section 15B.02 unless the commissioner first consults with the Capitol Area Architectural and Planning Board. If the commissioner enters into a lease-purchase agreement for buildings or substantial portions of buildings within the Capitol Area, the commissioner shall require that any new construction of

non-state-owned buildings conform to design guidelines of the Capitol Area Architectural and Planning Board. Lands needed by the Department of Transportation for storage of vehicles or road materials may be leased for five years or less, such leases for terms over two years being subject to cancellation upon 30 days' written notice by the state for any reason except lease of other non-state-owned land or premises for the same use. An agency or department head must consult with the chairs of the house of representatives appropriations and senate finance committees before entering into any agreement that would cause an agency's rental costs to increase by ten percent or more per square foot or would increase the number of square feet of office space rented by the agency by 25 percent or more in any fiscal year.

(b) **Use vacant public space.** No agency may initiate or renew a lease for space for its own use in a private building unless the commissioner has thoroughly investigated presently vacant space in public buildings, such as closed school buildings, and found that none is available or use of the space is not feasible, prudent, and cost-effective compared with available alternatives.

(c) **Preference for certain buildings.** For needs beyond those which can be accommodated in state-owned buildings, the commissioner shall acquire and utilize space in suitable buildings of historical, architectural, or cultural significance for the purposes of this subdivision unless use of that space is not feasible, prudent and cost-effective compared with available alternatives. Buildings are of historical, architectural, or cultural significance if they are listed on the National Register of Historic Places, designated by a state or county historical society, or designated by a municipal preservation commission.

(d) **Recycling space.** Leases for space of 30 days or more for 5,000 square feet or more must require that space be provided for recyclable materials.

Subd. 6a. **Lease-purchase agreement; cancellation.** (a) With the approval of the commissioner of management and budget and the recommendation of the Legislative Advisory Commission, the commissioner of administration may enter into lease-purchase agreements. A lease-purchase agreement must provide the state with a unilateral right to purchase the leased premises at specified times for specified amounts. Under these lease agreements, the lease rental rates shall not be more than market rental rates. Notwithstanding subdivision 6, the term of the lease may be for more than ten years, but must not exceed 20 years. Prior to exercising the state's right to purchase the premises, the purchase must be approved by an act of the legislature.

(b) A lease-purchase agreement entered into under paragraph (a) must be subject to cancellation by the state for any reason except lease of other non-state-owned land or premises for the same use.

Subd. 7. [Repealed, 2014 c 196 art 1 s 6]

Subd. 8. **Regional service center.** The commissioner may establish a regional service center on a demonstration basis. The commissioner shall select agencies to participate in the demonstration service center and determine equitable methods of sharing space, personnel and equipment. The commissioner may enter into a lease for a base term of five years with a five-year leasehold renewal option to acquire suitable space for the service center.

Subd. 9. **Smoking in state buildings.** (a) To protect the public health, comfort, and environment and to protect the nonsmoker's right to a smoke-free environment, smoking in all buildings managed or leased by the commissioner under subdivisions 1 and 6 is prohibited except in veterans homes where smoking areas have been designated under a policy adopted in accordance with paragraph (b).

(b) A veterans home may permit smoking only in designated areas, providing that existing physical barriers and ventilation systems can be used to prevent the presence of smoke in adjacent nonsmoking areas.

No employee complaining of a violation of this subdivision to a lessor, lessee, manager, or supervisor may be subjected to any disciplinary action as a result of making the complaint.

Subd. 10. **Child care; workplace school space.** For state office space that is leased, purchased, or substantially remodeled after August 1, 1988, the commissioner shall consider including space usable for child care services or for a workplace school. Space must be included if the commissioner determines that it is needed and that it could be provided at reasonable cost. The commissioner may prepare sites as a common usage space for the Capitol complex.

Subd. 11. **Recycling of fluorescent lamps.** When a fluorescent lamp containing mercury is removed from service in a building or premises owned by the state or rented by the state, the commissioner shall ensure that the lamp is recycled if a recycling facility, which has been licensed or permitted by the agency or is operated subject to a compliance agreement with, or other approval by, the commissioner, is available in this state.

Subd. 12. **State band.** The commissioner must provide free rehearsal and storage space in the same building in the Capitol Area to an entity known as the Minnesota State Band, which is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code.

Subd. 13. MS 2022 [Repealed, 2023 c 62 art 2 s 133]

History: *1983 c 216 art 1 s 87; 1984 c 544 s 29; 1Sp1985 c 13 s 121; 1986 c 444; 1987 c 98 s 1; 1988 c 613 s 9,10; 1988 c 685 s 1; 1988 c 686 art 1 s 44,45; 1989 c 335 art 1 s 62; 1990 c 506 art 2 s 11; 1990 c 572 s 4,5; 1990 c 594 art 1 s 46; 1991 c 345 art 1 s 60; 1992 c 514 s 5,6; 1992 c 558 s 33; 1993 c 192 s 70; 1993 c 249 s 4; 1994 c 483 s 1; 1994 c 634 art 1 s 2; 1994 c 643 s 39; 1Sp1995 c 2 art 1 s 23; 1996 c 395 s 18; 1996 c 463 s 33,34; 1997 c 202 art 2 s 23; 1997 c 206 s 1,2; 1998 c 359 s 6; 1999 c 250 art 1 s 55; 2003 c 17 s 2; 1Sp2003 c 1 art 2 s 39; 1Sp2003 c 8 art 1 s 2,3; 2004 c 255 s 1; 2004 c 284 art 2 s 7; 2007 c 148 art 2 s 20; 2009 c 101 art 2 s 52,109; 2010 c 369 s 1; 2010 c 382 s 7; 1Sp2015 c 2 art 5 s 1; 2021 c 31 art 1 s 10; 1Sp2021 c 12 art 2 s 6*

16B.2405 CAPITOL BUILDING POWERS AND DUTIES.

Subdivision 1. **Duties.** The commissioner, upon receipt of funding for these purposes, shall:

(1) maintain and operate the Capitol building and grounds according to section 16B.24 and other applicable law;

(2) designate a project manager to oversee and manage predesign, design, and construction contracts and funding for all modifications to the Capitol building;

(3) manage design and construction projects and funding for the Capitol building according to section 16B.31 and other applicable law;

(4) lease space in the Capitol building, as provided in section 16B.24, to state agencies, constitutional officers, and the court administrator on behalf of the judicial branch and allocate space in the Capitol building to the legislative branch as determined by the commission;

(5) provide information about the Capitol building to the commission, legislative bodies, and others as needed regarding maintenance, operation, leasing, condition assessments, design, and construction projects; and

(6) assist the State Capitol Preservation Commission with performance of its duties as needed.

Subd. 2. **Capitol event fees; appropriation.** The commissioner may collect charges or fees from users holding events in the Capitol building. Money collected by the commissioner under this subdivision shall be deposited in a Capitol events dedicated account in the special revenue fund. Money in the dedicated account is appropriated to the commissioner of administration to recover direct costs incurred from holding events in the Capitol building. The commissioner shall report annually by September 15 on the events held in the Capitol building, the amounts collected for those events, and the costs for operating events, to the chairs and ranking minority members of the committees in the house of representatives and the senate with jurisdiction over finance and policy relating to the commissioner of administration.

History: *1Sp2011 c 6 art 4 s 5; 1Sp2017 c 4 art 2 s 21; 2020 c 93 s 3*

16B.2406 CAPITOL AREA BUILDING ACCOUNT TO ADDRESS HEALTH, LIFE SAFETY, AND SECURITY NEEDS.

Subdivision 1. **Account established; appropriations and use of funds.** (a) A Capitol Area building account is established in the state treasury. The commissioner of management and budget shall deposit the proceeds from the lease revenue bonds or certificates of participation received under subdivision 2 to the account. Net income from investment of the proceeds, as estimated by the commissioner of management and budget, must be credited to the appropriate accounts in the Capitol Area building account.

(b) Funds in the Capitol Area building account are appropriated to the commissioner of administration for capital expenditures that address identified critical health, life safety, and security needs of buildings located on the State Capitol complex that were constructed before 1940 and for expenditures to ensure the continued operations of affected tenants while those needs are being addressed. The funds may be used for predesign, design, construction, equipping, and hazardous materials abatement activities related to these authorized uses including but not limited to addressing necessary accessibility, infrastructure, function, and building systems changes. This appropriation may only be used for renovation or rehabilitation of existing buildings in the State Capitol complex and to expand an existing building as part of a renovation or rehabilitation project funded under this section. This appropriation may not be used to demolish an existing building in its entirety.

(c) Amounts necessary for predesign, design, rent loss, and tenant relocation for projects authorized by this subdivision are appropriated from the general fund to the commissioner of administration. The predesign must include a needs assessment prepared by an independent contractor. To prepare the needs assessment, the contractor must consider the needs of all tenants of the building. The assessment should identify goals to be achieved by the renovation or rehabilitation project and must address needs for health, life safety, security, and function, including space and layout needs for each tenant. The commissioner must not prepare final plans and specifications until the program plan and cost estimates for all elements necessary to complete the project are approved by the affected building's primary tenant. The final plans and specifications must resolve the needs identified in the needs assessment.

(d) The commissioner of administration may not prepare final plans and specifications for any project authorized by this subdivision until at least 60 days after the commissioner has submitted the results of the needs assessment to the Capitol Area Architectural and Planning Board. Projects authorized by this section are exempt from the design competition requirement of section 15B.10.

Subd. 2. **Lease-purchase agreement authorization.** (a) The commissioner of administration may enter into a long-term lease-purchase agreement for a term of up to 25 years for activities authorized by subdivision 1. The commissioner of management and budget may issue by public or private sale lease revenue bonds or certificates of participation associated with the lease-purchase agreement. The lease-purchase agreements

must not be terminated except for nonappropriation of money. The lease-purchase agreements must provide the state with a unilateral right to purchase the leased equipment or premises at specified times for specified amounts. The lease-purchase agreements are exempt from section 16B.24, subdivisions 6 and 6a.

(b) The amount needed to make lease payments with respect to a lease-purchase agreement entered into under this section is appropriated each fiscal year from the general fund to the commissioner of administration subject to repeal, unallotment under section 16A.152, or cancellation otherwise pursuant to subdivision 4. By January 1 in each odd-numbered year, the commissioner of administration must certify to the chairs and ranking minority members of the committees in the house of representatives and senate with jurisdiction over state government finance the amount of appropriations received by the commissioner under this paragraph during each fiscal year of the fiscal biennium ending June 30 of that year and specify the amount of appropriations anticipated to be received under this paragraph for each year of the fiscal biennium beginning July 1 of that year.

(c) The commissioner of administration may enter into a ground lease for state-owned property on the State Capitol complex in conjunction with the execution of a lease-purchase agreement entered into under this section for any improvements constructed on that site. Notwithstanding the requirements of section 16A.695, subdivision 2, paragraph (b), the ground lease must be for a term equal to the term of the lease-purchase agreement and must include an option to purchase the land at its then fair market value, if the improvements are not purchased by the state at the end of the term of the lease-purchase agreement or at any earlier time that the lease-purchase agreement is terminated.

(d) Certificates of participation or lease revenue bonds may be issued in one or more series on the terms and conditions the commissioner of management and budget determines to be in the best interests of the state, shall be dated and bear interest at a fixed or variable rate, may be includable in or excludable from the gross income of the owners for federal income tax purposes, and may be sold at any price or percentage of par value. Any bid received may be rejected.

(e) At the time of, or in anticipation of, issuing the lease revenue bonds or certificates of participation, and at any time thereafter, so long as the bonds or certificates are outstanding, the commissioner of management and budget may enter into agreements and ancillary arrangements relating to the bonds or certificates, including but not limited to trust indentures, grant agreements, lease or use agreements, operating agreements, management agreements, liquidity facilities, remarketing or dealer agreements, letter of credit agreements, insurance policies, guaranty agreements, reimbursement agreements, indexing agreements, or interest exchange agreements. Any payments made or received according to the agreement or ancillary arrangement shall be made from or deposited as provided in the agreement or ancillary arrangement. The determination of the commissioner of management and budget included in an interest exchange agreement that the agreement relates to a certificate or bond shall be conclusive.

(f) The commissioner of management and budget may enter into written agreements or contracts relating to the continuing disclosure of information necessary to comply with or facilitate the issuance of the lease-purchase agreement and the related lease revenue bonds or certificates of participation in accordance with federal securities laws, rules, and regulations, including Securities and Exchange Commission rules and regulations in Code of Federal Regulations, title 17, section 240.15c 2-12. An agreement may be in the form of covenants with purchasers and holders of certificates or bonds set forth in the order or resolution authorizing the issuance of the certificates or bonds or in a separate document authorized by the order or resolution.

Subd. 3. **Lease-purchase not public debt.** A lease-purchase agreement does not constitute or create a general or moral obligation or indebtedness of the state in excess of the money from time to time appropriated

or otherwise available for payments or obligations under such agreement. Payments due under a lease-purchase agreement during a current lease term for which money has been appropriated is a current expense of the state. A lease-purchase agreement and the related lease revenue bonds or certificates of participation shall be payable in each fiscal year only from amounts that the legislature may appropriate for debt service for any fiscal year, provided that nothing in this section shall be construed to require the state to appropriate money sufficient to make lease payments with respect to the lease-purchase agreement in any fiscal year. The lease-purchase agreement and the related lease revenue bonds or certificates of participation shall be canceled and shall no longer be outstanding on the earlier of (1) the first day of a fiscal year for which the legislature shall not have appropriated amounts sufficient for lease payments, or (2) the date of final payment of the principal of and interest on the bonds or certificates.

Subd. 4. **Refunding certificates.** The commissioner of administration from time to time may enter into a new lease-purchase agreement and the commissioner of management and budget may issue and sell lease revenue bonds or certificates of participation for the purpose of refunding any lease-purchase agreement and related lease revenue bonds or certificates of participation then outstanding, including the payment of any redemption premiums, any interest accrued or that is to accrue to the redemption date, and costs related to the issuance and sale of such refunding bonds or certificates. The proceeds of any refunding bonds or certificates may, in the discretion of the commissioner of management and budget, be applied to the purchase or payment at maturity of the bonds or certificates to be refunded, to the redemption of outstanding lease-purchase agreements and bonds or certificates on any redemption date, or to pay interest on the refunding lease-purchase agreements and bonds or certificates and may, pending such application, be placed in escrow to be applied to such purchase, payment, retirement, or redemption. Any escrowed proceeds, pending such use, may be invested and reinvested in obligations that are authorized investments under section 11A.24. The income earned or realized on any authorized investment may also be applied to the payment of the lease-purchase agreements and bonds or certificates to be refunded, to interest or premiums on the refunded bonds or certificates, or to pay interest on the refunding lease-purchase agreements and bonds or certificates. After the terms of the escrow have been fully satisfied, any balance of proceeds and any investment income may be returned to the general fund, or, if applicable, the Capitol Area building account, for use in a lawful manner. All refunding lease-purchase agreements and bonds or certificates issued under the provisions of this subdivision must be prepared, executed, delivered, and secured by appropriations in the same manner as the lease-purchase agreements and bonds or certificates to be refunded.

Subd. 5. **Waiver of immunity.** The waiver of immunity by the state provided for by section 3.751, subdivision 1, shall be applicable to lease revenue bonds or certificates of participation issued under this section and any ancillary contracts to which the commissioner is a party.

Subd. 6. **Collection of rent.** Notwithstanding section 16B.24, subdivision 5, paragraph (d), the commissioner of administration shall not collect rent to recover bond interest costs or building depreciation costs for any projects funded from the Capitol Area building account.

Subd. 7. **Repair and replacement accounts.** Money collected as rent to fund future building repairs must be credited to a segregated account for each building in the special revenue fund and is appropriated to the commissioner to make the repairs. When the lease revenue bonds are paid in full, the account for that building must be abolished and any balance remaining in the account must be transferred to the appropriate asset preservation and replacement account created under section 16B.24, subdivision 5, paragraph (d).

Subd. 8. **Schedule of activities; legislative report.** (a) Consistent with existing requirements of law related to construction and improvement of state buildings, the commissioner must take steps to ensure improvements to address identified critical needs are completed in a timely manner.

(b) The commissioner must submit a report to the speaker of the house, the president of the senate, and the minority leaders of the house of representatives and senate no later than January 1, 2022, detailing the estimated costs and the expected timeline for design, construction, and completion of necessary work to address identified needs.

Subd. 9. **Expiration.** The authority to issue lease revenue bonds or certificates of participation under subdivision 2, paragraph (a), expires December 31, 2023.

History: *1Sp2021 c 12 art 2 s 7*

16B.241 COORDINATED FACILITY PLANNING.

The commissioner of administration shall develop a coordinated facility planning process for offices located outside the metropolitan area for the following agencies: the Departments of Health, Agriculture, and Natural Resources; the Pollution Control Agency; and the Board of Water and Soil Resources. Any proposals for consolidation or construction of facilities for these agencies that are included in budget documents submitted to the legislature under section 16A.11 must first be considered as part of the planning process required by this section.

History: *1994 c 643 s 40*

16B.242 ENTERPRISE REAL PROPERTY ACCOUNT.

The enterprise real property technology system and services account is created in the special revenue fund. Receipts credited to the account are appropriated to the commissioner of administration for the purpose of funding the personnel and technology to maintain the enterprise real property system and services.

History: *2009 c 101 art 2 s 53*

16B.2421 BIRD-SAFE BUILDINGS.

Between March 15 and May 31 and between August 15 and October 31 each year, occupants of state-owned or state-leased buildings must attempt to reduce dangers posed to migrating birds by turning off building lights between midnight and dawn, to the extent turning off lights is consistent with the normal use of the buildings. The commissioner of administration may adopt policies to implement this requirement.

History: *2009 c 101 art 2 s 54*

16B.245 INVENTORY OF STATE-OWNED LAND.

Subdivision 1. **Definitions.** For the purposes of this section, "state-owned land" means land, with or without improvements upon it, for which the state owns fee title. It does not include:

(1) land held in trust by the state for political subdivisions of the state;

(2) permanent school trust fund lands;

(3) university trust fund lands;

(4) mineral interests; or

(5) trunk highway right-of-way.

Subd. 2. **Inventory.** The commissioner of administration must inventory all state-owned land and determine the number of acres owned by the state as of December 31, 2002. The inventory must identify

for each parcel the state agency responsible for the parcel, its location, size, and whether it is (1) currently being used for a public purpose, (2) anticipated to be used for a public purpose in the future, or (3) not currently being used or anticipated to be used for a public purpose. The inventory must also identify how much land is included in each classification under section 86A.05. Within two months of completing the inventory, and by January 15 each odd-numbered year thereafter, the commissioner must report on the inventory to the chairs of the house of representatives and senate committees with jurisdiction over higher education, capital investment, and natural resources and environment finance, and the chairs of the house of representatives Committee on Ways and Means and the senate Committee on Finance.

History: *2002 c 393 s 36*

16B.25 LOST PROPERTY ON STATE LANDS.

Subdivision 1. **Permits.** The commissioner may grant a permit to search upon lands, highways, or in buildings owned by the state for lost or abandoned property. Conditions of a permit may include a formula for dividing between the state and the finder the proceeds of any property found and unclaimed.

Subd. 2. **Notice.** Lost or abandoned property found on state lands is placed in the custody of the commissioner. If the rightful owner is known, the owner must be notified by certified mail and may reclaim the property on paying the expenses of the search.

Subd. 3. **Disposal.** Unclaimed property may be sold at public sale, disposed of as state surplus property, or destroyed, based on the commissioner's judgment of its value.

Subd. 4. **Money.** All lost or abandoned money found under a permit granted pursuant to this section, and the proceeds from the sale of other abandoned or lost property found under a permit, must be deposited in the general fund.

History: *1984 c 544 s 30; 1Sp2001 c 10 art 2 s 25*

16B.26 UTILITY COMPANIES, PERMITS TO CROSS STATE-OWNED LANDS.

Subdivision 1. **Easements.** (a) **Authority.** Except where the authority conferred by this section has been imposed on some other state or county office, the commissioner may grant an easement or permit over, under, or across any land owned by the state for public purposes, including but not limited to, access, road, street, mass transit, telecommunication, flood protection, or utility purposes. This authority does not apply to land under the jurisdiction of the commissioner of natural resources or land obtained for trunk highway purposes.

(b) **Notice of revocation.** An easement or permit is revocable by written notice given by the commissioner if at any time its continuance will conflict with a public use of the land over, under, or upon which it is granted, or for any other reason. The notice must be in writing and is effective 90 days after the notice is sent by certified mail to the last known address of the record holder of the easement. If the address of the holder of the easement or permit is not known, it expires 90 days after the notice is recorded in the office of the county recorder of the county in which the land is located. Upon revocation of an easement, the commissioner may allow a reasonable time for the easement holder to vacate the premises affected. Notwithstanding the foregoing, the commissioner may grant to a state agency or political subdivision a permanent easement for the construction, operation, and maintenance of publicly owned infrastructure as described in paragraph (a), to have and to hold for as long as the easement area is used in accordance with the terms and conditions of the easement. If a permanent easement ceases to be used for the purposes stated in the easement or in accordance with its terms and conditions, the easement may be revoked by a written notice given by the commissioner in accordance with this paragraph.

(c) **Easement runs with land.** State land subject to an easement or permit granted by the commissioner remains subject to sale or lease, and the sale or lease does not revoke the permit or easement granted.

Subd. 2. **Land controlled by other agencies.** If the easement or permit involves land under the jurisdiction of an agency other than the Department of Administration, it is subject to the approval of the head of the agency and is subject to revocation by the commissioner as provided in this section, on request of the head of the agency.

Subd. 3. **Application.** An application for easement or permit under this section must include: a legal description of the land affected; a map showing the area affected by the easement or permit; and a detailed design of any structures to be placed on the land. The commissioner may require that the application be in another form and include other descriptions, maps, or designs. The commissioner may at any time order changes or modifications respecting construction or maintenance of structures or other conditions of the easement which the commissioner finds necessary to protect the public health and safety.

Subd. 4. **Form; duration.** The easement or permit must be in a form prescribed by the attorney general and must describe the location of the easement granted. The easement or permit continues until revoked by the commissioner, subject to change or modification as provided in this section.

Subd. 5. **Consideration; terms.** The commissioner may prescribe consideration and conditions for granting an easement or permit. Money received by the state under this section must be credited to the fund to which income or proceeds of sale from the land would be credited, if provision for the sale is made by law. Otherwise, it must be credited to the general fund.

History: *1984 c 544 s 31; 2010 c 189 s 32*

16B.27 GOVERNOR'S RESIDENCE.

Subdivision 1. **Use.** The governor's residence must be used for official ceremonial functions of the state, and to provide suitable living quarters for the governor of the state.

Subd. 2. **Maintenance.** The commissioner shall maintain the governor's residence in the same way as other state buildings are maintained and shall rehabilitate, decorate, and furnish the building. The decoration and furnishing shall be guided by the Governor's Residence Council.

Subd. 3. **Council.** The Governor's Residence Council consists of the following 19 members: the commissioner; the spouse or a designee of the governor; the executive director of the Minnesota State Arts Board; the director of the Minnesota Historical Society; a member of the senate appointed pursuant to the rules of the senate; a member of the house of representatives appointed pursuant to the rules of the house of representatives; 13 persons appointed by the governor including one in the field of higher education, one member of the American Society of Interior Designers, Minnesota Chapter, one member of the American Institute of Architects, Minnesota chapter, one member of the American Society of Landscape Architects, Minnesota Chapter, one member of the family that donated the governor's residence to the state, if available, and eight public members with four public members' terms being coterminous with the governor who appoints them. Members of the council serve without compensation. Membership terms, removal, and filling of vacancies for members appointed by the governor are governed by section 15.0575. The council shall elect a chair and a secretary from among its members.

Subd. 4. **Duties.** The council shall develop an overall restoration plan for the governor's residence and surrounding grounds and approve alterations in the existing structure.

Subd. 5. **Gifts.** (a) To maintain and improve the quality of furnishings for the public areas of the building, the council may solicit and accept donated money, furnishings, objects of art and other items the council determines may have historical value in keeping with the building's period and purpose. The gift acceptance procedures of sections 16A.013 to 16A.016 do not apply to this subdivision.

(b) Notwithstanding sections 16A.013 to 16A.016, the council may solicit contributions for the renovation of and capital improvements to the governor's residence.

(c) Gifts for the benefit of the governor's residence and surrounding grounds are not accepted by the state unless accepted by the council. The council shall maintain a complete inventory of all gifts and articles received.

Subd. 6. **Use by nonstate entities.** A nonstate entity using the governor's residence must pay the state for all direct and indirect costs associated with use of the facility.

History: *1984 c 544 s 32; 1984 c 655 art 1 s 5; art 2 s 13 subd 1; 1986 c 444; 1988 c 629 s 12; 1993 c 46 s 1; 1998 c 359 s 7; 2001 c 161 s 5; 2001 c 162 s 3; 2002 c 374 art 7 s 7; 2003 c 112 art 2 s 50; 1Sp2003 c 18 art 5 s 1*

16B.275 CAPITOL AREA CAFETERIAS.

In entering into contracts for operation of cafeterias in the Capitol complex, the commissioner must attempt to ensure the department does not receive revenues in excess of those needed to operate and maintain the cafeteria space.

History: *1997 c 202 art 2 s 24*

16B.276 CAPITOL FLAG PROGRAM.

Subdivision 1. **Definitions.** (a) The terms used in this section have the meanings given them.

(b) "Active service" has the meaning given in section 190.05, subdivision 5.

(c) "Eligible family member" means a surviving spouse, parent or legal guardian, child, or sibling of (1) a public safety officer killed in the line of duty, or (2) a person who has died while serving honorably in active service in the United States armed forces. For purposes of this section, an eligibility relationship may be established by birth or adoption.

(d) "Killed in the line of duty" has the meaning given in section 299A.41, subdivision 3.

(e) "Public safety officer" has the meaning given in section 299A.41, subdivision 4.

Subd. 2. **Establishment.** A Capitol flag program is established. The purpose of the program is to make a Minnesota state flag and an American flag that were flown over the Minnesota State Capitol available to the family members of a public safety officer killed in the line of duty or a member of the United States armed forces who died while in active service. In addition to appropriations provided by law, the commissioner of management and budget may receive gifts to support the program as authorized in sections 16A.013 to 16A.016. The program established by this section is required only to the extent that sufficient funds are available through appropriations or gifts to support its operations.

Subd. 3. **Submission of request; presentation.** (a) A flag request may only be made by a legislator or state constitutional officer on behalf of an eligible family member after verification of the family member's eligibility under the procedures adopted under subdivision 4. The request must be made to the commissioner

of administration, and must indicate the type of flag requested, a certification that the family member's eligibility has been verified, special requests for the date the flag is requested to be flown over the Capitol, and the method of presentment. The commissioner may adopt a form to be used for this purpose. With at least 30 days' notice, the commissioner must honor a request that a flag be flown on a specific commemorative date.

(b) Upon receipt of a request, the commissioner shall deliver the requested flags to the requesting legislator or constitutional officer for coordination of a later presentment ceremony. If relevant information is made available, the commissioner shall provide a certificate memorializing the details of the occasion and the date the flag was flown with each flag presented.

Subd. 4. **Verification of eligibility.** The house of representatives, the senate, and each constitutional officer must adopt procedures for the administration of flag requests received from eligible family members, including a procedure for verification of a family member's eligibility to receive a flag.

Subd. 5. **Eligibility; fees.** (a) For deaths that occur on or after August 1, 2021, the family of a public safety officer killed in the line of duty or service member of the United States armed forces who died in active service is entitled to receive one United States flag and one Minnesota state flag free of charge under this section. If multiple flags of the same type are requested to be flown in honor of the same decedent, the commissioner may charge a reasonable fee that does not exceed the actual cost of flying each flag and preparing a certificate memorializing the occasion.

(b) For deaths that occurred before August 1, 2021, the family of a public safety officer killed in the line of duty or service member of the United States armed forces who died in active service may receive a Minnesota state flag and a United States flag for a fee, unless there are donated, nonstate funds available to provide a flag without a fee. If payment of a fee is required under this paragraph, the commissioner may charge an eligible family an amount that does not exceed the actual cost of flying each flag and preparing a certificate memorializing the occasion.

History: *2021 c 31 art 1 s 11*

16B.28 [Repealed, 1998 c 386 art 1 s 35]

SURPLUS STATE-OWNED LAND AND PROPERTY

16B.281 SALE AND DISPOSITION OF SURPLUS STATE-OWNED LAND.

Subdivision 1. **Applicability.** All tracts or lots of real property belonging to the state or that may hereafter accrue to the state, including tracts or lots that have escheated to the state, may be disposed of according to sections 16B.281 to 16B.287. Sections 16B.281 to 16B.287 do not apply to school or other trust fund lands belonging to the state, or that may hereafter accrue to the state, under and by virtue of any act of Congress or to any other state-owned lands the sale or disposition of which is provided for under sections 94.09 to 94.16 or other law.

Subd. 2. [Repealed, 2008 c 318 art 1 s 16; 2008 c 368 art 1 s 72]

Subd. 3. **Notice to agencies; determination of surplus.** The commissioner of administration shall send written notice to all state departments, agencies, and the University of Minnesota describing any lands or tracts that may be declared surplus. If a department or agency or the University of Minnesota desires custody of the lands or tracts, it shall submit a written request to the commissioner, no later than four calendar weeks after mailing of the notice, setting forth in detail its reasons for desiring to acquire and its intended use of

the land or tract. The commissioner shall then determine whether any of the lands described should be declared surplus and offered for sale or otherwise disposed of by transferring custodial control to other requesting state departments or agencies or to the Board of Regents of the University of Minnesota for educational purposes, provided however that transfer to the Board of Regents shall not be determinative of tax exemption or immunity. If the commissioner determines that any of the lands are no longer needed for state purposes, the commissioner shall make findings of fact, describe the lands, declare the lands to be surplus state land, and state the reasons for the sale or disposition of the lands.

Subd. 4. [Repealed, 2008 c 318 art 1 s 16; 2008 c 368 art 1 s 72]

Subd. 5. [Repealed, 2008 c 318 art 1 s 16; 2008 c 368 art 1 s 72]

Subd. 6. **Maintenance of land before sale.** The state department or agency holding custodial control shall maintain the state-owned lands until the lands are sold or otherwise disposed of as provided for in sections 16B.281 to 16B.287.

History: *2004 c 262 art 1 s 2; 2008 c 318 art 1 s 3; 2008 c 368 art 1 s 1*

16B.282 SURVEYS, APPRAISALS, AND SALE.

Subdivision 1. **Appraisal; notice and offer to public bodies.** (a) Before offering any surplus state-owned lands for sale, the commissioner of administration may survey the lands and, if the value of the lands is estimated to be $50,000 or less, may have the lands appraised. The commissioner shall have the lands appraised if the estimated value is in excess of $50,000.

(b) Appraisals must be made by an appraiser that holds a state appraiser license issued by the Department of Commerce. The appraisal must be in conformity with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.

(c) Before offering surplus state-owned lands for public sale, the lands shall first be offered to the city, county, town, school district, or other public body corporate or politic in which the lands are situated for public purposes and the lands may be sold for public purposes for not less than the appraised value of the lands. To determine whether a public body desires to purchase the surplus land, the commissioner shall give a written notice to the governing body of each political subdivision whose jurisdictional boundaries include or are adjacent to the surplus land. If a public body desires to purchase the surplus land, it shall submit a written offer to the commissioner no later than two weeks after receipt of notice setting forth in detail its reasons for desiring to acquire and its intended use of the land. In the event that more than one public body tenders an offer, the commissioner shall determine which party shall receive the property and shall submit written findings regarding the decision. If lands are offered for sale for public purposes and if a public body notifies the commissioner of its desire to acquire the lands, the public body may have up to two years from the date of the accepted offer to commence payment for the lands in the manner provided by law.

Subd. 2. **Public sale requirements.** (a) After complying with subdivision 1, before any public sale of surplus state-owned land is made, and at least 30 days before the sale, the commissioner of administration shall publish a notice of the sale in a newspaper of general distribution in the city or county in which the real property to be sold is situated. The notice shall specify the time and place at which the sale will commence, a general description of the lots or tracts to be offered, and a general statement of the terms of sale.

(b) Surplus state-owned land shall be sold for no less than the estimated or appraised value. The minimum bid may include expenses incurred by the commissioner in rendering the property saleable, including survey, appraisal, legal, advertising, and other expenses.

(c) Parcels remaining unsold after the offering may be sold to anyone agreeing to pay the appraised value. The sale shall continue until all parcels are sold or until the commissioner orders a reappraisal or withdraws the remaining parcels from sale.

History: *2004 c 262 art 1 s 3; 2008 c 318 art 1 s 4; 2008 c 368 art 1 s 2*

16B.283 TERMS OF PAYMENT.

The purchaser must pay at the time of sale ten percent of the total amount bid and the remainder of the payment is due within 90 days of the sale date. A person who fails to make final payment within 90 days of the sale date is in default. On default, all right, title, and interest of the purchaser or heirs, representatives, or assigns of the purchaser in the premises shall terminate without the state doing any act or thing. A record of the default must be made in the state land records of the commissioner.

History: *2004 c 262 art 1 s 4; 2008 c 318 art 1 s 5; 2008 c 368 art 1 s 3*

16B.284 QUITCLAIM DEED.

The commissioner of administration shall sign and cause to be issued a quitclaim deed on behalf of the state. The quitclaim deed shall be in a form prescribed by the attorney general and shall vest in the purchaser all of the state's interest in the subject property except as provided in section 16B.286.

History: *2004 c 262 art 1 s 5; 2008 c 318 art 1 s 6; 2008 c 368 art 1 s 4; 2009 c 86 art 1 s 6*

16B.285 [Repealed, 2008 c 318 art 1 s 16; 2008 c 368 art 1 s 72]

16B.286 RESERVATION OF MINERALS.

The state reserves for its own use all the iron, coal, copper, and other valuable minerals in or upon all lands that may be sold under sections 16B.281 to 16B.287 and any contract for deed or quitclaim deed shall contain a clause reserving all such minerals for the use of the state.

History: *2004 c 262 art 1 s 7*

16B.287 DISPOSITION OF PROCEEDS FROM SURPLUS STATE-OWNED LAND.

Subdivision 1. **Sale proceeds credited to general fund.** Money received from the sale of surplus state-owned land according to sections 16B.281 to 16B.287 shall be credited to the general fund except as provided in this section.

Subd. 2. **Use of sale proceeds.** A portion of the proceeds from the sale equal in amount to the survey, appraisal, legal, advertising, and other expenses incurred by the commissioner of administration or other state official in rendering the property salable shall be remitted to the account from which the expenses were paid and are appropriated and immediately available for expenditure in the same manner as other money in the account.

History: *2004 c 262 art 1 s 8; 2008 c 318 art 1 s 7; 2008 c 368 art 1 s 5*

16B.29 [Repealed, 1998 c 386 art 1 s 35]

16B.295 [Repealed, 2014 c 196 art 1 s 6]

16B.296 TRANSFER OF REAL PROPERTY.

Notwithstanding any law to the contrary, real property purchased in whole or in part with state funds may not be transferred for less than the appraised value, or if the property has not been appraised, for less than the fair market value as determined by the commissioner of administration. This section does not apply to a department listed in section 15.01, the Minnesota State Colleges and Universities, the University of Minnesota, or a political subdivision of the state.

History: *2005 c 156 art 2 s 19*

16B.297 ACQUISITION OF REAL PROPERTY.

Subdivision 1. **Definition.** For the purposes of this section, "agency" means an agency as defined in section 16B.01, subdivision 2, and the Board of Trustees of the Minnesota State Colleges and Universities, but does not include the Department of Transportation, the Department of Natural Resources, or the Board of Water and Soil Resources.

Subd. 2. **Maximum price.** When an agency is authorized to acquire real property or an interest in real property with public money, the procedure in this section applies. The agency must first prepare a fact sheet providing a legal description of the real property to be acquired and the legal authority for its acquisition. The agency must obtain an appraisal of the real property by a person licensed under chapter 82B as an appraiser for the type of real property being appraised and the appraisal must be done in accordance with the requirements of chapter 82B. The appraiser shall not have an interest directly or indirectly in any of the real property to be appraised. The agency may pay less for the property than the appraised value but must not agree to pay more than ten percent above the appraised value. If the real property is appraised at less than $100,000 by the agency and the seller, the agency may pay more than 110 percent of the agency's appraised value but no more than the seller's appraised value. New appraisals may be made at the discretion of the agency.

History: *2014 c 304 s 1*

16B.2975 SURPLUS PROPERTY ACQUISITION, DISTRIBUTION, AND DISPOSAL.

Subdivision 1. **Definitions.** "Governmental unit or nonprofit organization" means a governmental unit as defined in section 471.59, subdivision 1, an Indian Tribal government, and any nonprofit and tax-exempt medical institution, hospital, clinic, health center, school, school system, college, university, or other institution organized and existing for any purpose authorized by federal law to accept surplus federal property.

Subd. 2. **Surplus property.** "Surplus property" means state or federal commodities, equipment, materials, supplies, books, printed matter, buildings, and other personal or real property that is obsolete, unused, not needed for a public purpose, or ineffective for current use. Surplus property does not include products manufactured by or held in inventory by prison industries for sale to the general public in the normal course of its business.

Subd. 3. **Authorization.** (a) The commissioner is the state agency designated to transfer, purchase, accept, sell, or dispose of surplus property for the state and for the benefit of any other governmental unit or nonprofit organization for any purpose authorized by state and federal law and in accordance with state and federal rules and regulations. Any governmental unit or nonprofit organization may designate the commissioner to purchase or accept surplus property for it upon mutually agreeable terms and conditions. The commissioner may acquire, accept, warehouse, and distribute surplus property and charge a fee to cover any expenses incurred in connection with any of these acts.

(b) Federal surplus property that has been transferred to the state for donation to public agencies and nonprofit organizations must be transferred or sold in accordance with the plan developed under paragraph (c). Expenses incurred in connection with the acquisition, warehousing, distribution, and disposal of federal surplus property must be paid from the surplus services revolving fund. Proceeds of sales, minus any expenses, must be deposited in the surplus services revolving fund.

(c) The commissioner shall develop a detailed plan for disposal of donated federal property in conformance with state law and federal regulations. The plan must be submitted to the governor for certification and submission to the federal administrator of general services.

(d) The commissioner, after consultation with one or more nonprofit organizations with an interest in providing housing for homeless veterans and their families, may acquire property from the United States government that is designated by the General Services Administration as surplus property. The commissioner may lease the property to a qualified nonprofit organization that agrees to develop or rehabilitate the property for the purpose of providing suitable housing for veterans and their families. The lease agreement with the nonprofit organization may require that the property be developed for use as housing for homeless and displaced veterans and their families and for veterans and their families who lose their housing.

Subd. 4. **Deposit of receipts.** The surplus services revolving fund is a separate fund in the state treasury. All money resulting from the acquisition, acceptance, warehousing, distribution, and public sale of surplus property, must be deposited in the fund. Money paid into the surplus services revolving fund is appropriated to the commissioner for the purposes of the programs and services referred to in this section.

Subd. 5. **Transfer or sale.** (a) When the state or an agency operating under a legislative appropriation obtains surplus property from the commissioner, the commissioner of management and budget must, at the commissioner's request, transfer the cost of the surplus property, including any expenses of acquiring, accepting, warehousing, and distributing the surplus property, from the appropriation of the agency receiving the surplus property to the surplus services revolving fund. The determination of the commissioner is final as to the cost of the surplus property to the agency receiving the property.

(b) When any governmental unit or nonprofit organization other than an agency receives surplus property from the commissioner, the governmental unit or nonprofit organization must reimburse the surplus services revolving fund for the cost of the property, including the expenses of acquiring, accepting, warehousing, and distributing it, in an amount the commissioner sets. The commissioner may, however, require the governmental unit or nonprofit organization to deposit in advance in the surplus services revolving fund the cost of the surplus property upon mutually agreeable terms and conditions.

(c) The commissioner may transfer or sell state surplus property to any person at public auction, at prepriced sale, or by sealed bid process in accordance with applicable state laws.

Subd. 6. **State surplus property.** The commissioner may do any of the following to dispose of state surplus property:

(1) transfer it to or between state agencies;

(2) transfer it to a governmental unit or nonprofit organization in Minnesota; or

(3) sell it and charge a fee to cover expenses incurred by the commissioner in the disposal of the surplus property.

The proceeds of the sale less the fee must be deposited in an account in a fund other than the general fund and are appropriated to the agency for whose account the sale was made, to be used and expended by that agency to purchase similar state property.

Subd. 6a. **Computers for schools.** The commissioner may transfer state surplus computers to Minnesota Computers for Schools for refurbishing and distribution to any school, school system, college, or university in Minnesota.

Subd. 7. **Gifts.** The commissioner is authorized to solicit and accept donated money and fixed and consumable property for the benefit of the state and any other governmental unit or nonprofit organization for any purpose authorized by state and federal law and in accordance with federal regulations and rules. The gift acceptance procedures of sections 16A.013 to 16A.016 do not apply to this subdivision.

Subd. 8. **Canine management.** The commissioner may give and convey to a canine's handler the state's entirety of the right, title, interest, and estate in and to a canine who is retired from service, with whom the handler trained and worked while the canine was in service to the state. The handler is solely responsible for all future expenses related to the retired canine.

History: *1998 c 386 art 1 s 24; 2003 c 112 art 2 s 50; 2005 c 65 s 1; 2007 c 54 art 6 s 3; 2009 c 101 art 2 s 109; 1Sp2010 c 1 art 14 s 4; 2014 c 196 art 2 s 15; 2021 c 31 art 1 s 12*

16B.298 SURPLUS PROPERTY.

Notwithstanding section 15.054 or 16B.2975, the commissioner may sell a surplus gun used by a state trooper to the trooper who used the gun in the course of employment. The sale price must be the fair market value of the gun, as determined by the commissioner.

History: *2005 c 156 art 2 s 26; 2014 c 196 art 2 s 15*

CAPITAL IMPROVEMENTS

16B.30 GENERAL AUTHORITY.

(a) Subject to other provisions in this chapter, the commissioner shall supervise and control the making of all contracts for the construction of buildings and for other capital improvements to state buildings and structures, other than buildings and structures under the control of the Board of Trustees of the Minnesota State Colleges and Universities. Except as provided in paragraphs (b) and (c), a state agency may not undertake improvements of a capital nature without specific legislative authority.

(b) Specific legislative authority is not required for repairs or minor capital projects financed with operating appropriations or agency receipts that:

(1) are undertaken for asset preservation or code compliance purposes; or

(2) do not materially increase the net square footage of a facility; and in either case

(3) do not materially increase the cost of agency programs.

(c) Unless the commissioner determines that an urgency exists, the commissioner of an agency undertaking a project with a cost in excess of $50,000 pursuant to paragraph (b) shall notify the chairs of the senate Finance Committee, the house of representatives Capital Investment Committee, the house of representatives Ways and Means Committee, the appropriate house of representatives and senate finance divisions, and the director of the Legislative Coordinating Commission prior to incurring any contractual obligation with regard

to the project. Any agency undertaking any project pursuant to this paragraph during fiscal year 1999 must report all such projects to the legislature by January 1, 2000.

History: *1984 c 544 s 35; 1992 c 558 s 34; 1996 c 395 s 18; 1996 c 457 s 5; 1998 c 404 s 33; 1999 c 240 art 1 s 16*

16B.305 CAPITAL BUDGET REQUESTS.

Subdivision 1. **Architectural and cost standards.** The commissioner shall discuss various architectural and cost standards with experts from the public and private sector and recommend the use of appropriate design and cost standards for all capital budget requests.

Subd. 2. **Review of requests.** The commissioner shall review agency requests for state buildings and help agencies prepare adequate plans for use in presenting their capital budget requests to the commissioner of management and budget, the governor, and the legislature. The commissioner shall provide information on how a building project is consistent with the department's long-range strategic plan for locating state agencies in the commissioner's recommendations on a request.

Subd. 3. **Consultation required.** State agencies and other public bodies considering Capitol Area projects shall consult with the Capitol Area Architectural and Planning Board before developing plans for capital improvements or capital budget proposals for submission to the legislature and governor. The board shall provide to the governor and legislature a statement as to the request's impact upon the Capitol Area and its compatibility with the comprehensive plan for the Capitol Area.

History: *1991 c 342 s 6; 1994 c 643 s 41; 2009 c 101 art 2 s 109*

16B.307 ASSET PRESERVATION APPROPRIATIONS.

Subdivision 1. **Standards.** (a) Article XI, section 5, clause (a), of the constitution requires that state general obligation bonds be issued to finance only the acquisition or betterment of public land, buildings, and other public improvements of a capital nature. Money appropriated for asset preservation, whether from state bond proceeds or from other revenue, is subject to the following additional limitations:

(b) An appropriation for asset preservation may not be used to acquire new land nor to acquire or construct new buildings or additions to buildings.

(c) An appropriation for asset preservation may be used only for a capital expenditure on a capital asset previously owned by the state, within the meaning of generally accepted accounting principles as applied to public expenditures. The commissioner of administration will consult with the commissioner of management and budget to the extent necessary to ensure this and will furnish the commissioner of management and budget a list of projects to be financed from the account in order of their priority. The legislature assumes that many projects for preservation and replacement of portions of existing capital assets will constitute betterments and capital improvements within the meaning of the constitution and capital expenditures under generally accepted accounting principles, and will be financed more efficiently and economically under this section than by direct appropriations for specific projects.

(d) Categories of projects considered likely to be most needed and appropriate for asset preservation appropriations are the following:

(1) major projects to address life safety hazards for existing buildings and sites, including but not limited to security, building code violations, or structural defects. Notwithstanding paragraph (b), a project in this

category may include an addition to an existing building if it is a required component of the hazard abatement project;

(2) projects to eliminate or contain hazardous substances like asbestos or lead paint;

(3) major projects to address accessibility and building code violations; replace or repair roofs, windows, tuckpointing, mechanical, electrical, plumbing or other building systems, utility infrastructure, and tunnels; make site improvements necessary to support building use; and repair structural components necessary to preserve the exterior and interior of existing buildings; and

(4) major projects to repair parking facilities and surface lots.

(e) Up to ten percent of an appropriation subject to this section may be used for design costs for projects eligible to be funded under this section in anticipation of future asset preservation appropriations.

Subd. 2. **Report.** By January 15 of each year, the commissioner of an agency that has received an appropriation for asset preservation shall submit to the commissioner of management and budget, the chairs of the legislative committees or divisions that currently oversee the appropriations to the agency, and to the chairs of the senate and house of representatives Capital Investment Committees, a list of the projects that have been funded with money under this program during the preceding calendar year, as well as a list of those priority asset preservation projects for which state bond proceeds fund appropriations will be sought during that year's legislative session.

History: *2006 c 258 s 30; 2009 c 101 art 2 s 109; 2023 c 62 art 2 s 63*

16B.31 COMMISSIONER MUST APPROVE PLANS.

Subdivision 1. **Construction plans and specifications; design-build, construction manager at risk, or job order contracting.** (a) The commissioner shall (1) have plans and specifications prepared for the construction, alteration, or enlargement of all state buildings, structures, and other improvements except highways and bridges, and except for buildings and structures under the control of the Board of Regents of the University of Minnesota or of the Board of Trustees of the Minnesota State Colleges and Universities; (2) approve those plans and specifications; (3) advertise for bids and award all contracts in connection with the improvements; (4) supervise and inspect all work relating to the improvements; (5) approve all lawful changes in plans and specifications after the contract for an improvement is let; and (6) approve estimates for payment. This subdivision does not apply to the construction of the Zoological Gardens.

(b) MS 2002 [Expired]

(c) MS 2002 [Expired]

(d) Notwithstanding any other law to the contrary, the commissioner may:

(1) use a design-build method of project delivery and award a design-build contract as provided in sections 16C.32 and 16C.33;

(2) use a construction manager at risk method of project delivery and award a construction manager at risk contract on the basis of the selection criteria described in section 16C.34; or

(3) use a job order contracting contractor selection as described in section 16C.35.

(e) The commissioner may require a primary designer and a construction manager at risk, by contract, to cooperate in the design, planning and scheduling, and construction process. The contract must not make

the primary designer or construction manager at risk a subcontractor or joint venture partner to the other or limit the primary designer's or construction manager at risk's independent obligations to the commissioner.

(f) For projects undertaken by the Minnesota State Colleges and Universities system, the powers and duties granted in paragraphs (d) and (e) may be exercised by its board of trustees.

Subd. 2. **Appropriations.** Plans must be paid for out of money appropriated for the purpose of improving or constructing the building. No part of the balance may be expended until the commissioner has secured suitable plans and specifications, prepared by a competent architect or engineer, and accompanied by a detailed statement of the cost, quality, and description of all material and labor required for the completion of the work. No plan may be adopted, and no improvement made or building constructed by the commissioner or any other agency to whom an appropriation is made for a capital improvement, that contemplates the expenditure for its completion of more money than the appropriation for it, unless otherwise provided in this section or the act making the appropriation. The commissioner or other agency may not direct or permit any expenditure beyond that appropriated, and any agent of the commissioner violating this provision is guilty of a gross misdemeanor.

Subd. 3. **Federal aid.** (a) **Application for aid.** The commissioner, or any other agency to whom an appropriation is made for a capital improvement, shall apply for the maximum federal share for each project.

(b) **Acceptance of aid.** The commissioner is the state agency empowered to accept money provided for or made available to this state by the United States of America or any federal department or agency for the construction and equipping of any building for state purposes not otherwise provided for by law, other than University of Minnesota buildings, in accordance with the provisions of federal law and any rules or regulations promulgated under federal law. The commissioner may do whatever is required of this state by federal law, rules, and regulations in order to obtain the federal money.

(c) **Federal funds considered part of appropriation.** The commissioner may after consultation with the chairs of the senate Finance Committee and house of representatives Ways and Means Committee, adopt a plan, provide for an improvement, or construct a building that contemplates expenditure for its completion of more money than the appropriation for it, if the excess money is provided by the United States government and granted to the state of Minnesota under federal law or any rule or regulation promulgated under federal law. This federal money, for the purpose of this section, is a part of the appropriation for the project.

(d) **Delayed federal money.** If an amount is payable to a creditor of the state from a project account which is financed partly with federal money and the project is included in appropriations made to the commissioner for public buildings and equipment, and the amount cannot be paid on time because of a deficiency of money in the project account caused by a delay in the receipt of federal money, the commissioner may provide money needed to pay the amount by temporarily transferring the sum to the project account from any other appropriation made to the commissioner in the same act. Required money for a payment is appropriated for that purpose. When the delayed federal money is received, the commissioner shall have the amount of money transferred returned to the account from which it came.

Subd. 4. **Capitol Area Architectural and Planning Board.** (a) **Comprehensive use plan; competitions.** Notwithstanding any provision of this section to the contrary, plans for proposed new buildings and for features of existing public buildings in the Capitol Area which the Capitol Area Architectural and Planning Board consider to possess architectural significance are subject to sections 15B.03, subdivision 3; 15B.08, subdivision 2; 15B.10; and 15B.15, subdivision 4.

(b) **Approval required.** The preparation of plans and specifications for the Capitol Area, as defined in section 15B.02, may not be initiated, contracted for, or conducted without consultation with the Capitol

Area Architectural and Planning Board to the extent the plans and specifications involve the public and ceremonial areas and the exterior of the Capitol building and the lobbies, public concourses, and other features of other public buildings in the Capitol Area which the Capitol Area Architectural and Planning Board considers to have architectural significance. The commissioner may not approve or adopt plans or specifications for the Capitol Area unless they have been approved by the Capitol Area Architectural and Planning Board. The Capitol Area Architectural and Planning Board must also be advised of and approve changes in plans and specifications which affect projects within the Capitol Area.

Subd. 5. **Methods of acquisition.** If money has been appropriated to the commissioner to acquire lands or sites for public buildings or real estate, the acquisition may be by gift, purchase, or condemnation proceedings. Condemnation proceedings must be under chapter 117.

Subd. 6. **State buildings.** (a) The commissioner of administration, in cooperation with the commissioner of management and budget shall:

(1) establish a state building classification system for state-owned buildings, with each class representing a different quality of building construction, to be incorporated into the capital budget format and instructions; and

(2) create and maintain an inventory of all major state buildings and office space owned or leased by the state, including a classification system on the condition and suitability of each major building.

(b) The commissioner of administration shall present to the legislature a supportable cost analysis whenever the commissioner proposes, for the purpose of providing state agency office space, to:

(1) enter into a lease for more than 50,000 square feet or for more than ten years;

(2) enter into a lease-purchase agreement or an agreement to lease with option to buy property;

(3) purchase an existing building; or

(4) construct a new building.

Subd. 7. **Department may keep litigation money.** Notwithstanding any law to the contrary, the Department of Administration may keep money received from successful litigations by or against the department involving capital improvements to state buildings. Awards made to the state or the department resulting from litigation against or by the department must be kept by the department to the credit of the account or accounts from which the litigation and capital improvement project were originally funded. Awards may be used to pay for litigation costs and the cost to correct the deficiencies which were the subject of the litigation. The department shall report on any awards it receives as part of its biennial budget request.

History: *1984 c 544 s 36; 1986 c 444; 1989 c 300 art 1 s 25,26; 1990 c 610 art 1 s 41; 1992 c 514 s 7; 1992 c 558 s 35; 1996 c 395 s 18; 1996 c 457 s 6; 1999 c 250 art 1 s 56; 2002 c 393 s 37; 2003 c 17 s 2; 2004 c 284 art 2 s 8; 2005 c 10 art 1 s 11; 2005 c 78 s 1; 2009 c 101 art 2 s 109*

16B.312 CONSTRUCTION MATERIALS; ENVIRONMENTAL ANALYSIS.

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Carbon steel" means steel in which the main alloying element is carbon and whose properties are chiefly dependent on the percentage of carbon present.

(c) "Commissioner" means the commissioner of administration.

(d) "Electric arc furnace" means a furnace that produces molten alloy metal and heats the charge materials with electric arcs from carbon electrodes.

(e) "Eligible material" means:

(1) carbon steel rebar;

(2) structural steel;

(3) concrete; or

(4) asphalt paving mixtures.

(f) "Eligible project" means:

(1) new construction of a state building larger than 50,000 gross square feet of occupied or conditioned space;

(2) renovation of more than 50,000 gross square feet of occupied or conditioned space in a state building whose renovation cost exceeds 50 percent of the building's assessed value; or

(3) new construction or reconstruction of two or more lane-miles of a trunk highway.

(g) "Environmental product declaration" means a supply chain specific type III environmental product declaration that:

(1) contains a material production life cycle assessment of the environmental impacts of manufacturing a specific product by a specific firm, including the impacts of extracting and producing the raw materials and components that compose the product;

(2) is verified by a third party; and

(3) meets the ISO 14025 standard developed and maintained by the International Organization for Standardization (ISO).

(h) "Global warming potential" has the meaning given in section 216H.10, subdivision 6.

(i) "Greenhouse gas" has the meaning given to "statewide greenhouse gas emissions" in section 216H.01, subdivision 2.

(j) "Integrated steel production" means the production of iron and subsequently steel primarily from iron ore or iron ore pellets.

(k) "Material production life cycle" means an analysis that includes the environmental impacts of all stages of a specific product's production, from mining and processing the product's raw materials to the process of manufacturing the product.

(l) "Rebar" means a steel reinforcing bar or rod encased in concrete.

(m) "Secondary steel production" means the production of steel from primarily ferrous scrap and other metallic inputs that are melted and refined in an electric arc furnace.

(n) "State building" means a building owned by the state of Minnesota or a Minnesota state agency.

(o) "Structural steel" means steel that is used in structural applications in accordance with industry standard definitions.

(p) "Supply chain specific" means an environmental product declaration that includes specific data for the production processes of the materials and components composing a product that contribute at least 80 percent of the product's material production life cycle global warming potential, as defined in ISO standard 21930.

Subd. 2. **Standard; maximum global warming potential.** (a) The commissioner shall, after reviewing the recommendations from the Environmental Standards Procurement Task Force made under subdivision 5, paragraph (c), establish and publish a maximum acceptable global warming potential for each eligible material used in an eligible project, in accordance with the following schedule:

(1) for concrete used in buildings, no later than January 15, 2026; and

(2) for carbon steel rebar and structural steel and, after conferring with the commissioner of transportation, for asphalt paving mixtures and concrete pavement, no later than January 15, 2028.

(b) The commissioner shall, after considering nationally or internationally recognized databases of environmental product declarations for an eligible material, establish the maximum acceptable global warming potential for the eligible material.

(c) The commissioner may set different maximum global warming potentials for different specific products and subproduct categories that are examples of the same eligible material based on distinctions between eligible material production and manufacturing processes, such as integrated versus secondary steel production.

(d) The commissioner must establish maximum global warming potentials that are consistent with criteria in an environmental product declaration.

(e) Not later than three years after establishing the maximum global warming potential for an eligible material under paragraph (a), and not longer than every three years thereafter, the commissioner, after conferring with the commissioner of transportation with respect to asphalt paving mixtures and concrete pavement, shall review the maximum acceptable global warming potential for each eligible material and for specific eligible material products. The commissioner may adjust any of the values downward to reflect industry improvements if, based on the process described in paragraph (b), the commissioner determines the industry average has declined.

Subd. 3. **Procurement process.** The Department of Administration and the Department of Transportation shall, after reviewing the recommendations of the Environmental Standards Procurement Task Force made under subdivision 5, paragraph (c), establish processes for incorporating the maximum allowable global warming potential of eligible materials into bidding processes by the effective dates listed in subdivision 2. The Department of Administration and Department of Transportation must also incorporate into the bidding process a preference for materials mined, made, or assembled in Minnesota.

Subd. 4. **Pilot program.** (a) No later than July 1, 2024, the Department of Administration must establish a pilot program that seeks to obtain from vendors an estimate of the material production life cycle greenhouse gas emissions of products selected by the departments from among those procured. The pilot program must encourage, but may not require, a vendor to submit the following data for each selected product that represents at least 90 percent of the total cost of the materials or components composing the selected product:

(1) the quantity of the product purchased by the department;

(2) a current environmental product declaration for the product;

(3) the name and location of the product's manufacturer;

(4) a copy of the vendor's Supplier Code of Conduct, if any;

(5) the names and locations of the product's actual production facilities; and

(6) an assessment of employee working conditions at the product's production facilities.

(b) The Department of Administration must construct or provide access to a publicly accessible database, which shall be posted on the department's website and contain the data reported to the department under this subdivision.

Subd. 5. **Environmental Standards Procurement Task Force.** (a) No later than October 1, 2023, the commissioners of administration and transportation must establish an Environmental Standards Procurement Task Force to examine issues surrounding the implementation of a program requiring vendors of certain construction materials purchased by the state to:

(1) submit environmental product declarations that assess the material production life cycle environmental impacts of the materials to state officials as part of the procurement process; and

(2) meet standards established by the commissioner of administration that limit greenhouse gas emissions impacts of the materials.

(b) The task force must examine, at a minimum, the following:

(1) which construction materials should be subject to the program requirements and which construction materials should be considered to be added, including lumber, mass timber, aluminum, glass, and insulation;

(2) what factors should be considered in establishing greenhouse gas emissions standards, including distinctions between eligible material production and manufacturing processes, such as integrated versus secondary steel production;

(3) a schedule for the development of standards for specific materials and for incorporating the standards into the purchasing process, including distinctions between eligible material production and manufacturing processes;

(4) the development and use of financial incentives to reward vendors for developing products whose greenhouse gas emissions are below the standards;

(5) the provision of grants to defer a vendor's cost to obtain environmental product declarations;

(6) how to ensure that lowering environmental product declaration values does not negatively impact the durability or longevity of construction materials or built structures;

(7) how to create and manage a database for environmental product declaration data that is consistent with data governance procedures of the state and is compatible for data sharing with other states and federal agencies;

(8) how to account for differences among geographical regions with respect to the availability of covered materials, fuel, and other necessary resources, and the quantity of covered materials that the department uses or plans to use;

(9) coordinating with the federal Buy Clean Task Force established under Executive Order 14057 and representatives of the United States Departments of Commerce, Energy, Housing and Urban Development, and Transportation; Environmental Protection Agency; General Services Administration; White House Office of Management and Budget; and the White House Domestic Climate Policy Council;

(10) how the issues in clauses (1) to (9) are addressed by existing programs in other states and countries; and

(11) any other issues the task force deems relevant.

(c) The task force shall make recommendations to the commissioners of administration and transportation regarding:

(1) how to implement requirements that maximum global warming impacts for eligible materials be integrated into the bidding process for eligible projects;

(2) incentive structures that can be included in bidding processes to encourage the use of materials whose global warming potential is below the maximum established under subdivision 2;

(3) how a successful bidder for a contract notifies the commissioner of the specific environmental product declaration for a material used on a project;

(4) a process for waiving the requirements to procure materials below the maximum global warming potential resulting from product supply problems, geographic impracticability, or financial hardship;

(5) a system for awarding grants to manufacturers of eligible materials located in Minnesota to offset the cost of obtaining environmental product declarations or otherwise collect environmental product declaration data from manufacturers based in Minnesota;

(6) whether to use an industry average or a different method to set the maximum allowable global warming potential, or whether that average could be used for some materials but not others; and

(7) any other items the task force deems necessary in order to implement this section.

(d) Members of the task force must include but are not limited to representatives of:

(1) the Departments of Administration and Transportation;

(2) the Center for Sustainable Building Research at the University of Minnesota;

(3) the Aggregate and Ready Mix Association of Minnesota;

(4) the Concrete Paving Association of Minnesota;

(5) the Minnesota Asphalt Pavement Association;

(6) the Minnesota Board of Engineering;

(7) the Minnesota iron mining industry;

(8) building and transportation construction firms;

(9) the American Institute of Steel Construction;

(10) the Institute of Scrap Metal Recycling Industries;

(11) suppliers of eligible materials;

(12) organized labor in the construction trades;

(13) organized labor in the manufacturing or industrial sectors;

(14) environmental advocacy organizations; and

(15) environmental justice organizations.

(e) The Department of Administration must provide meeting space and serve as staff to the task force.

(f) The commissioner of administration or the commissioner's designee shall serve as chair of the task force. The task force must meet at least four times annually and may convene additional meetings at the call of the chair.

(g) The commissioner of administration shall summarize the findings and recommendations of the task force in a report submitted to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over state government, transportation, and energy no later than December 1, 2025, and annually thereafter for as long as the task force continues its operations.

(h) The task force is subject to section 15.059, subdivision 6.

(i) Meetings of the task force are subject to chapter 13D.

(j) The task force expires on January 1, 2029.

Subd. 6. **Environmental product declarations; grant program.** A grant program is established in the Department of Administration to award grants to assist manufacturers to obtain environmental product declarations or otherwise collect environmental product declaration data from manufacturers in Minnesota. The commissioner of administration shall develop procedures to process and evaluate grant applications, and to make grant awards. Grant applicants must submit an application to the commissioner on a form prescribed by the commissioner. The commissioner shall act as fiscal agent for the grant program and is responsible for receiving and reviewing grant applications and awarding grants under this subdivision.

History: *2023 c 60 art 12 s 1*

16B.32 ENERGY USE.

Subdivision 1. **Alternative energy sources.** (a) If the incorporation of cost-effective energy efficiency measures into the design, materials, and operations of a building or major building renovation subject to section 16B.325 is not sufficient to meet Sustainable Building 2030 energy performance standards required under section 216B.241, subdivision 9, cost-effective renewable energy sources or solar thermal energy systems, or both, must be deployed to achieve those standards.

(b) The commissioners of administration and commerce shall review compliance of building designs and plans subject to this section with Sustainable Building 2030 performance standards developed under section 216B.241, subdivision 9, and shall make recommendations to the legislature as necessary to ensure that those performance standards are met.

(c) For the purposes of this section:

(1) "energy efficiency" has the meaning given in section 216B.2402, subdivision 7;

(2) "renewable energy" has the meaning given in section 216B.2422, subdivision 1, paragraph (c), and includes hydrogen generated from wind, solar, or hydroelectric; and

(3) "solar thermal energy systems" has the meaning given to "qualifying solar thermal project" in section 216B.2411, subdivision 2, paragraph (e).

Subd. 1a. **Onsite energy generation from renewable sources.** The total aggregate nameplate capacity of all renewable energy sources utilized to meet Sustainable Building 2030 standards in a state-owned building or facility, including any subscription to a community solar garden under section 216B.1641, may not exceed 120 percent of the average annual electric energy consumption of the state-owned building or facility.

Subd. 2. **Energy conservation goals.** The commissioner of administration in consultation with the commissioner of commerce, in cooperation with one or more public utilities or comprehensive energy services providers, may conduct a shared-savings program involving energy conservation expenditures on state-owned and wholly state-leased buildings. The public utility or energy services provider shall contract with appropriate state agencies to implement energy efficiency improvements in the selected buildings. A contract must require the public utility or energy services provider to include all energy efficiency improvements in selected buildings that are calculated to achieve a cost payback within ten years. The contract must require that the public utility or energy services provider be repaid solely from energy cost savings and only to the extent of energy cost savings. Repayments must be interest-free. The goal of the program in this paragraph is to demonstrate that through effective energy conservation the total energy consumption per square foot of state-owned and wholly state-leased buildings could exceed existing energy code by at least 30 percent. All agencies must report to the commissioner of administration their monthly energy usage, building schedules, inventory of energy-consuming equipment, and other information as needed by the commissioner to manage and evaluate the program.

Subd. 3. **Gifts.** The commissioner may accept gifts for energy efficiency improvements in state-owned and wholly leased buildings. Energy cost savings from these improvements, up to the cost of these improvements, shall be deposited in a special revenue fund established in the state treasury. Money in the special revenue fund is appropriated to the commissioner to implement further energy efficiency improvements in state-owned or wholly leased buildings.

History: *1984 c 544 s 37; 1991 c 235 art 5 s 1,3; 1994 c 632 art 3 s 32; 1994 c 634 art 1 s 3; 1995 c 254 art 1 s 91; 1999 c 250 art 1 s 57,115; 2001 c 162 s 4; 2001 c 212 art 1 s 1; 1Sp2001 c 4 art 6 s 7; 2002 c 379 art 1 s 114; 2008 c 179 s 29; 2023 c 62 art 2 s 64,65*

16B.321 DEFINITIONS.

Subdivision 1. **Scope.** For the purpose of this section and section 16B.322, the terms defined in this section have the meanings given them.

Subd. 2. **Energy improvement project.** "Energy improvement project" means:

(1) a project to improve energy efficiency in a building or facility, including the design, acquisition, installation, construction, and commissioning of equipment or improvements to a building or facility owned or operated by a state agency, and training of building or facility staff necessary to properly operate and maintain the equipment or improvements; or

(2) a project to design, acquire, install, construct, and commission equipment or products to utilize solar, wind, geothermal, biomass, or other alternative energy sources in heating, cooling, or providing electricity

for a building or facility owned or operated by a state agency and training of building or facility staff necessary to properly operate and maintain the equipment or improvements.

Subd. 3. **Energy project study.** "Energy project study" means a technical and financial study of one or more energy improvement projects, including:

(1) an analysis of historical energy consumption and cost data;

(2) a description of existing equipment, structural elements, operating characteristics, and other conditions affecting energy use;

(3) a description of the proposed energy improvement projects;

(4) a detailed budget for the proposed project; and

(5) calculations sufficient to demonstrate the expected energy and operational cost savings and reduction in fossil-fuel use.

Subd. 4. **Financing agreement.** "Financing agreement" means a tax-exempt lease-purchase agreement entered into by the commissioner of administration and a financial institution under a standard project financing agreement offered under section 16B.322, subdivision 4.

Subd. 5. **State agency.** "State agency" means any office, board, commission, authority, department, or other agency of the executive branch of state government.

History: *2008 c 356 s 1*

16B.322 STATE ENERGY IMPROVEMENT FINANCING PROGRAM.

Subdivision 1. **Commissioner's authority and duties; state agency authority.** The commissioner shall administer the energy improvement financing program created by this section. A state agency may enter into contracts for the purposes of this section with the commissioner and participating financial institutions. All technical services and construction contracts shall be executed through the appropriate procurement procedure in this chapter, chapter 16C, and other applicable law.

Subd. 2. **Program eligibility; voluntary program participation; targeted technical services.** A state agency may elect to participate in the program. The commissioner may prioritize and target technical services offered under subdivision 3 to state agencies with state buildings or facilities that the commissioner determines offer the greatest potential to improve energy efficiency or reduce use of fossil-fuel energy.

Subd. 3. **Targeted technical services.** The commissioner may require full or partial reimbursement of costs for technical services provided to a state agency, subject to terms and conditions specified and agreed to by contract prior to the delivery of technical services.

Subd. 4. **Financing agreement.** The commissioner shall solicit proposals from private financial institutions on an individual project or line of credit basis and may enter into a financing agreement with one or more financial institutions. If a financing agreement is for an individual project, the term of the financing agreement shall not exceed 15 years from the date of final completion of the energy improvement project and a financing agreement is assignable to the state agency operating or managing the state building or facility improved by the energy improvement project. The term of a financing agreement on an individual project basis must be less than the average expected useful life of the energy saving measures implemented under the project. The proceeds from the financing agreement are appropriated to the commissioner and may be used for the purposes of this section and are available until spent.

Subd. 4a. **Follow customary terms.** The commissioner of administration may, in connection with a financing agreement, covenant that the state will abide by the terms and provisions that are customary in net lease or lease-purchase transactions including, but not limited to, covenants providing that the state:

(1) will maintain insurance as required under the terms of the lease agreement;

(2) is responsible to the lessor for any public liability or property damage claims or costs related to the selection, use, or maintenance of the leased equipment, to the extent of insurance or self-insurance maintained by the lessee, and for costs and expenses incurred by the lessor as a result of any default by the lessee;

(3) authorizes the lessor to exercise the rights of a secured party with respect to the equipment subject to the lease in the event of default by the lessee and, in addition, for the present recovery of lease rentals due during the current term of the lease as liquidated damages.

Subd. 4b. **Master lease-purchase agreements not debt.** A financing agreement under this section does not constitute or create a general or moral obligation or indebtedness of the state in excess of the money from time to time appropriated or otherwise available for the payment of rent coming due under the lease, and the state has no continuing obligation to appropriate money for the payment of rent or other obligations under the agreement. Rent due under a financing agreement under this section during a current term for which money has been appropriated is a current expense of the state.

Subd. 4c. **Budget offset.** The commissioner shall require a state agency that uses the state energy improvement program to certify that the agency will budget, allocate, and commit agency funds sufficient to make rent payments under a financing agreement until all rent obligations are paid in full. In the event a participating agency fails to make a rent payment, the commissioner of management and budget shall reduce the operating budget of the state agency. The amount of the reduction is the amount sufficient to make the actual payments.

Subd. 5. **Qualifying energy improvement projects.** The commissioner may approve an energy improvement project for a financing agreement if the commissioner determines that:

(1) the project and project financing agreement have been approved by the governing body or head of the state agency that operates or manages the state building or facility to be improved;

(2) the project is technically and economically feasible;

(3) the state agency that operates or manages the state building or facility has made adequate provision for the operation and maintenance of the project;

(4) if an energy efficiency improvement, the project is calculated to result in a positive cash flow in each year the financing agreement is in effect;

(5) the project proposer has fully explored the use of conservation investment plan opportunities under section 216B.241 with the utilities providing gas and electric service to the energy improvement project;

(6) if a renewable energy improvement, the project is calculated to reduce use of fossil-fuel energy; and

(7) if a geothermal energy improvement, the project is calculated to produce savings in terms of nongeothermal energy and costs.

For the purpose of clause (6), "renewable energy" is energy produced by an eligible energy technology as defined in section 216B.1691, subdivision 1, paragraph (c), clause (1).

Subd. 6. **Program costs.** Program costs incurred by the commissioner or a state agency that are not reimbursed or paid directly under a financing agreement may be paid with money made available to the commissioner under section 216C.43, subdivision 10.

Subd. 7. **Conservation investment plan savings goals.** A utility or association may count toward its energy-savings goals under section 216B.241, subdivision 1c, the energy savings resulting from its investment in an energy improvement project.

Subd. 8. **Report.** Beginning January 15, 2009, and each year thereafter, the commissioner of administration shall submit to the chairs and ranking minority members of the senate and house of representatives committees on energy finance a report containing, at a minimum, the following information regarding projects implemented under this section:

(1) the total number of projects;

(2) the amount of calculated and, if available, actual energy savings for each project;

(3) the cost of each project; and

(4) the total amount paid for technical services provided under subdivision 3 for each project.

History: *2008 c 356 s 2; 2009 c 101 art 2 s 109; 2009 c 138 art 2 s 9-11; 2010 c 369 s 2-6; 2023 c 7 s 32*

16B.323 MS 2022 [Repealed, 2023 c 62 art 2 s 133]

16B.325 SUSTAINABLE BUILDING GUIDELINES.

Subdivision 1. **Development of sustainable building guidelines.** The Department of Administration and the Department of Commerce, with the assistance of other agencies, shall develop sustainable building design guidelines for all new state buildings by January 15, 2003, and for all major renovations of state buildings by February 1, 2009. The primary objectives of these guidelines are to ensure that all new state buildings, and major renovations of state buildings, initially exceed the state energy code, as established in Minnesota Rules, chapter 7676, by at least 30 percent.

Subd. 2. **Lowest possible cost; energy conservation.** The guidelines must:

(1) focus on achieving the lowest possible lifetime cost, considering both construction and operating costs, for new buildings and major renovations;

(2) allow for revisions that encourage continual energy conservation improvements in new buildings and major renovations;

(3) define "major renovations" for purposes of this section to encompass not less than 10,000 square feet or not less than the replacement of the mechanical, ventilation, or cooling system of a building or a building section;

(4) establish sustainability guidelines that include air quality and lighting standards and that create and maintain a healthy environment and facilitate productivity improvements;

(5) establish resiliency guidelines to encourage design that allows buildings to adapt to and accommodate projected climate-related changes that are reflected in both acute events and chronic trends, including but not limited to changes in temperature and precipitation levels;

(6) specify ways to reduce material costs; and

(7) consider the long-term operating costs of the building, including the use of renewable energy sources and distributed electric energy generation that uses a renewable source or natural gas or a fuel that is as clean or cleaner than natural gas.

Subd. 3. **Development of guidelines; applicability.** In developing the guidelines, the departments shall use an open process, including providing the opportunity for public comment. The guidelines established under this section are mandatory for all new buildings receiving funding from the bond proceeds fund after January 1, 2004, and for all major renovations receiving funding from the bond proceeds fund after January 1, 2009.

Subd. 4. **Guideline revisions.** The commissioners of administration and commerce shall review the guidelines periodically and as soon as practicable revise the guidelines to incorporate performance standards developed under section 216B.241, subdivision 9.

History: *2001 c 212 art 1 s 2; 2008 c 179 s 30; 2008 c 278 s 1; 2008 c 365 s 9; 2023 c 60 art 12 s 2*

16B.326 MS 2022 [Repealed, 2023 c 62 art 2 s 133]

16B.327 RECYCLING CONSTRUCTION AND DEMOLITION WASTE FROM STATE BUILDINGS; REQUIREMENT.

The commissioner shall require in contracts for the construction, renovation, or demolition of a state building that the contractor and any subcontractor must divert from deposit in a landfill and must recycle at least 50 percent of the nonhazardous construction and demolition waste, measured by tonnage or volume, produced by the project or demonstrate that the waste was delivered to construction and demolition waste recycling facilities that maintain a 50 percent annual recycling rate. This requirement applies to a project to construct, renovate, or demolish a state building that receives funding from the bond proceeds fund after January 1, 2011, provided that:

(1) the project is located within 40 miles of a construction and demolition waste recycling facility that meets the requirements of this section and can process the applicable building materials; and

(2) for construction and renovation projects, funding from the bond proceeds fund is $5,000,000 or more.

For the purposes of this section, "state building" means a building wholly owned or leased by a state agency, the Minnesota State Colleges and Universities, or the University of Minnesota.

History: *2010 c 189 s 33*

16B.328 OUTDOOR LIGHTING FIXTURES MODEL ORDINANCE.

Subdivision 1. **Definitions.** For purposes of this section, the following terms have the meanings given:

(1) "energy conservation" means reducing energy use and includes: (i) using a light with lower wattage; and (ii) using devices such as time controls, motion detectors, or on and off switches that limit unnecessary use of lighting;

(2) "cutoff luminaire" means a luminaire in which 2.5 percent or less of the lamp lumens are emitted above a horizontal plane through the luminaire's lowest part and ten percent or less of the lamp lumens are emitted at a vertical angle 80 degrees above the luminaire's lowest point;

(3) "light pollution" means the shining of light produced by a luminaire above the height of the luminaire and into the sky;

(4) "lumen" means a unit of luminous flux. One footcandle is one lumen per square foot. For purposes of this section, the lumen-output values are the initial lumen-output rating of the lamp;

(5) "luminaire" means a complete lighting unit consisting of a light source and all necessary mechanical, electrical, and decorative parts; and

(6) "outdoor lighting fixture" means any type of fixed or movable lighting equipment that is designed or used for illumination outdoors. The term includes billboard lighting, streetlights, searchlights, and other lighting used for advertising purposes and area lighting. The term does not include lighting equipment that is required by law to be installed on motor vehicles or lighting required for the safe operation of aircraft.

Subd. 2. MS 2024 [Repealed, 2025 c 39 art 2 s 69]

Subd. 3. **Standards for state-funded outdoor lighting fixtures.** (a) An outdoor lighting fixture may be installed or replaced using state funds only if:

(1) the new or replacement outdoor lighting fixture is a cutoff luminaire if the rated output of the outdoor lighting fixture is greater than 1,800 lumens;

(2) the minimum illuminance adequate for the intended purpose is used with consideration given to nationally recognized standards;

(3) for lighting of a designated highway of the state highway system, the Department of Transportation determines that the purpose of the outdoor lighting fixture cannot be achieved by the installation of reflective road markers, lines, warning or informational signs, or other effective passive methods; and

(4) full consideration has been given to energy conservation and savings, reducing glare, minimizing light pollution, and preserving the natural night environment.

(b) Paragraph (a) does not apply if:

(1) a federal law, rule, or regulation preempts state law;

(2) the outdoor lighting fixture is used on a temporary basis because emergency personnel require additional illumination for emergency procedures;

(3) the outdoor lighting fixture is used on a temporary basis for nighttime work;

(4) special events or situations require additional illumination, provided that the illumination installed shields the outdoor lighting fixtures from direct view and minimizes upward lighting and light pollution;

(5) the outdoor lighting fixture is used solely to highlight the aesthetic aspects of a single object or distinctive building; or

(6) a compelling safety interest exists that cannot be addressed by another method.

(c) This subdivision does not apply to the operation and maintenance of lights or lighting systems purchased or installed, or for which design work is completed, before August 1, 2008.

(d) This section does not apply if a state agency or local unit of government determines that compliance with this section would:

(1) require an increased use of electricity;

(2) increase the construction cost of a lighting system more than 15 percent over the construction cost of a lighting system that does not comply with this section;

(3) increase the cost of operation and maintenance of the lighting system more than ten percent over the cost of operating and maintaining the existing lighting system over the life of the lighting system; or

(4) result in a negative safety impact.

History: *2007 c 131 art 1 s 1; 2008 c 296 art 2 s 1*

16B.33 DESIGNER SELECTION BOARD.

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given them:

(b) "Agency" has the meaning given in section 16B.01.

(c) "Architect" means an architect or landscape architect registered to practice under sections 326.02 to 326.15.

(d) "Board" means the state Designer Selection Board.

(e) "Design-build" means the process of entering into and managing a single contract between the commissioner and the design-builder in which the design-builder agrees to both design and construct a project as specified in the contract at a guaranteed maximum or a fixed price.

(f) "Design-builder" means a person who proposes to design and construct a project in accordance with the requirements of section 16C.33.

(g) "Designer" means an architect or engineer, or a partnership, association, or corporation comprised primarily of architects or engineers or of both architects and engineers.

(h) "Engineer" means an engineer registered to practice under sections 326.02 to 326.15.

(i) "Person" includes an individual, corporation, partnership, association, or any other legal entity.

(j) "Primary designer" means the designer who is to have primary design responsibility for a project, and does not include designers who are merely consulted by the user agency and do not have substantial design responsibility, or designers who will or may be employed or consulted by the primary designer.

(k) "Project" means an undertaking to construct, erect, or remodel a building by or for the state or an agency. Capital projects exempt from the requirements of this section include demolition or decommissioning of state assets; hazardous materials abatement; repair and replacement of utility infrastructure, parking lots, and parking structures; security upgrades; building systems replacement or repair, including alterations to building interiors needed to accommodate the systems; and other asset preservation work not involving remodeling of occupied space.

(l) "User agency" means the agency undertaking a specific project. For projects undertaken by the state of Minnesota, "user agency" means the Department of Administration or a state agency with an appropriate delegation to act on behalf of the Department of Administration.

Subd. 2. **Organization of board.** (a) **Membership.** The state Designer Selection Board consists of seven individuals, the majority of whom must be Minnesota residents. Each of the following four organizations

shall nominate one individual whose name and qualifications shall be submitted to the commissioner of administration for consideration: the Consulting Engineers Council of Minnesota after consultation with other professional engineering societies in the state; the AIA Minnesota; the Minnesota chapter of the Associated General Contractors after consultation with other commercial contractor associations in the state; and the Minnesota Board of the Arts. The commissioner may appoint the four named individuals to the board but may reject a nominated individual and request another nomination. The fifth member shall be a representative of the user agency, the University of Minnesota, or the Minnesota State Colleges and Universities, designated by the user agency. The remaining two citizen members shall also be appointed by the commissioner.

(b) **Nonvoting member.** In addition to the seven members of the board, one nonvoting member representing the commissioner shall participate in the interviewing and selection of designers pursuant to this section.

(c) **Terms; compensation; removal; vacancies.** The membership terms, compensation, removal of members, and filling of vacancies on the board are as provided in section 15.0575. No individual may serve for more than two consecutive terms.

(d) **Officers, rules.** At its first meeting, the board shall elect a voting member of the board as chair. The board shall also elect other officers necessary for the conduct of its affairs. The board shall adopt rules governing its operations and the conduct of its meetings. The rules shall provide for the terms of the chair and other officers.

(e) **Meetings.** The board shall meet as often as is necessary, not less than twice annually, in order to act expeditiously on requests submitted to it for selection of primary designers.

(f) **Office, staff, records.** The Department of Administration shall provide the board with suitable quarters to maintain an office, hold meetings, and keep records. The commissioner shall designate an employee of the Department of Administration to serve as executive secretary to the board and shall furnish a secretarial staff to the board as necessary for the expeditious conduct of the board's duties and responsibilities.

Subd. 3. **Agencies must request designer.** (a) **Application.** Upon undertaking a project with an estimated cost greater than $4,000,000 or a planning project with estimated fees greater than $400,000, every user agency, except the Capitol Area Architectural and Planning Board, shall submit a written request for a primary designer for its project to the commissioner, who shall forward the request to the board. The University of Minnesota and the Minnesota State Colleges and Universities shall follow the process in subdivision 3a to select designers for their projects. The written request must include a description of the project, the estimated cost of completing the project, a description of any special requirements or unique features of the proposed project, and other information which will assist the board in carrying out its duties and responsibilities set forth in this section.

(b) **Reactivated project.** If a project for which a designer has been selected by the board becomes inactive, lapses, or changes as a result of project phasing, insufficient appropriations, or other reasons, the commissioner, the Minnesota State Colleges and Universities, or the University of Minnesota may, if the project is reactivated, retain the same designer to complete the project.

(c) **Fee limit reached after designer selected.** If a project initially estimated to be below the cost and planning fee limits of this subdivision has its cost or planning fees revised so that the limits are exceeded, the project must be referred to the board for designer selection even if a primary designer has already been selected. In this event, the board may, without conducting interviews, elect to retain the previously selected

designer if it determines that the interests of the state are best served by that decision and shall notify the commissioner of its determination.

Subd. 3a. **Higher education projects.** (a) When the University of Minnesota or the Minnesota State Colleges and Universities undertakes a project involving construction or major remodeling, as defined in section 16B.335, subdivision 1, with an estimated cost greater than $4,000,000 or a planning project with estimated fees greater than $400,000, the system shall submit a written request for a primary designer to the commissioner, as provided in subdivision 3.

(b) When the University of Minnesota or the Minnesota State Colleges and Universities undertakes a project involving renovation, repair, replacement, or rehabilitation, the system office may submit a written request for a primary designer to the commissioner as provided in subdivision 3.

(c) For projects at the University of Minnesota or the State Colleges and Universities, the board shall select at least two primary designers under subdivision 4 for recommendation to the Board of Regents or the Board of Trustees. Meeting records or written evaluations that document the final selection are public records. The Board of Regents or the Board of Trustees shall notify the commissioner of the designer selected from the recommendations.

Subd. 4. **Designer selection process.** (a) **Publicity.** Upon receipt of a request from a user agency for a primary designer, the board shall publicize the proposed project in order to determine the identity of designers interested in the design work on the project. The board shall establish criteria for the selection process and make this information public, and shall compile data on and conduct interviews of designers. The board's selection criteria must include consideration of each interested designer's performance on previous projects for the state or any other person. Upon completing the process, the board shall select the primary designer and shall state its reasons in writing. If the board's vote for the selection of a primary designer results in a tie vote, the nonvoting member appointed under subdivision 2, paragraph (b), must vote for the selection of the primary designer. Notification to the commissioner of the selection shall be made not more than 60 days after receipt from a user agency of a request for a primary designer. The commissioner shall promptly notify the designer and the user agency. The commissioner shall negotiate the designer's fee and prepare the contract to be entered into between the designer and the user agency.

(b) **Conflict of interest.** A board member may not participate in the review, discussion, or selection of a designer or firm in which the member has a financial interest.

(c) **Selection by commissioner.** In the event the board receives a request for a primary designer on a project, the estimated cost of which is less than the limit established by subdivision 3, or a planning project with estimated fees of less than the limit established by subdivision 3, the board may submit the request to the commissioner of administration, with or without recommendations, and the commissioner shall thereupon select the primary designer for the project.

(d) **Second selection.** If the designer selected for a project declines the appointment or is unable to reach agreement with the commissioner on the fee or the terms of the contract, the commissioner shall, within 60 days after the first appointment, request the board to make another selection.

(e) **Sixty days to select.** If the board fails to make a selection and forward its recommendation to the commissioner within 60 days of the user agency's request for a designer, the commissioner may appoint a designer to the project without the recommendation of the board.

(f) **Less than satisfactory performance.** The commissioner, or the University of Minnesota and the Minnesota State Colleges and Universities for projects under their supervision, shall forward to the board

a written report describing each instance in which the performance of a designer selected by the board or the commissioner has been less than satisfactory. Criteria for determining satisfaction include the ability of the designer to complete design work on time, to provide a design responsive to program needs within the constraints of the budget, to solve design problems and achieve a design consistent with the proposed function of the building, to avoid costly design errors or omissions, and to observe the construction work. These reports are public data and are available for inspection under section 13.03.

Subd. 5. [Expired]

Subd. 6. **Rate of inflation.** No later than December 31 of every fifth year starting in 2025, the commissioner shall determine the percentage increase in the rate of inflation, as measured by the Means Quarterly Construction Cost Index, during the four-year period preceding that year. The thresholds in subdivisions 3, paragraph (a); and 3a, paragraph (a), shall be increased by the percentage calculated by the commissioner to the nearest ten-thousandth dollar.

History: *1984 c 544 s 38; 1985 c 285 s 5; 1986 c 444; 1992 c 514 s 8; 1996 c 398 s 7-10; 2000 c 384 s 1,2; 2001 c 33 s 1; 2002 c 393 s 38; 1Sp2003 c 8 art 1 s 4; 2005 c 78 s 2; 2005 c 156 art 2 s 20; 2023 c 62 art 2 s 66-69*

16B.335 REVIEW OF PLANS AND PROJECTS.

Subdivision 1. **Construction and major remodeling.** (a) The commissioner, or any other recipient to whom an appropriation is made to acquire or better public lands or buildings or other public improvements of a capital nature, must not prepare final plans and specifications for any construction, major remodeling, or land acquisition in anticipation of which the appropriation was made until the agency that will use the project has presented the program plan and cost estimates for all elements necessary to complete the project to the chair of the senate Finance Committee and the chair of the house of representatives Ways and Means Committee and the chairs have made their recommendations, and the chair and ranking minority member of the senate Capital Investment Committee and the chair and ranking minority member of the house of representatives Capital Investment Committee are notified. "Construction or major remodeling" means construction of a new building, a substantial addition to an existing building, or a substantial change to the interior configuration of an existing building. The presentation must note any significant changes in the work that will be done, or in its cost, since the appropriation for the project was enacted or from the predesign submittal. The program plans and estimates must be presented for review at least two weeks before a recommendation is needed. The recommendations are advisory only. Failure or refusal to make a recommendation is considered a negative recommendation. The chairs and ranking minority members of the senate Finance and Capital Investment Committees and the house of representatives Capital Investment and Ways and Means Committees must also be notified whenever there is a substantial change in a construction or major remodeling project, or in its cost.

(b) Capital projects exempt from the requirements of this subdivision include demolition or decommissioning of state assets, hazardous material projects, utility infrastructure projects, environmental testing, parking lots, parking structures, park and ride facilities, bus rapid transit stations, light rail lines, passenger rail projects, freight rail projects, exterior lighting, fencing, highway rest areas, truck stations, storage facilities not consisting primarily of offices or heated work areas, roads, bridges, trails, pathways, campgrounds, athletic fields, dams, floodwater retention systems, water access sites, harbors, sewer separation projects, water and wastewater facilities, port development projects for which the commissioner of transportation has entered into an assistance agreement under section 457A.04, ice centers, a local government project with a construction cost of less than $1,500,000, or any other capital project with a construction cost of less than $750,000.

Subd. 2. **Other projects.** All other capital projects for which a specific appropriation is made, including projects that are exempt under subdivision 1, paragraph (b), must not proceed until the recipient undertaking the project has notified the chairs and ranking minority members of the senate Capital Investment and Finance Committees and the house of representatives Capital Investment and Ways and Means Committees that the work is ready to begin. Notice is not required for:

(1) capital projects needed to comply with the Americans with Disabilities Act;

(2) asset preservation projects to which section 16B.307 applies;

(3) projects funded by an agency's operating budget; or

(4) projects funded by a capital asset preservation and replacement account under section 16A.632, a higher education asset preservation and replacement account under section 135A.046, or a natural resources asset preservation and replacement account under section 84.946.

Subd. 3. **Predesign requirement.** The definitions in paragraphs (a) and (b) apply to this section.

(a) "Predesign" means the stage in the development of a project during which the purpose, scope, cost, and schedule of the complete project are defined and instructions to design professionals are produced.

(b) "Design" means the stage in the development of a project during which schematic, design development, and contract documents are produced.

(c) A recipient to whom an appropriation is made for a project subject to review under subdivision 1 or notice under subdivision 2 shall prepare a predesign package and submit it to the commissioner for review and recommendation before proceeding with design activities. The commissioner must complete the review and recommendation within ten working days after receiving it. Failure to review and recommend within the ten days is considered a positive recommendation. The predesign package must be sufficient to define the purpose, scope, cost, and schedule of the project and must demonstrate that the project has been analyzed according to appropriate space needs standards. All predesign, design, and construction projects shall include consideration of the state of Minnesota's correctional industries program, MINNCOR Industries, consistent with section 16C.151, subdivision 2, paragraph (c), in predesign planning and product specifications.

(d) This subdivision does not apply to capital projects for park buildings owned by a local government unit in the metropolitan area defined in section 473.121, subdivision 2.

Subd. 4. **Energy conservation.** A recipient to whom a direct appropriation is made for a capital improvement project shall ensure that the project complies with the applicable energy conservation standards contained in law, including sections 216C.19 to 216C.20, and rules adopted thereunder. The recipient may obtain information and technical assistance from the State Energy Office in the Department of Commerce on energy conservation and alternative energy development relating to the planning and construction of the capital improvement project.

Subd. 5. **Information technology.** Agency requests for construction and remodeling funds shall include money for cost-effective information technology investments that would enable an agency to reduce its need for office space, provide more of its services electronically, and decentralize its operations. The Department of Information Technology Services must review and approve the information technology portion of construction and major remodeling program plans before the plans are submitted to the chairs of the senate Finance Committee and the house of representatives Ways and Means Committee for their recommendations and the chair and ranking minority member of the senate Capital Investment Committee and the chair and

ranking minority member of the house of representatives Capital Investment Committee are notified as required by subdivision 1.

Subd. 6. **Information technology review precondition.** No state agency or department shall propose and the legislature shall not consider building or relocation projects without reviewing implications of utilizing information technology on space utilization.

History: *1989 c 300 art 1 s 27; 1990 c 591 art 6 s 1; 1990 c 610 art 1 s 42; 1992 c 513 art 4 s 23; 1993 c 4 s 11; 1994 c 643 s 42-45; 1Sp1995 c 2 art 1 s 24-26; 1996 c 463 s 35; 1997 c 159 art 2 s 5; 1997 c 202 art 3 s 35; 1997 c 246 s 11; 1998 c 404 s 34; 1999 c 86 art 1 s 9; 1Sp2001 c 4 art 6 s 8; 1Sp2001 c 12 s 12; 2002 c 393 s 39; 2005 c 156 art 5 s 23; 2008 c 179 s 31; 2008 c 365 s 10; 2008 c 370 s 2; 2010 c 189 s 34; 2013 c 134 s 30; 2013 c 142 art 3 s 36; 2014 c 196 art 1 s 5; 2014 c 227 art 1 s 2; 2014 c 294 art 2 s 4-6; 2018 c 214 art 2 s 5; 2021 c 31 art 2 s 16; 1Sp2021 c 6 art 2 s 1; 2025 c 39 art 2 s 34*

16B.34 INMATE LABOR.

At a state institution or state park or in the maintenance of a state armory, an appropriation for construction, improvements, or maintenance may be expended through the use of inmate or project labor when authorized by the commissioner with the concurrence of the head of the interested state department.

History: *1984 c 544 s 39*

16B.35 ART IN STATE BUILDINGS.

Subdivision 1. **Percent of appropriations for art.** An appropriation for the construction or alteration of any state building may contain an amount not to exceed one percent of the total appropriation for the building for the acquisition of works of art, excluding landscaping, which may be an integral part of the building or its grounds, attached to the building or grounds or capable of being displayed in other state buildings. Money used for this purpose is available only for the acquisition of works of art to be exhibited in areas of a building or its grounds accessible, on a regular basis, to members of the public. No more than ten percent of the total amount available each fiscal year under this subdivision may be used for administrative expenses, either by the commissioner of administration or by any other entity to whom the commissioner delegates administrative authority. For the purposes of this section "state building" means a building the construction or alteration of which is paid for wholly or in part by the state.

Subd. 1a. **Not in prisons.** Notwithstanding subdivision 1, no part of a state appropriation may be used to acquire or install works of art in a state correctional facility.

Subd. 1b. **Exception.** A prohibition on using state appropriations to pay for art in correctional facilities does not apply to art produced through programming in correctional facilities.

Subd. 1c. **PFA excluded.** Notwithstanding subdivision 1, an appropriation to the Public Facilities Authority and project financing provided by the authority from the appropriation may not include an amount to acquire works of art.

Subd. 2. **Exempt buildings.** A building for which the appropriation is less than $500,000 for construction or alteration or a building for which the commissioner of administration has determined that this section is inappropriate is exempt from the requirements of this section.

Subd. 3. **Unused funds.** If an amount made available under subdivision 1 is not expended for works of art for the building, the unexpended portion is available to the Minnesota Board of the Arts for the commission

or purchase of works of art for state buildings existing or for which an appropriation was made prior to June 15, 1983, and is not available to pay construction costs of the building.

Subd. 4. **Campuses.** Art for a building on a public college or university campus shall be selected by the campus, in consultation with the Arts Board. Consideration of the artwork of faculty and students on that campus is encouraged.

Subd. 5. **Contractor's bond not required.** Sections 574.26 to 574.32 do not apply to this section.

History: *1984 c 544 s 40; 1996 c 398 s 11; 1997 c 202 art 2 s 25; 1999 c 126 s 2; 1999 c 216 art 4 s 1; 1Sp2003 c 1 art 2 s 40; 2007 c 148 art 2 s 21; 2018 c 214 art 2 s 6*

16B.355 COOPERATIVE LOCAL FACILITIES GRANTS.

Subdivision 1. **Grants authorized.** Within the limits of available appropriations, the commissioner shall make grants to counties, cities, towns, and school districts to acquire, construct, or renovate public land and buildings and other public improvements of a capital nature for cooperative facilities to be owned and operated by the grantees.

Subd. 2. **Match.** A grant under this section may not be made until the commissioner has determined that at least 30 percent of the total project cost has been committed to the project from nonstate sources.

Subd. 3. **Amount.** No more than one-third of the amount appropriated by any one appropriation act may be granted to any one project.

Subd. 4. **Application.** (a) To be eligible to receive a grant, the grant application must be made to the commissioner on behalf of any combination of at least three counties, cities, towns, or school districts. The grant applicants must have entered into a joint powers agreement and formed a joint powers board under section 471.59 to govern the facilities. The joint powers board must approve the application by resolution.

(b) The grant application must demonstrate that acquisition, construction, or renovation of the cooperative facilities will improve the delivery of services by the grant applicants and will generate savings to the applicants in operating their buildings and programs.

(c) The commissioner shall prescribe and provide the application form. The application must include at least the following information:

(1) identification of the facilities;

(2) a plan for the facilities;

(3) a description of how the facilities will improve the delivery of governmental services by the applicants;

(4) a detailed estimate, along with necessary supporting evidence, of the total costs for the facilities;

(5) an estimate of the dates when the facilities for which the grant is requested will be contracted for and completed;

(6) a detailed estimate, along with necessary supporting evidence, of the savings in operating costs of buildings and programs that the project will generate;

(7) the manner in which the applicants will meet the local match requirement; and

(8) any additional information or material the commissioner prescribes.

Subd. 5. **Priority.** The commissioner, in consultation with the commissioner of management and budget and the commissioners of other state departments, as appropriate, shall give priority to projects that demonstrate a significant increase in cooperation as measured by one or more of the following criteria:

(1) improved quality, access, transparency, or level of service to citizens;

(2) fundamental change in the organization of service delivery;

(3) substantial savings in operating costs; or

(4) positive return on investment over the life of the facility.

Subd. 6. **Geographic distribution.** At least one-half of the money provided as grants each fiscal biennium must be for projects located outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2.

History: *2010 c 189 s 35; 2010 c 392 art 1 s 4*

16B.356 MS 2024 [Repealed, 2025 c 39 art 2 s 69]

16B.357 MS 2024 [Repealed, 2025 c 39 art 2 s 69]

16B.358 MS 2024 [Repealed, 2025 c 39 art 2 s 69]

16B.359 MS 2024 [Repealed, 2025 c 39 art 2 s 69]

SERVICES TO STATE AGENCIES

16B.36 INVESTIGATIONS.

Subdivision 1. **Authority.** The commissioner may examine, investigate, or make a survey of the organization, administration, and management of state agencies and institutions under their control, and may assist state agencies by providing analytical, statistical, and organizational development services to them in order to secure greater efficiency and economy through reorganization or consolidation of agencies or functions and to eliminate duplication of function, effort, or activity, so far as possible. The commissioner shall periodically submit to the legislature a list of the studies being conducted for this purpose and any future studies scheduled at the time the list is submitted. For purposes of this section, the Minnesota State Colleges and Universities is a state agency.

Subd. 2. **Hearings.** The commissioner shall recommend to the legislature any necessary changes in the laws of the state as a result of a survey or investigation, or otherwise, in order to secure a better organization of the state government or greater efficiency and economy in administration. For this purpose, the commissioner may hold hearings, and issue subpoenas for and compel the attendance of witnesses, the giving of testimony, and the production of books, records, accounts, documents, and papers, as provided in section 15.08.

History: *1984 c 544 s 41; 1Sp1985 c 13 s 123; 1991 c 345 art 1 s 61; 1996 c 398 s 12*

16B.361 OFFICE OF COLLABORATION AND DISPUTE RESOLUTION.

Subdivision 1. **Duties of the office.** The commissioner of administration shall maintain the Office of Collaboration and Dispute Resolution within the Department of Administration. The office must:

(1) assist state agencies; offices of the executive, legislative, and judicial branches; Tribal governments; and units of local government in improving collaboration, dispute resolution, and public engagement;

(2) promote and utilize collaborative dispute resolution models and processes based on documented best practices to foster trust, relationships, mutual understanding, consensus-based resolutions, and wise and durable solutions, including but not limited to:

(i) using established criteria and procedures for identifying and assessing collaborative dispute resolution projects;

(ii) designing collaborative dispute resolution processes;

(iii) preparing and training participants; and

(iv) facilitating meetings and group processes using collaborative techniques and approaches;

(3) support collaboration and dispute resolution in the public and private sectors by providing technical assistance and information on best practices and new developments in dispute resolution fields;

(4) build capacity and educate the public and government entities on collaboration, dispute resolution approaches, and public engagement;

(5) promote the broad use of community mediation in the state; and

(6) ensure that all areas of the state have access to services by providing grants to private nonprofit entities certified by the state court administrator under chapter 494 that assist in resolution of disputes.

Subd. 2. **Awarding grants to assist in resolution of disputes.** (a) The commissioner shall, to the extent funds are appropriated for this purpose, make grants to private nonprofit community mediation entities certified by the state court administrator under chapter 494 that assist in resolution of disputes under subdivision 1, clause (6). The commissioner shall establish a grant review committee to assist in the review of grant applications and the allocation of grants under this section.

(b) To be eligible for a grant under this section, a nonprofit organization must meet the requirements of section 494.05, subdivision 1, clauses (1), (2), (4), and (5).

(c) A nonprofit entity receiving a grant must agree to comply with guidelines adopted by the state court administrator under section 494.015, subdivision 1. Policies adopted under sections 16B.97 and 16B.98 apply to grants under this section. The exclusions in section 494.03 apply to grants under this section.

(d) Grantees must report data required under chapter 494 to evaluate quality and outcomes.

Subd. 3. **Accepting funds.** The commissioner may apply for and receive money made available from federal, state, or other sources for the purposes of carrying out the mission of the Office of Collaboration and Dispute Resolution. Funds received under this subdivision are appropriated to the commissioner for their intended purpose.

History: *2023 c 62 art 2 s 70*

16B.37 REORGANIZATION OF AGENCIES.

Subdivision 1. **Commissioner's authority.** To improve efficiency and avoid duplication, the commissioner may transfer personnel, powers, or duties, or any combination of them, from a state agency to another state agency that has been in existence for at least one year prior to the date of transfer. A transfer

must have received the prior approval of the governor. The commissioner shall no later than January 15 of each year submit to the legislature a bill making all statutory changes required by reorganization orders issued by the commissioner during the preceding calendar year. For purposes of this section, the Minnesota State Colleges and Universities is a state agency.

Subd. 2. **Reorganization order.** A transfer made pursuant to subdivision 1 must be in the form of a reorganization order. A proposed reorganization order must be submitted to the chairs of the governmental operations committees in the house of representatives and the senate at least 30 days before being filed with the secretary of state. A reorganization order must be filed with the secretary of state, be uniform in format, and be numbered consecutively. An order is effective upon filing with the secretary of state and remains in effect until amended or superseded. Copies of the filed order must be delivered promptly by the commissioner to the secretary of the senate, the chief clerk of the house, and the chairs of the governmental operations committees in the senate and house of representatives. A reorganization order which transfers all or substantially all of the powers or duties or personnel of a department, the Housing Finance Agency, or the Pollution Control Agency is not effective until it is ratified by concurrent resolution or enacted into law.

Subd. 3. **Appropriation.** The commissioner of management and budget shall determine the fractional part of the appropriation to the transferor agency that is represented by the transferred personnel, power, or duty, and that part of the appropriation is reappropriated to the transferee agency.

Subd. 4. **Work of department for another.** To avoid duplication and improve efficiency, the commissioner may direct an agency to do work for another agency or may direct a division or section of an agency to do work for another division or section within the same agency and shall require reimbursement for the work. Reimbursements received by an agency are reappropriated to the account making the original expenditure in accordance with the transfer procedure established by the commissioner of management and budget.

Subd. 5. **Employees assigned.** With the approval of the governor and by agreement of the heads of the departments or agencies concerned, any appointive subordinate officer or employee of a department or agency may be employed by or assigned to perform duties under another department or agency.

History: *1984 c 544 s 42; 1986 c 444; 1991 c 262 s 1; 1996 c 398 s 13; 2009 c 101 art 2 s 109; 1Sp2019 c 10 art 3 s 11*

16B.371 ASSISTANCE TO SMALL AGENCIES.

(a) The commissioner may provide administrative support services to small agencies. To promote efficiency and cost-effective use of state resources, and to improve financial controls, the commissioner may require a small agency to receive administrative support services through the Department of Administration or through another agency designated by the commissioner. Services subject to this section include finance, accounting, payroll, purchasing, human resources, and other services designated by the commissioner. The commissioner may determine what constitutes a small agency for purposes of this section. The commissioner, in consultation with the commissioner of management and budget and small agencies, shall evaluate small agencies' needs for administrative support services. If the commissioner provides administrative support services to a small agency, the commissioner must enter into a service level agreement with the agency, specifying the services to be provided and the costs and anticipated outcomes of the services.

(b) The Minnesota Council on Latino Affairs, the Council for Minnesotans of African Heritage, the Council on Asian-Pacific Minnesotans, the Indian Affairs Council, and the Minnesota State Council on Disability must use the services specified in paragraph (a).

(c) The commissioner of administration may assess agencies for services it provides under this section. The amounts assessed are appropriated to the commissioner.

(d) For agencies covered in this section, the commissioner has the authority to require the agency to comply with applicable state finance, accounting, payroll, purchasing, and human resources policies. The agencies served retain the ownership and responsibility for spending decisions and for ongoing implementation of appropriate business operations.

History: *2012 c 278 art 2 s 7; 2015 c 77 art 2 s 87*

16B.372 ENVIRONMENTAL SUSTAINABILITY GOVERNMENT OPERATIONS; OFFICE CREATED.

Subdivision 1. **Enterprise sustainability.** The Office of Enterprise Sustainability is established to assist all state agencies in making measurable progress toward improving the sustainability of government operations by reducing the impact on the environment, controlling unnecessary waste of natural resources and public funds, and spurring innovation. The office shall create new tools and share best practices, assist state agencies to plan for and implement improvements, and monitor progress toward achieving intended outcomes. Specific duties include but are not limited to:

(1) managing a sustainability metrics and reporting system, including a public dashboard that allows Minnesotans to track progress and is updated annually;

(2) assisting agencies in developing and executing sustainability plans; and

(3) implementing the state building energy conservation improvement revolving loan in Minnesota Statutes, sections 16B.86 and 16B.87.

Subd. 2. **State agency responsibilities.** Each cabinet-level agency is required to participate in the sustainability effort by developing a sustainability plan and by making measurable progress toward improving associated sustainability outcomes. State agencies and boards that are not members of the cabinet shall take steps toward improving sustainability outcomes. However, they are not required to participate at the level of cabinet-level agencies.

Subd. 3. **Local governments.** The Office of Enterprise Sustainability shall make reasonable attempts to share tools and best practices with local governments.

History: *2023 c 62 art 2 s 71*

16B.373 OFFICE OF ENTERPRISE TRANSLATIONS.

Subdivision 1. **Office establishment.** (a) The commissioner shall establish an Office of Enterprise Translations. The office must:

(1) provide translation services for written material for executive agencies;

(2) create and maintain language-specific landing webpages in Spanish, Hmong, and Somali and other languages that may be determined by the commissioner, in consultation with the state demographer, with links to translated materials at state agency websites; and

(3) serve as a resource to executive agencies in areas such as best practices and standards for the translation of written materials.

(b) The commissioner shall determine the process and requirements for state agencies to request translations of written materials.

Subd. 2. **Language access service account established.** The language access service account is created in the special revenue fund for reimbursing state agencies for expenses incurred in providing language translation services.

History: *2023 c 62 art 2 s 72*

16B.38 DISSOLVED OR SUSPENDED AGENCIES.

The commissioner shall undertake all necessary administrative functions of an agency which has been temporarily or permanently dissolved or suspended. These functions may include but are not limited to: authorizing payment of all obligations of the dissolved or suspended agency including payroll certifications; serving as custodian for and disposing of all property of the agency; and, in the event that the agency is only temporarily dissolved or suspended, serving as its chief administrative officer with all necessary powers until the agency is reconstituted. To implement these responsibilities the commissioner may spend any necessary money from a dissolved or suspended agency's appropriation.

History: *1984 c 544 s 43*

16B.39 PROGRAMS FOR STATE EMPLOYEES.

Subdivision 1. [Repealed, 1987 c 365 s 25]

Subd. 1a. **Endowment fund.** The commissioner of administration may establish an endowment fund to reward state agencies and their employees for improving productivity and service quality. The commissioner shall use gift money to establish the fund. The interest earnings are appropriated to the commissioner to make agency and employee awards.

Subd. 2. [Renumbered 43A.319]

History: *1984 c 531 s 3; 1984 c 544 s 44; 1984 c 655 art 2 s 13 subd 1; 1986 c 444; 1987 c 365 s 11; 1989 c 343 s 5; 1993 c 337 s 2; 1999 c 250 art 1 s 114*

16B.40 [Repealed, 1997 c 202 art 3 s 36]

16B.405 [Renumbered 16E.15]

16B.41 [Repealed, 1997 c 202 art 3 s 36]

16B.415 [Repealed, 2002 c 298 s 8]

16B.42 [Expired]

16B.43 [Repealed, 1997 c 202 art 3 s 36]

16B.44 [Renumbered 16E.16]

16B.45 MS 2024 [Repealed, 2025 c 39 art 2 s 69]

16B.46 [Renumbered 16E.17]

16B.465 Subdivision 1. [Renumbered 16E.18, subdivision 1]

Subd. 1a. [Renumbered 16E.18, subd 2]

Subd. 2. [Repealed by amendment, 1998 c 359 s 9]

Subd. 3. [Renumbered 16E.18, subd 3]

Subd. 4. [Renumbered 16E.18, subd 4]

Subd. 4a. [Renumbered 16E.18, subd 5]

Subd. 4b. [Renumbered 16E.18, subd 6]

Subd. 5. [Repealed, 1990 c 506 art 2 s 24]

Subd. 6. [Renumbered 16E.18, subd 7]

Subd. 7. [Renumbered 16E.18, subd 8]

16B.466 [Renumbered 16E.19]

16B.467 [Renumbered 16E.20]

16B.47 [Repealed, 2014 c 196 art 1 s 6]

16B.48 GENERAL SERVICES REVOLVING FUNDS.

Subdivision 1. **Reimbursements.** Fees prescribed under section 16B.51, for the rendering of the services provided in that section are deposited in the state treasury by the collecting agency and credited to the general services revolving fund.

Subd. 2. **Purpose of funds.** Money in the state treasury credited to the general services revolving fund and money that is deposited in the fund is appropriated annually to the commissioner for the following purposes:

(1) to operate the central mailing service, including purchasing postage and related items and refunding postage deposits;

(2) to operate a documents service as prescribed by section 16B.51;

(3) to provide services for the maintenance, operation, and upkeep of buildings and grounds managed by the commissioner of administration;

(4) to provide analytical, statistical, and organizational development services to state agencies, local units of government, metropolitan and regional agencies, and school districts; and

(5) to perform services for any other agency. Money may be expended for this purpose only when directed by the governor. The agency receiving the services shall reimburse the fund for their cost, and the commissioner shall make the appropriate transfers when requested. The term "services" as used in this clause means compensation paid officers and employees of the state government; supplies, materials, equipment, and other articles and things used by or furnished to an agency; and utility services and other services for the maintenance, operation, and upkeep of buildings and offices of the state government.

Subd. 3. [Repealed, 2005 c 156 art 5 s 24]

Subd. 4. **Reimbursements.** (a) Except as specifically provided otherwise by law, each agency shall reimburse the general services revolving funds for the cost of all services, supplies, materials, labor, and depreciation of equipment, including reasonable overhead costs, which the commissioner is authorized and

directed to furnish an agency. The cost of all publications or other materials produced by the commissioner and financed from the general services revolving fund must include reasonable overhead costs.

(b) The commissioner of administration shall report the rates to be charged for the general services revolving funds no later than September 15 each year to the chair of the committee or division in the senate and house of representatives with primary jurisdiction over the budget of the Department of Administration.

(c) The commissioner of management and budget shall make appropriate transfers to the revolving funds described in this section when requested by the commissioner of administration. The commissioner of administration may make allotments, encumbrances, and, with the approval of the commissioner of management and budget, disbursements in anticipation of such transfers. In addition, the commissioner of administration, with the approval of the commissioner of management and budget, may require an agency to make advance payments to the revolving funds in this section sufficient to cover the agency's estimated obligation for a period of at least 60 days.

(d) All reimbursements and other money received by the commissioner of administration under this section must be deposited in the appropriate revolving fund. Any earnings remaining in the fund established to account for the documents service prescribed by section 16B.51 at the end of each fiscal year not otherwise needed for present or future operations, as determined by the commissioners of administration and management and budget, must be transferred to the general fund.

Subd. 5. **Liquidation.** If the general services revolving funds are abolished or liquidated, the total net profit from the operation of each fund must be distributed to the various funds from which purchases were made. The amount to be distributed to each fund must bear to the net profit the same ratio as the total purchases from each fund bears to the total purchases from all the funds during the same period of time.

History: *1984 c 544 s 53; 1984 c 654 art 2 s 50; 1984 c 655 art 2 s 13 subd 1; 1Sp1985 c 13 s 125; 1986 c 363 s 7; 1988 c 613 s 13; 1989 c 335 art 4 s 10; 1990 c 506 art 2 s 13; 1991 c 345 art 1 s 65; 1994 c 634 art 1 s 10,11; 1996 c 457 s 8; 2000 c 488 art 12 s 15; 1Sp2003 c 1 art 2 s 44; 2005 c 156 art 5 s 4,5; 2009 c 101 art 2 s 109; 2010 c 215 art 12 s 26; 2014 c 196 art 1 s 4; 2021 c 31 art 1 s 13; 2025 c 39 art 2 s 35*

16B.4805 ACCOMMODATION REIMBURSEMENT.

Subdivision 1. **Definitions.** "Reasonable accommodation" as used in this section has the meaning given in section 363A.08. "State agency" as used in this section has the meaning given in section 16A.011, subdivision 12. "Reasonable accommodations eligible for reimbursement" means:

(1) reasonable accommodations provided to applicants for employment;

(2) reasonable accommodations for employees for services that will need to be provided on a periodic or ongoing basis; or

(3) reasonable accommodations that involve onetime expenses that total more than $500 for an employee in a fiscal year.

Subd. 2. **Reimbursement for making reasonable accommodation.** The commissioner of administration shall reimburse state agencies for up to 50 percent of the cost of expenses incurred in making reasonable accommodations eligible for reimbursement for agency employees and applicants for employment to the extent that funds are available in the accommodation account established under subdivision 3 for this purpose.

Subd. 3. **Accommodation account established.** The accommodation account is created as an account in the special revenue fund for reimbursing state agencies for expenses incurred in providing reasonable accommodation eligible for reimbursement for agency employees and applicants for agency employment.

Subd. 4. **Administration costs.** The commissioner may use up to 15 percent of the biennial appropriation for administration of this section.

Subd. 5. **Notification.** By August 1, 2015, or within 30 days of final enactment, whichever is later, and each year thereafter by June 30, the commissioner of administration must notify state agencies that reimbursement for expenses incurred to make reasonable accommodation eligible for reimbursement for agency employees and applicants for agency employment is available under this section.

Subd. 6. **Report.** By January 31 of each year, the commissioner of administration must report to the chairs and ranking minority members of the house of representatives and the senate committees with jurisdiction over state government finance on the use of the central accommodation account during the prior calendar year. The report must include:

(1) the number and type of accommodations requested;

(2) the cost of accommodations requested;

(3) the state agencies from which the requests were made;

(4) the number of requests made for employees and the number of requests for applicants for employment;

(5) the number and type of accommodations that were not provided;

(6) any remaining balance left in the account;

(7) if the account was depleted, the date on which funds were exhausted and the number, type, and cost of accommodations that were not reimbursed to state agencies; and

(8) a description of how the account was promoted to state agencies.

History: *2015 c 77 art 2 s 8; 1Sp2017 c 4 art 2 s 22; 2023 c 62 art 2 s 73*

16B.481 FEES FOR TRAINING AND MAINTENANCE.

The commissioner may charge state agencies and political subdivisions a fee for the cost of energy conservation training and preventive maintenance programs. Fees collected by the commissioner must be deposited in the state treasury and are appropriated to the commissioner to pay the cost of the training and maintenance programs.

History: *1987 c 365 s 13*

16B.482 [Repealed, 1998 c 386 art 1 s 35]

16B.4821 PROVISION OF MATERIALS AND SERVICES TO MNSCU.

Subdivision 1. **Materials and services available.** Notwithstanding any law to the contrary, the Minnesota State Colleges and Universities may request from the commissioner of administration any services and materials available to any state agency under this chapter, including but not limited to purchasing, contracting, leasing, energy conservation, communications systems, construction, and all other programs and contracts administered by the Department of Administration, whether administered directly or indirectly by contract or otherwise. The commissioner of administration shall make reasonable efforts to comply with any such

request. The chancellor of the Minnesota State Colleges and Universities and the commissioner of administration shall cooperate to identify services and materials available to state agencies from the Department of Administration.

Subd. 2. **Status requested by chancellor.** The Minnesota State Colleges and Universities shall be a state agency where being a state agency is a prerequisite to obtaining or participating in any services, materials acquisition, or programs under this chapter which are requested by the chancellor.

Subd. 3. **Notification.** The Minnesota State Colleges and Universities shall be a state agency for purposes of being included on any state agency's list to receive notices and information appropriate to the purposes of the Minnesota State Colleges and Universities.

History: *1996 c 398 s 17*

16B.483 MS 2012 [Renumbered 16C.05, subd 2, para (f)]

16B.485 INTERFUND LOANS.

The commissioner may, with the approval of the commissioner of management and budget, make loans from an internal service or enterprise fund to another internal service or enterprise fund, and the amount necessary is appropriated from the fund that makes the loan. The commissioner shall report the amount and purpose of the loan to the chair of the committee or division in the senate and house of representatives with primary jurisdiction over the budget of the Department of Administration. The term of a loan made under this section must be not more than 24 months.

History: *1995 c 254 art 1 s 59; 2000 c 488 art 12 s 16; 2009 c 101 art 2 s 109*

16B.49 CENTRAL MAILING SYSTEM.

(a) The commissioner shall maintain and operate for state agencies, departments, institutions, and offices a central mail handling unit. Official, outgoing mail for units in St. Paul must be delivered unstamped to the unit. The unit shall also operate an interoffice mail distribution system. The department may add personnel and acquire equipment that may be necessary to operate the unit efficiently and cost-effectively. Account must be kept of the postage required on that mail, which is then a proper charge against the agency delivering the mail. To provide funds for the payment of postage, each agency shall make advance payments to the commissioner sufficient to cover its postage obligations for at least 60 days. For purposes of this section, the Minnesota State Colleges and Universities is a state agency.

(b) Notwithstanding paragraph (a) or section 16C.09, the commissioner may approve the performance of mail-related functions by an agency outside the state's central mail-handling unit if the agency demonstrates it furthers program effectiveness, better use of services, greater efficiency, or greater economy in state government.

History: *1984 c 544 s 54; 1994 c 634 art 1 s 13; 1996 c 398 s 18; 1997 c 206 s 4; 1Sp2005 c 6 art 3 s 2*

16B.495 HAZARD IDENTIFICATION AND ACCIDENT PREVENTION.

(a) The commissioner must operate a program of occupational hazard identification and accident prevention for state agencies and state employees, and shall provide the staff, equipment, and facilities needed for the program. The program must be offered to all state agencies through the agency safety contact or other designee; is consultative in nature; and must assist state agencies with the goal of providing a safe work environment, safe work methods, and hazard identification.

(b) The commissioner must cooperate with the Department of Labor and Industry and the Department of Health, as well as other private and public community agencies, to assist in the objective of hazard identification and accident prevention.

History: *1997 c 97 s 5; 2008 c 204 s 10,42*

16B.50 [Repealed, 1Sp2003 c 1 art 2 s 136]

16B.51 AGENCY REPORTS.

Subdivision 1. **Supervision by commissioner.** The commissioner shall supervise and control the making and distribution of all reports and other publications of all kinds issued by the state and state agencies when not otherwise prescribed by law. The commissioner shall also prescribe the manner and form of issuing reports required by sections 8.08; 16A.50; 35.03; 129D.02, subdivision 5; 256.01; and 299C.18.

Subd. 2. **Prescribe fees.** The commissioner may prescribe fees to be charged for services rendered by the state or an agency in furnishing to those who request them certified copies of records or other documents, certifying that records or documents do not exist and furnishing other reports, publications, data, or related material which is requested. The fees, unless otherwise prescribed by law, may be fixed at the market rate. The commissioner of management and budget is authorized to approve the prescribed rates for the purpose of assuring that they, in total, will result in receipts greater than costs in the fund. Fees prescribed under this subdivision are deposited in the state treasury by the collecting agency and credited to the general services revolving fund. Nothing in this subdivision permits the commissioner of administration to furnish any service which is now prohibited or unauthorized by law.

Subd. 3. **Sale of publications.** The commissioner may sell official reports, documents, data, and publications of all kinds, may delegate their sale to state agencies, and may establish facilities for their sale within the Department of Administration and elsewhere within the state service. The commissioner may remit a portion of the price of any publication or data to the agency producing the publication or data. Money that is remitted to an agency is annually appropriated to that agency to discharge the costs of preparing the publications or data.

Subd. 4. **Exceptions.** This section does not apply to the Regents of the University of Minnesota or to the State Agricultural Society.

Subd. 5. **Limitations on subject matter prohibited.** The commissioner may not adopt rules to prescribe the fees permitted by subdivision 2 or which limit in any way the subject matter of a report or publication which the law requires or authorizes an agency to produce.

History: *1984 c 544 s 56; 1984 c 654 art 2 s 45,46; 1984 c 655 art 2 s 13 subd 1; 1987 c 365 s 14; 1987 c 394 s 1; 1994 c 634 art 1 s 14,15; 1998 c 254 art 1 s 6; 2009 c 101 art 2 s 109; 2014 c 227 art 2 s 2*

16B.52 [Repealed, 2005 c 156 art 2 s 52]

16B.53 SALE OF LAWS AND RESOLUTIONS.

Subdivision 1. **Authority.** The commissioner shall provide for the sale and distribution of copies of laws and resolutions on file in the Office of the Secretary of State in accordance with this section. The secretary of state shall cooperate with the commissioner in furnishing the services provided for in this section.

Subd. 2. **Charges.** The commissioner shall establish charges for those laws and resolutions sufficient to cover their cost. Fees established for the sale and distribution of laws and resolutions, including mailing

and postage charges, may be accepted by the commissioner in advance, and any unused portions amounting to $1 or more may be returned to the person entitled to them upon request, notwithstanding the provision of any other law prohibiting refunds.

Subd. 3. **Revolving fund.** Money collected by the commissioner under this section must be deposited in the general services revolving fund in the state treasury. Money in that fund is annually appropriated to the commissioner for the purposes of carrying out this section.

History: *1984 c 480 s 15; 1984 c 544 s 58; 1984 c 655 art 2 s 13 subd 1; 1990 c 426 art 1 s 9*

TRAVEL MANAGEMENT

16B.531 TRAVEL SERVICES.

The commissioner may offer a centralized travel service to all state departments and agencies, and to the Minnesota State Colleges and Universities, and may, in connection with that service, accept payments from travel agencies under contracts for the provision of travel services. The payments must be deposited in the motor pool revolving account established by section 16B.54, subdivision 8, and must be used for the expenses of managing the centralized travel service. Revenues in excess of the management costs of the centralized service must be returned to the general fund.

History: *1987 c 365 s 15; 1996 c 398 s 19*

16B.54 ENTERPRISE FLEET; ESTABLISHMENT.

Subdivision 1. **Motor pools.** The commissioner shall manage an enterprise fleet of passenger motor vehicles and trucks used by state agencies with principal offices in the city of St. Paul and may provide for branch enterprise fleets at other places within the state. For purposes of this section, (1) "agencies" includes the Minnesota State Colleges and Universities, (2) "passenger motor vehicle" means an on-road vehicle capable of transporting people, and (3) "truck" means a pickup or panel truck up to one ton carrying capacity.

Subd. 2. **Vehicles.** (a) The commissioner may direct an agency to make a transfer of a passenger motor vehicle or truck currently assigned to it. The transfer must be made to the commissioner for use in the enterprise fleet. The commissioner shall reimburse an agency whose motor vehicles have been paid for with funds dedicated by the constitution for a special purpose and which are assigned to the enterprise fleet. The amount of reimbursement for a motor vehicle is its average wholesale price as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(b) To the extent that funds are available for the purpose, the commissioner may purchase or otherwise acquire additional passenger motor vehicles and trucks necessary for the enterprise fleet. The title to all motor vehicles assigned to or purchased or acquired for the enterprise fleet is in the name of the Department of Administration.

(c) On the request of an agency, the commissioner may transfer to the enterprise fleet any passenger motor vehicle or truck for the purpose of disposing of it. The department or agency transferring the vehicle or truck must be paid for it from the motor pool revolving account established by this section in an amount equal to two-thirds of the average wholesale price of the vehicle or truck as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(d) The commissioner shall provide for the uniform marking of all motor vehicles. Motor vehicle colors must be selected from the regular color chart provided by the manufacturer each year. The commissioner may further provide for the use of motor vehicles without marking by:

(1) the governor;

(2) the lieutenant governor;

(3) the Division of Criminal Apprehension, the Division of Alcohol and Gambling Enforcement, and arson investigators of the Division of Fire Marshal in the Department of Public Safety;

(4) the Financial Institutions Division and investigative staff of the Department of Commerce;

(5) the Division of Disease Prevention and Control of the Department of Health;

(6) the State Lottery;

(7) criminal investigators of the Department of Revenue;

(8) state-owned community service facilities in Direct Care and Treatment;

(9) the Office of the Attorney General;

(10) the investigative staff of the Gambling Control Board;

(11) the Department of Corrections inmate community work crew program under section 352.91, subdivision 3g; and

(12) the Office of Ombudsman for Long-Term Care.

Subd. 3. **Responsible person; personnel.** The commissioner is responsible for the control, regulation, acquisition, operation, maintenance, repair, and disposal of all motor vehicles of the enterprise fleet. The commissioner may employ a director and other necessary classified employees for the operation of the enterprise fleet in accordance with chapter 43A.

Subd. 4. **Maintenance, repair, and storage; appropriation.** (a) **Maintenance, repair, storage.** The commissioner may contract with the head of an agency or another person operating facilities for the maintenance, repair, and storage of motor vehicles to provide for maintenance, repair, and storage of motor vehicles of the enterprise fleet.

(b) **Appropriation.** Money received by the head of an agency under a contract with the commissioner under this subdivision is annually appropriated to the agency for the same purposes as money expended by the agency head for the operation of state-owned facilities for the maintenance, repair, and storage of motor pool vehicles.

Subd. 5. **Use of motor vehicles.** The motor vehicles in the enterprise fleet are for official state business only. An agency requiring the services of a motor vehicle shall request it from the enterprise fleet on either a temporary or permanent basis. No privately owned motor vehicle may be used for official state business except when authorized by the commissioner.

Subd. 6. **Schedule of charges.** An agency using the facilities of the enterprise fleet shall periodically reimburse the commissioner for the services, in accordance with the schedule of charges the commissioner establishes. This schedule of charges must be based on the costs incurred in operating the enterprise fleet, including reasonable overhead costs, vehicle depreciation, insurance for public liability and property damage, and other costs. The commissioner must retain records and reports and all schedules used as a basis for charging state agencies for the services furnished.

Subd. 7. **Exceptions.** This section does not apply to motor vehicles of the State Patrol or the University of Minnesota, or to motor vehicles of any other agency which are specially equipped for the needs of that agency.

Subd. 8. **Motor pool revolving account.** (a) **Account established.** Money or reimbursements the commissioner receives from the operation of the enterprise fleet is deposited in the state treasury and credited to a motor pool revolving account. Money in the account is annually appropriated to the commissioner to carry out this section. The motor pool revolving account may be used to provide material transfer services to agencies.

(b) **Unobligated excess transferred.** When the unobligated amount of money in the state treasury credited to the motor pool revolving account exceeds the average monthly operating expense at the end of the fiscal year, the unobligated amount in excess of one month's operating expense must be transferred to the general fund in the state treasury.

History: *1984 c 544 s 59; 1Sp1985 c 13 s 126; 1986 c 444; 1989 c 277 art 1 s 1; 1989 c 334 art 6 s 4; 1990 c 506 art 2 s 14; 1990 c 572 s 8; 1991 c 233 s 109; 1992 c 486 s 1; 1994 c 483 s 1; 1996 c 269 s 1; 1996 c 398 s 20; 1997 c 129 art 2 s 1; 1997 c 206 s 6; 1Sp2001 c 8 art 2 s 9; 2004 c 206 s 52; 2009 c 78 art 2 s 2; 2021 c 31 art 1 s 14,15,26; 2024 c 125 art 5 s 42; 2024 c 127 art 50 s 42; 2025 c 39 art 2 s 36*

16B.55 USE OF STATE VEHICLES; COMPENSATION FOR USE OF PERSONAL VEHICLES.

Subdivision 1. **Definition.** For purposes of this section, "state vehicle" means a vehicle owned or leased by the state or loaned to the state.

Subd. 2. **Prohibited uses.** A state vehicle may be used only for authorized state business. A state vehicle may not be used for transportation to or from the residence of a state employee, except as provided in subdivision 3.

Subd. 3. **Permitted uses.** A state vehicle may be used by a state employee to travel to or from the employee's residence:

(1) on a day on which it may be necessary for the employee to respond to a work-related emergency during hours when the employee is not normally working;

(2) if the employee has been assigned the use of a state vehicle for authorized state business on an extended basis, and the employee's primary place of work is not the state work station to which the employee is permanently assigned;

(3) if the employee has been assigned the use of a state vehicle for authorized state business away from the work station to which the employee is permanently assigned, and the number of miles traveled, or the time needed to conduct the business, will be minimized if the employee uses a state vehicle to travel to the employee's residence before or after traveling to the place of state business; or

(4) if the employee is authorized to participate in a ride-sharing program established by the commissioner pursuant to section 174.257.

Use of a state vehicle under this subdivision requires the prior approval of the agency head or the designee of the agency head.

Subd. 4. **Personal vehicles.** No state employee shall be compensated by the state for use of a personal vehicle for travel between the employee's residence and the state work station to which the employee is permanently assigned, except pursuant to a collective bargaining agreement negotiated under chapter 179A

or a compensation plan adopted by the commissioner of management and budget under section 43A.05. A collective bargaining agreement or compensation plan may only provide for this compensation in cases in which an employee is called back to work during hours when the employee is not normally working.

Subd. 5. **Exclusions.** Subdivisions 2 to 4 do not apply to the van pooling program established in section 16B.56, to a ride-sharing program established by the Department of Transportation, to a trooper employed by the State Patrol, or to use of a state vehicle by the governor or lieutenant governor.

Subd. 6. **Vehicle operating procedures.** The commissioner shall set operating procedures for use of state vehicles. These operating procedures are not subject to the Administrative Procedure Act.

History: *1984 c 544 s 60; 1986 c 444; 1988 c 613 s 14,15; 2001 c 7 s 9; 2008 c 204 s 42; 2009 c 101 art 2 s 109*

16B.56 COMMUTER VANS; USE BY STATE EMPLOYEES AND SPOUSES AND OTHERS.

Subdivision 1. **Employee transportation program.** (a) **Establishment.** To conserve energy and alleviate traffic congestion around state offices, the commissioner shall, in cooperation with the commissioner of transportation, the State Energy Office in the Department of Commerce, and interested nonprofit agencies, establish and operate an employee transportation program using commuter vans with a capacity of not less than seven nor more than 16 passengers. Commuter vans may be used by state employees and others to travel between their homes and their work locations. However, only state employee drivers may use the van for personal purposes after working hours, not including partisan political activity. The commissioner shall acquire or lease commuter vans, or otherwise contract for the provision of commuter vans, and shall make the vans available for the use of state employees and others in accordance with standards and procedures adopted by the commissioner. The commissioner shall promote the maximum participation of state employees and others in the use of the vans.

(b) **Administrative policies.** The commissioner shall adopt standards and procedures under this section without regard to chapter 14. The commissioner shall provide for the recovery by the state of vehicle acquisition, lease, operation, and insurance costs through efficient and convenient assignment of vans, and for the billing of costs and collection of fees. A state employee using a van for personal use shall pay, pursuant to the standards and procedures adopted by the commissioner, for operating and routine maintenance costs incurred as a result of the personal use. Fees collected under this subdivision shall be deposited in the accounts from which the costs of operating, maintaining, and leasing or amortization for the specific vehicle are paid.

Subd. 2. **Eligible participants.** State employees and their spouses and other people are eligible for the employee transportation program established by this section, if the driver and substitute driver of every vanpool are state employees and if state employees constitute a majority of the members of every vanpool. Available space in vanpools must, whenever possible, be filled by state employees.

Subd. 3. **Areas of use.** Use of the vans pursuant to this section is limited to areas not having adequate public transportation between the residences of state employees and others and their places of employment.

Subd. 4. [Repealed, 1994 c 634 art 1 s 26]

Subd. 5. **Insurance; limitations.** Notwithstanding section 15.31 or any other law to the contrary, the commissioner may purchase, pursuant to this chapter, collision insurance coverage for the commuter vans. Notwithstanding sections 16B.54, subdivision 2, and 168.012, the vans may not be marked. The vans may not be equipped with tax-exempt motor vehicle number plates.

Subd. 6. [Repealed, 1984 c 408 s 4]

History: *1984 c 408 s 1-3; 1984 c 544 s 61; 1984 c 655 art 2 s 13 subd 1; 1987 c 312 art 1 s 10 subd 2; 1Sp2001 c 4 art 6 s 9*

16B.57 GASOLINE AND PETROLEUM PRODUCTS, SOURCE OF SUPPLY FOR AGENCIES.

Subdivision 1. **Petroleum products facilities.** The commissioner may require a state agency which has facilities for the storage and distribution of gasoline and other petroleum products to furnish gasoline and other petroleum products to any other state agency and shall require payment to compensate for the cost of those products. The commissioner shall prescribe all procedures for the guidance of state agencies in carrying out the requirements of this section.

Subd. 2. **Appropriation.** Money paid by one state agency to another to compensate for the cost of products furnished under subdivision 1 is annually appropriated to the state agency which furnishes those products.

History: *1984 c 544 s 62*

16B.58 STATE PARKING FACILITIES.

Subdivision 1. **Powers and duties of commissioner.** No person may park a motor vehicle, either privately or publicly owned, upon any parking lot or facility owned or operated by the state except as authorized by this section. The commissioner shall operate and supervise all state parking lots and facilities associated with buildings described in section 16B.24, subdivision 1, or when the commissioner considers it advisable and practicable, any other parking lots or facilities owned or rented by the state for the use of a state agency or state employees. The commissioner may also provide employee shuttle service and promote alternative transportation modes, including initiatives to increase the number of multi-occupancy vehicles. The commissioner may fix and collect rents, charges, or fees in connection with and for the use of any state parking lot or facility within the cities of St. Paul and Minneapolis except for any state lot or facility the control of which is vested by law in a state agency other than the Department of Administration.

Subd. 2. **Rules.** Copies of the commissioner's rules under this section must be provided to all contract parkers. Each parking lot or facility must be posted with notice of who is entitled to park there.

Subd. 3. **Removal and impounding of vehicles.** A motor vehicle parked on a state parking lot or facility in violation of the rules of the commissioner is a public nuisance and the commissioner shall provide for the abatement of the nuisance by rules, including provision for the removal and impounding of the motor vehicle. The cost of the removal and impounding is a lien against the motor vehicle until paid.

Subd. 4. **Violations.** A person, elective or appointed state official, firm, association, or corporation which violates any of the provisions of this section or any rule made by the commissioner under this section is guilty of a misdemeanor.

Subd. 5. **Money collected.** Money collected by the commissioner as rents, charges, or fees in connection with and for the use of a parking lot or facility is appropriated to the commissioner for the purpose of operating, maintaining, improving, and replacing parking lots or facilities owned or operated by the state, including providing necessary and suitable uniforms for employees, and to carry out the purposes of this section.

Subd. 6. **Legislative parking resolutions.** The provisions of this section do not affect rules of parking adopted by resolution of the legislature during legislative sessions.

Subd. 7. [Repealed, 2001 c 162 s 10]

Subd. 8. [Repealed, 1997 c 202 art 2 s 64]

Subd. 9. **Electric vehicle charging.** The commissioner may require that a user of a charging station located on the State Capitol complex used to charge an electric vehicle pay an electric service fee as determined by the commissioner.

History: *1984 c 544 s 63; 1984 c 597 s 30; 1984 c 655 art 2 s 13 subd 1; 1986 c 444; 1990 c 572 s 9; 1992 c 514 s 13; 1994 c 628 art 3 s 6; 1998 c 359 s 10; 2016 c 158 art 1 s 11; 2023 c 62 art 2 s 74*

16B.581 DISTINCTIVE TAX-EXEMPT LICENSE PLATES.

Vehicles owned or leased by the state of Minnesota must display distinctive tax-exempt license plates unless otherwise exempted under section 168.012. The commissioner shall design these distinctive plates subject to the approval of the registrar. An administrative fee of $20 and a license plate fee of $10 for two plates per vehicle or a license plate fee of $5 for one plate per trailer is paid at the time of registration. The license plate registration is valid for the life of the vehicle or until the vehicle is no longer owned or leased by the state of Minnesota.

When the state of Minnesota applies for distinctive tax-exempt plates on vehicles previously owned by local units of government, it shall pay an administrative fee of $10 and a plate fee that covers the cost of replacement.

History: *1994 c 634 art 1 s 16*

16B.59 MS 2006 [Renumbered 326B.101]

16B.60 Subdivision 1. MS 2006 [Renumbered 326B.103, subd 1]

Subd. 2. MS 2006 [Renumbered 326B.103, subd 4]

Subd. 3. MS 2006 [Renumbered 326B.103, subd 9]

Subd. 4. MS 2006 [Renumbered 326B.103, subd 5]

Subd. 5. MS 2006 [Renumbered 326B.103, subd 3]

Subd. 6. MS 2006 [Renumbered 326B.103, subd 11]

Subd. 7. MS 2006 [Renumbered 326B.103, subd 10]

Subd. 8. MS 2006 [Renumbered 326B.103, subd 12]

Subd. 9. MS 2006 [Renumbered 326B.103, subd 8]

Subd. 10. MS 2006 [Renumbered 326B.103, subd 7]

Subd. 11. MS 2006 [Renumbered 326B.103, subd 13]

Subd. 12. MS 2006 [Renumbered 326B.103, subd 6]

Subd. 13. MS 2006 [Renumbered 326B.103, subd 2]

16B.61 MS 2006 [Renumbered 326B.106]

16B.615 MS 2006 [Renumbered 326B.109]

16B.616 MS 2006 [Renumbered 326B.112]

16B.617 MS 2006 [Renumbered 326B.115]

16B.6175 MS 2006 [Renumbered 326B.118]

16B.62 MS 2006 [Renumbered 326B.121]

16B.625 MS 2006 [Renumbered 326B.124]

16B.63 MS 2006 [Renumbered 326B.127]

16B.64 MS 2006 [Renumbered 326B.13]

16B.65 MS 2006 [Renumbered 326B.133]

16B.655 MS 2006 [Renumbered 326B.135]

16B.66 MS 2006 [Renumbered 326B.136]

16B.665 [Repealed, 2007 c 140 art 13 s 3]

16B.67 MS 2006 [Renumbered 326B.139]

16B.68 MS 2006 [Renumbered 326B.142]

16B.685 MS 2006 [Renumbered 326B.145]

16B.69 [Repealed, 2008 c 337 s 65]

16B.70 MS 2006 [Renumbered 326B.148]

16B.71 MS 2006 [Renumbered 326B.151]

16B.72 [Repealed, 2008 c 322 s 9]

16B.73 [Repealed, 2008 c 322 s 9]

16B.735 MS 2006 [Renumbered 326B.16]

16B.74 MS 2006 [Renumbered 326B.163]

16B.741 MS 2006 [Renumbered 326B.166]

16B.742 MS 2006 [Renumbered 326B.169]

16B.743 MS 2006 [Renumbered 326B.172]

16B.744 MS 2006 [Renumbered 326B.175]

16B.745 MS 2006 [Renumbered 326B.178]

16B.746 MS 2006 [Renumbered 326B.181]

16B.747 MS 2006 [Renumbered 326B.184]

16B.748 MS 2006 [Renumbered 326B.187]

16B.749 MS 2006 [Renumbered 326B.191]

16B.75 MS 2006 [Renumbered 326B.194]

16B.76 MS 2006 [Repealed, 2007 c 133 art 2 s 13]

GENERAL

16B.85 RISK MANAGEMENT.

Subdivision 1. **Alternatives to conventional insurance.** The commissioner may implement programs of insurance or alternatives to the purchase of conventional insurance. This authority does not extend to areas of risk subject to: (1) collective bargaining agreements, (2) plans established under section 43A.18, or (3) programs established under sections 176.541 to 176.611, except for the Department of Administration. The mechanism for implementing possible alternatives to conventional insurance is the risk management fund created in subdivision 2.

Subd. 2. **Risk management fund.** (a) All state agencies, political subdivisions, and the Minnesota State Colleges and Universities, may, in cooperation with the commissioner, participate in insurance programs and other funding alternative programs provided by the risk management fund.

(b) When an entity described in paragraph (a) enters into an insurance or self-insurance program, each entity shall contribute the appropriate share of its costs as determined by the commissioner.

(c) The money in the fund to pay claims arising from state activities and for administrative costs, including costs for the adjustment and defense of the claims, is appropriated to the commissioner.

(d) Interest earned from the investment of money in the fund shall be credited to the fund and be available to the commissioner for the expenditures authorized in this subdivision.

(e) The fund is exempt from the provisions of section 16A.152, subdivision 4. In the event that proceeds in the fund are insufficient to pay outstanding claims and associated administrative costs, the commissioner, in consultation with the commissioner of management and budget, may assess entities participating in the fund amounts sufficient to pay the costs. The commissioner shall determine the proportionate share of the assessment of each entity.

Subd. 3. **Responsibilities.** The commissioner shall:

(1) review the state's exposure to various types of potential risks in consultation with affected entities and advise them as to the reduction of risk and fiscal management of those losses;

(2) be responsible for statewide risk management coordination, evaluation of funding and insuring alternatives, and the approval of all insurance purchases in consultation with affected entities;

(3) identify ways to eliminate redundant efforts in the management of state risk management and insurance programs;

(4) maintain the state risk management information system; and

(5) administer and maintain the state risk management fund.

Subd. 4. **Competitive bidding.** The commissioner may request bids from insurance carriers or negotiate with insurance carriers and may enter into contracts of insurance carriers that in the judgment of the division are best qualified to underwrite and service the insurance programs.

Subd. 5. **Risk management fund not considered insurance.** A state agency, including an entity defined as a part of the state in section 3.732, subdivision 1, clause (1), may procure insurance against liability of the agency and its employees for damages resulting from the torts of the agency and its employees. The procurement of this insurance constitutes a waiver of the limits of governmental liability under section 3.736, subdivisions 4 and 4a, only to the extent that valid and collectible insurance, including where applicable, proceeds from the Minnesota Insurance Guaranty Association, exceeds those limits and covers the claim. Purchase of insurance has no other effect on the liability of the agency and its employees. Procurement of commercial insurance, participation in the risk management fund under this section, or provisions of an individual self-insurance plan with or without a reserve fund or reinsurance does not constitute a waiver of any governmental immunities or exclusions.

History: *1986 c 455 s 3; 1988 c 613 s 18; 1992 c 513 art 4 s 32; 1993 c 192 s 111; 1994 c 634 art 1 s 17; 1996 c 398 s 21; 2001 c 162 s 7,8; 2006 c 212 art 1 s 2; 2009 c 86 art 1 s 7; 2009 c 101 art 2 s 109*

16B.86 STATE BUILDING ENERGY CONSERVATION IMPROVEMENT REVOLVING LOAN ACCOUNT.

Subdivision 1. **Definitions.** (a) For purposes of this section and section 16B.87, the following terms have the meanings given.

(b) "Energy conservation" has the meaning given in section 216B.2402, subdivision 5.

(c) "Energy conservation improvement" has the meaning given in section 216B.2402, subdivision 6.

(d) "Energy efficiency" has the meaning given in section 216B.2402, subdivision 7.

(e) "Project" means the energy conservation improvements financed by a loan made under this section.

(f) "State building" means an existing building owned by the state of Minnesota.

Subd. 2. **Account established.** The state building energy conservation improvement revolving loan account is established as a separate account in the state treasury. The commissioner shall manage the account and shall credit to the account investment income, repayments of principal and interest, and any other earnings arising from assets of the account. Money in the account is appropriated to the commissioner of administration to make loans to state agencies to implement energy conservation and energy efficiency improvements in state buildings under section 16B.87.

History: *1987 c 365 s 16; 1Sp2021 c 4 art 8 s 1; 2022 c 55 art 1 s 11*

16B.87 AWARD AND REPAYMENT OF STATE BUILDING ENERGY IMPROVEMENT CONSERVATION LOANS.

Subdivision 1. **Committee.** The State Building Energy Conservation Improvement Loan Committee consists of the commissioners of administration, management and budget, and commerce. The commissioner of administration serves as chair of the committee. The members serve without compensation or reimbursement for expenses.

Subd. 2. **Award and terms of loans.** (a) An agency shall apply for a loan on a form developed by the commissioner of administration that requires an applicant to submit the following information:

(1) a description of the proposed project, including existing equipment, structural elements, operating characteristics, and other conditions affecting energy use that the energy conservation improvements financed by the loan modify or replace;

(2) the total estimated project cost and the loan amount sought;

(3) a detailed project budget;

(4) projections of the proposed project's expected energy and monetary savings;

(5) information demonstrating the agency's ability to repay the loan;

(6) a description of the energy conservation programs offered by the utility providing service to the state building from which the applicant seeks additional funding for the project; and

(7) any additional information requested by the commissioner.

(b) The committee shall review applications for loans and shall award a loan based upon criteria adopted by the committee. A loan made under this section must:

(1) be at or below the market rate of interest, including a zero interest loan; and

(2) have a term no longer than ten years.

(c) In making awards, the committee shall give preference to:

(1) applicants that have sought funding for the project through energy conservation projects offered by the utility serving the state building that is the subject of the application; and

(2) to the extent feasible, applications for state buildings located within the electric retail service area of the utility that is subject to section 116C.779.

Subd. 3. **Repayment.** An agency receiving a loan under this section shall repay the loan according to the terms of the loan agreement. The principal and interest must be paid to the commissioner of administration, who shall deposit it in the state building energy conservation improvement revolving loan account. Payments of loan principal and interest must begin no later than one year after the project is completed.

Subd. 4. [Repealed, 1997 c 7 art 2 s 67]

History: *1987 c 365 s 17; 2008 c 204 s 6; 2009 c 101 art 2 s 109; 1Sp2021 c 4 art 8 s 2; 2023 c 62 art 2 s 75*

16B.875 REVIEW BY COMMISSIONER OF ADMINISTRATION.

The commissioner of administration shall review on a regular basis the duties and responsibilities of the various state departments, agencies and boards which have an operational effect upon the safety of the public, and recommend to the governor and the legislature such organizational and statutory policies as will best serve the purposes of Laws 1969, chapter 1129.

History: *1969 c 1129 art 1 s 1; 1976 c 5 s 1; 1977 c 305 s 35,36; 1981 c 356 s 248; 1982 c 424 s 130; 1983 c 289 s 115 subd 1; 1985 c 248 s 70; 1Sp1985 c 10 s 87; 1987 c 312 art 1 s 26 subd 2; 1993 c 163 art 1 s 29; 1995 c 248 art 11 s 21; 1998 c 366 s 68; 1999 c 238 art 2 s 69*

16B.88 Subdivision 1. [Renumbered 4.50, subdivision 1]

Subd. 2. [Renumbered 4.50, subd 2]

Subd. 3. [Renumbered 4.50, subd 3]

Subd. 3a. [Renumbered 4.50, subd 4]

Subd. 4. [Renumbered 4.50, subd 5]

Subd. 5. [Repealed, 1999 c 86 art 2 s 6]

Subd. 6. [Repealed, 1997 c 206 s 13]

16B.89 [Repealed, 1998 c 386 art 1 s 35]

16B.92 [Renumbered 4A.05]

16B.93 [Repealed, 2014 c 196 art 1 s 6]

16B.94 [Repealed, 2014 c 196 art 1 s 6]

16B.95 [Repealed, 2014 c 196 art 1 s 6]

16B.96 [Repealed, 2014 c 196 art 1 s 6]

GRANT PROCESS

16B.97 GRANTS MANAGEMENT.

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given:

(1) "grant agreement" means a written instrument or electronic document defining a legal relationship between a granting agency and a grantee when the principal purpose of the relationship is to transfer cash or something of value to the recipient to support a public purpose authorized by law instead of acquiring by professional or technical contract, purchase, lease, or barter property or services for the direct benefit or use of the granting agency; and

(2) "grantee" means a potential or current recipient of a state-issued grant.

(b) This section does not apply to general obligation grants as defined by section 16A.695, capital project grants to political subdivisions as defined by section 16A.86, or capital project grants otherwise subject to section 16A.642, all of which are subject to the policies and procedures adopted by the commissioner of management and budget and other requirements specified in applicable law.

Subd. 2. **Grants governance.** The commissioner shall provide leadership and direction for policy related to grants management in Minnesota in order to foster more consistent, streamlined interaction between executive agencies, funders, and grantees that will enhance access to grant opportunities and information and lead to greater program accountability and transparency. The commissioner has the duties and powers stated in this section. Executive agencies shall fully cooperate with the commissioner in the creation, management, and oversight of state grants and must do what the commissioner requires under this section. The commissioner may adopt rules to carry out grants governance, oversight, and management.

Subd. 3. **Discretionary powers.** The commissioner has the authority to:

(1) review grants management practices and establish and enforce policy and procedure improvements;

(2) sponsor, support, and facilitate innovative and collaborative grants management projects with public and private organizations;

(3) review, recommend, and implement alternative strategies for grants management;

(4) collect and disseminate information, issue reports relating to grants management, and sponsor and conduct conferences and studies;

(5) participate in conferences and other appropriate activities related to grants management issues;

(6) suspend or debar grantees from eligibility to receive state-issued grants for up to three years for reasons specified in Minnesota Rules, part 1230.1150, subpart 2. A grantee may obtain an administrative hearing pursuant to sections 14.57 to 14.62 before a suspension or debarment is effective by filing a written request for hearing within 20 days of notification of suspension or debarment;

(7) establish offices for the purpose of carrying out grants governance, oversight, and management; and

(8) require granting agencies to submit grant solicitation documents for review prior to issuance at dollar levels determined by the commissioner.

Subd. 4. **Duties.** (a) The commissioner shall:

(1) create general grants management policies and procedures that are applicable to all executive agencies. The commissioner's policies and procedures must include a grantee fraud risk rating system with corresponding grants management requirements that are informed by the principles of vendor risk management. The commissioner may approve exceptions to these policies and procedures. Exceptions shall expire or be renewed after five years. The commissioner must report each approved exception to the chairs and ranking minority members of the legislative committees with jurisdiction over the agency. Executive agencies shall retain management of individual grants programs;

(2) provide a central point of contact concerning statewide grants management policies and procedures;

(3) serve as a resource to executive agencies in such areas as training, evaluation, collaboration, and best practices in grants management;

(4) ensure grants management needs are considered in the development, upgrade, and use of statewide administrative systems and leverage existing technology wherever possible;

(5) oversee and approve future professional and technical service contracts and other information technology spending related to executive agency grants management systems and activities;

(6) provide a central point of contact for comments about executive agencies violating statewide grants governance policies and about fraud and misuse in grants processes;

(7) forward received comments to the appropriate agency for further action, and may follow up as necessary;

(8) provide a single listing of all available executive agency competitive grant opportunities and resulting grant recipients;

(9) selectively review development and implementation of executive agency grants, policies, and practices;

(10) selectively review executive agency compliance with best practices; and

(11) provide a standard template summary page for requests for proposals (RFP) that represent key information about the grant opportunity in a clear and accessible format. The template must include information regarding the purpose of the program, applicant eligibility, funding availability and award structure, grant administration requirements, and the application process. The summary page does not replace or supersede any specific requirement in the full RFP.

(b) The commissioner may determine that it is cost-effective for agencies to develop and use shared grants management technology systems. This system would be governed under section 16E.01, subdivision 3, paragraph (b).

[See Note.]

Subd. 5. **Data classification.** Data maintained by the commissioner that identify a person providing comments to the commissioner under subdivision 4, paragraph (a), clauses (6) and (7), are private and nonpublic data.

History: *2007 c 148 art 2 s 22; 2010 c 365 art 1 s 9; 2015 c 77 art 2 s 9; 2023 c 62 art 7 s 2-4; 2025 c 39 art 2 s 37; 2026 c 119 art 2 s 8,9; 2026 c 122 s 2,3*

NOTE: The amendment to subdivision 4 by Laws 2026, chapter 119, article 2, section 8, is effective February 1, 2028. Laws 2026, chapter 119, article 2, section 8, the effective date.

16B.98 GRANTS MANAGEMENT PROCESS.

Subdivision 1. **Limitation.** (a) As a condition of receiving a grant from an appropriation of state funds, the recipient of the grant must agree that administrative costs must be necessary and reasonable. The granting agency is responsible for negotiating appropriate limits to these costs so that the state derives the optimum benefit for grant funding.

(b) This section does not apply to general obligation grants as defined by section 16A.695 and also capital project grants to political subdivisions as defined by section 16A.86, or capital project grants otherwise subject to section 16A.642.

Subd. 2. **Ethical practices and conflict of interest.** An employee of the executive branch involved directly or indirectly in grants processes, at any level, is subject to the code of ethics in section 43A.38.

Subd. 3. **Conflict of interest.** (a) The commissioner must develop policies regarding code of ethics and conflict of interest designed to prevent conflicts of interest for employees, committee members, or others involved in the recommendation, awarding, and administration of grants. The policies must apply to employees who are directly or indirectly in the grants process, which may include the following:

(1) developing request for proposals or evaluation criteria;

(2) drafting, recommending, awarding, amending, revising, or entering into grant agreements;

(3) evaluating or monitoring performance; or

(4) authorizing payments.

(b) The policies must include:

(1) a process to make all parties to the grant aware of policies and laws relating to conflict of interest, and training on how to avoid and address potential conflicts; and

(2) a process under which those who have a conflict of interest or a potential conflict of interest must disclose the matter.

(c) If the employee, appointing authority, or commissioner determines that a conflict of interest exists, the matter shall be assigned to another employee who does not have a conflict of interest. If it is not possible to assign the matter to an employee who does not have a conflict of interest, interested personnel shall be notified of the conflict and the employee may proceed with the assignment.

Subd. 4. **Reporting of violations.** A state employee who discovers evidence of violation of laws or rules governing grants must promptly report the violation or suspected violation to the employee's supervisor or manager, the commissioner or the commissioner's designee, or the legislative auditor. If the state employee notifies the employee's supervisor or manager, or the commissioner or the commissioner's designee, then the supervisor, manager, commissioner, or commissioner's designee must notify the legislative auditor. The legislative auditor shall report to the Legislative Audit Commission if there are multiple complaints about the same agency. An employee making a good faith report under this section has the protections provided for under section 181.932, prohibiting the employer from discriminating against the employee.

Subd. 5. **Creation and validity of grant agreements.** (a) A grant agreement and amendments are not valid and do not bind unless:

(1) the grant agreement and amendments have been executed by the head of the agency or a delegate who is party to the grant;

(2) the grant agreement and amendments have been approved by the commissioner;

(3) the accounting system shows an encumbrance for the amount of the grant in accordance with policy approved by the commissioner except as provided in subdivision 11; and

(4) the grant agreement and amendments include an effective date that references either subdivisions 5 and 7, or section 16C.05, subdivision 2, as determined by the granting agency.

(b) The combined grant agreement and amendments must not exceed five years without specific, written approval by the commissioner according to established policy, procedures, and standards, or unless the commissioner determines that a longer duration is in the best interest of the state.

(c) A fully executed copy of the grant agreement with all amendments and other required records relating to the grant must be kept on file at the granting agency for a time equal to that required of grantees in subdivision 8.

(d) Grant agreements must comply with policies established by the commissioner for minimum grant agreement standards and practices. As determined by the commissioner, grant agreements must require the grantee to clearly post on the grantee's website the names of, and contact information for, the organization's leadership and the employee or other person who directly manages and oversees the grant for the grantee.

(e) The attorney general may periodically review and evaluate a sample of state agency grants to ensure compliance with applicable laws.

(f) If funding is canceled, withdrawn, or terminated, an agency may, at its option, suspend its performance until funding is restored. Nothing in this paragraph releases the state from its obligations during a period of suspension.

Subd. 6. **Grant administration.** A granting agency shall diligently administer and monitor any grant it has entered into. A granting agency must report to the commissioner at any time at the commissioner's request on the status of any grant to which the agency is a party.

Subd. 6a. **Grants management training.** All state agency staff assigned grant management responsibilities must complete initial grants management training before assuming grants management job duties and must complete continuing grants management training on an annual basis.

Subd. 7. **Grant payments.** Payments to the grantee may not be issued until the grant agreement is fully executed. Encumbrances for grants issued by June 30 may be certified for a period of one year beyond the year in which the funds were originally appropriated as provided by section 16A.28, subdivision 6.

Subd. 8. **Audit.** (a) A grant agreement made by an executive agency must include an audit clause that provides that the books, records, documents, and accounting procedures and practices of the grantee or other party that are relevant to the grant or transaction are subject to examination by the commissioner, the granting agency and either the legislative auditor or the state auditor, as appropriate, for a minimum of six years from the grant agreement end date, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later. If a grant agreement does not include an express audit clause, the audit authority under this subdivision is implied.

(b) If the granting agency is a local unit of government, and the governing body of the local unit of government requests that the state auditor examine the books, records, documents, and accounting procedures and practices of the grantee or other party according to this subdivision, the granting agency shall be liable for the cost of the examination. If the granting agency is a local unit of government, and the grantee or other party requests that the state auditor examine all books, records, documents, and accounting procedures and practices related to the grant, the grantee or other party that requested the examination shall be liable for the cost of the examination.

Subd. 9. **Authority of attorney general.** The attorney general may pursue remedies available by law to avoid the obligation of an agency to pay under a grant or to recover payments made if activities under the grant are so unsatisfactory, incomplete, or inconsistent that payment would involve unjust enrichment. The contrary opinion of the granting agency does not affect the power of the attorney general under this subdivision.

Subd. 10. **Grants with Indian Tribes and Bands.** Notwithstanding any other law, an agency may not require an Indian Tribe or Band to deny its sovereignty as a requirement or condition of a grant with an agency.

Subd. 11. **Encumbrance exception.** Notwithstanding subdivision 5, paragraph (a), clause (3), or section 16C.05, subdivision 2, paragraph (a), clause (3), agencies may permit a specifically named, legislatively appropriated, noncompetitive grant recipient to incur eligible expenses based on an agreed upon work plan and budget for up to 60 days prior to an encumbrance being established in the accounting system.

Subd. 12. **Grantee evaluations.** (a) The head of the agency or delegate entering into a grant agreement in excess of $25,000 must submit a report to the commissioner who must make the report publicly available online.

(b) The report must:

(1) summarize the purpose of the grant;

(2) state the amount provided to the grantee; and

(3) include a written performance evaluation of the work done under the grant. The evaluation must include an appraisal of the grantee's timeliness, quality, and overall performance in meeting the terms and objectives of the grant. Grantees may request copies of evaluations prepared under this subdivision and may respond in writing. Grantee responses must be maintained with the grant file.

Subd. 13. **Limitations on actions.** No action may be maintained by a grantee against an employee or agency who discloses information about a current or former grantee under subdivision 12, unless the grantee demonstrates by clear and convincing evidence that:

(1) the information was false and defamatory;

(2) the employee or agency knew or should have known the information was false and acted with malicious intent to injure the current or former grantee; and

(3) the information was acted upon in a manner that caused harm to the current or former grantee.

Subd. 14. **Administrative costs.** Unless amounts are otherwise appropriated for administrative costs, a state agency may retain up to five percent of the amount appropriated to the agency for grants enacted by the legislature and formula grants and up to ten percent for competitively awarded grants. This subdivision applies to appropriations made for new grant programs enacted on or after July 1, 2023. This subdivision does not apply to grants funded with an appropriation of proceeds from the sale of state general obligation bonds.

History: *2007 c 148 art 2 s 23; 2012 c 264 art 5 s 1,2; 2014 c 187 s 1,2; 2015 c 77 art 2 s 10,11; 2023 c 62 art 7 s 5-10; 2023 c 69 s 9; 2025 c 39 art 2 s 38-41; 2026 c 122 s 4*

16B.981 FINANCIAL REVIEW OF GRANT AND BUSINESS SUBSIDY RECIPIENTS.

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given.

(b) "Grant" means a grant of $50,000 or more as defined in section 16B.97, subdivision 1, paragraph (a); or business subsidy of $50,000 or more as defined in section 116J.994, subdivision 3, paragraph (b).

(c) "Grantee" means a political subdivision, as defined in section 471.345, subdivision 1; a nonprofit, as defined in chapter 317A; or a business entity, as defined in section 5.001, subdivision 2.

Subd. 2. **Financial information required; determination of ability to perform.** For grants of $50,000 or more and subject to sections 16B.97 and 16B.98, before an agency awards a competitive, legislatively named, single-source, or sole-source grant, the agency must complete a pre-award risk assessment to assess the risk that a potential grantee cannot or would not perform the required duties. In making this assessment, the agency must review the following information as applicable:

(1) the potential grantee's history of performing duties similar to those required by the grant, whether the grant requires the potential grantee to perform services at a significantly increased scale, and whether the grant will require significant changes to the operation of the potential grantee's organization;

(2) for a potential grantee that is a nonprofit organization, the potential grantee's most recent Form 990 or Form 990-EZ filed with the Internal Revenue Service. If the potential grantee has not been in existence long enough or is not required to file Form 990 or Form 990-EZ, the potential grantee must demonstrate to the agency's satisfaction that the potential grantee is exempt and must instead submit the potential grantee's most recent board-reviewed financial statements and documentation of internal controls or, if there is no such board, by the applicant's managing group;

(3) for a potential grantee that is a for-profit business, the potential grantee's most recent federal and state tax returns, current financial statements, certification that the business is not under bankruptcy proceedings, and disclosure of any liens on its assets. If a business has not been in business long enough to have a tax return, the grantee must demonstrate to the agency's satisfaction that the grantee has appropriate internal financial controls;

(4) evidence of good standing with the secretary of state under chapter 317A, or other applicable law;

(5) if the potential grantee is required to complete an audit under section 309.53, subdivision 3, the potential grantee's most recent audit report performed by an independent third party in accordance with generally accepted accounting principles; and

(6) certification, provided by the potential grantee, that none of its current principals have been convicted of a felony financial crime in the last ten years. For this section, a principal is defined as a public official, a board member, or staff with the authority to access funds provided by this agency or determine how those funds are used.

Subd. 3. **Additional measures for some grantees.** The agency may require additional information and may provide enhanced oversight for grantees that have not previously received state or federal grants for similar amounts or similar duties and have not yet demonstrated the ability to perform the duties required under the grant on the scale required.

Subd. 4. **Agency authority to not award grant.** (a) If, while performing the required steps in subdivision 2 and pursuant to sections 16B.97, 16B.98, and 16B.991, the agency requires additional information to determine whether there is a substantial risk that the potential grantee cannot or would not perform the required duties of the grant agreement, the agency must give the grantee 15 calendar days within which the grantee can respond to the agency for the purpose of satisfying the agency's concerns or work with the agency to develop a plan to satisfy the concerns.

(b) If, after performing the required steps in subdivision 2 and pursuant to sections 16B.97, 16B.98, and 16B.991, and after reviewing any additional requested information from the grantee, the agency still has concerns that there is a substantial risk that a potential grantee cannot or would not perform the required duties under the grant agreement, the agency must either create a plan to satisfy remaining concerns with the grantee or must not award the grant.

(c) If, pursuant to paragraphs (a) and (b), the agency does not award a competitive, single-source, or sole-source grant, the agency must provide notification to the grantee and the commissioner of administration of the determination. The notification to the grantee must include the agency's reason for postponing or forgoing the grant, including information sufficient to explain and support the agency's decision, and notify the applicant of the process for contesting the agency's decision under paragraph (d).

(d) The final decision by an agency under paragraph (c) may be challenged as a contested case under chapter 14. The contested case proceeding must be initiated within 30 calendar days of the date of written notification of a final decision by the agency.

(e) If, pursuant to paragraphs (a) and (b), the agency does not award a legislatively named grant, the agency must delay award of the grant until adjournment of the next regular or special legislative session for action from the legislature. The agency must provide notification to the potential grantee, the commissioner of administration, and the chairs and ranking minority members of the Ways and Means Committee in the house of representatives and the chairs and ranking minority members of the Finance Committee in the senate. The notification to the grantee must include the agency's reason for postponing or forgoing the grant,

including information sufficient to explain and support the agency's decision and notify the applicant of the process for contesting the agency's decision under paragraph (d). The notification to the commissioner of administration and legislators must identify the legislatively named potential grantee and the agency's reason for postponing or forgoing the grant. After hearing the concerns of the agency, the legislature may reaffirm the award of the grant or reappropriate the funds to a different legislatively named grantee. Based on the action of the legislature, the agency must award the grant to the legislatively named grantee. If the legislature does not provide direction to the agency on the disposition of the grant, the funds revert to the original appropriation source.

Subd. 5. **Authority to award subject to additional assistance and oversight.** An agency that identifies an area of significant concern regarding an applicant's financial standing or management may award a grant to the applicant if the agency provides or the potential grantee otherwise obtains necessary technical assistance. If the agency cannot provide and the grantee cannot otherwise reasonably obtain necessary technical assistance, the agency may award the grant if the agency establishes additional requirements in the grant agreement. Additional requirements may include but are not limited to enhanced monitoring, additional reporting, or other reasonable requirements imposed by the agency to protect the interests of the state.

Subd. 6. **Grants with Indian Tribes and Bands.** Notwithstanding any other law, an agency may not require an Indian Tribe or Band to deny its sovereignty as a requirement or condition of a grant with an agency.

History: *2023 c 62 art 7 s 11; 2025 c 39 art 2 s 42*

16B.99 MS 2010 [Renumbered 16E.30]

16B.991 TERMINATION OF GRANT.

Subdivision 1. **Criminal conviction.** Each grant agreement subject to sections 16B.97 and 16B.98 must provide that the agreement will immediately be terminated if the recipient is convicted of a criminal offense relating to a state grant agreement. "Recipient" includes individuals, entities, and key personnel of entities, including board members, officers, executives, employees, or agents with authority over or access to grant funds, and any individual in a position of fiduciary responsibility related to the grant.

Subd. 2. **Authority.** A grant agreement must by its terms permit the commissioner to unilaterally terminate the grant agreement prior to completion if the commissioner determines that further performance under the grant agreement would not serve agency purposes or performance under the grant agreement is not in the best interests of the state.

History: *1Sp2017 c 4 art 2 s 23; 2023 c 62 art 7 s 12; 2025 c 39 art 2 s 43; 2026 c 122 s 5*