

A bill for an act
relating to capital improvements; creating a cooperative local facilities grant
program; authorizing the sale and issuance of state bonds; appropriating money;
proposing coding for new law in Minnesota Statutes, chapter 16B.

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

Section 1. **[16B.355] COOPERATIVE LOCAL FACILITIES GRANTS.**

Subdivision 1. **Grants authorized.** 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 half 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.

Sec. 2. COOPERATIVE FACILITIES GRANTS; APPROPRIATION.

Subdivision 1. **Appropriation.** \$20,000,000 is appropriated from the bond proceeds fund to the commissioner of administration to make grants to counties, cities, towns, and school districts to construct or renovate cooperative local facilities under Minnesota Statutes, section 16B.355.

Subd. 2. **Bond sale.** To provide the money appropriated in this section from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$20,000,000 in the manner, upon the terms, and with

3.1 the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the
3.2 Minnesota Constitution, article XI, sections 4 to 7.

3.3 Sec. 3. **EFFECTIVE DATE.**

3.4 This act is effective the day following final enactment.