

## CHAPTER 16B

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## 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. **State contract.** "State contract" means any written instrument or electronic document containing the elements of offer, acceptance and consideration to which a state agency is a party.

Subd. 5. **Supplies, materials, and equipment.** "Supplies," "materials," and "equipment" includes articles and things used by or furnished to an agency, including printing, binding, and publication of books and records, repairs, and improvements.

Subd. 6. **Utility services.** "Utility services" includes telephone, telegraph, 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

### 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 a deputy commissioner, in accordance with chapter 43A.

**History:** 1984 c 544 s 8

### 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, general.** 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 and operate all central store or supply rooms serving more than one agency;
- (3) approve all computer plans and contracts, and oversee the state's data processing system;
- (4) investigate and study the management and organization of agencies, and reorganize them when necessary to ensure their effective and efficient operation;
- (5) manage and control state property, real and personal;
- (6) maintain and operate all state buildings including the state capitol building and grounds;
- (7) supervise, control, review, and approve all capital improvements to state buildings and the capitol building and grounds;
- (8) provide central duplicating, printing, and mail facilities;
- (9) oversee publication of official documents and provide for their sale;
- (10) manage and operate parking facilities for state employees and a central motor pool for travel on state business;
- (11) establish and administer a state building code; and
- (12) 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. The commissioner shall report back to the legislature by October 1, 1984, with the recommendation to implement the private day care operation.

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 or unnecessary spending of public money;
- (2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;
- (3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;
- (4) use technology where appropriate 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) include specific objectives in the performance report required under section 15.91 to increase the efficiency of agency operations, when appropriate; and
- (7) recommend to the legislature, in the performance report of the department required under section 15.91, appropriate changes in law necessary to carry out the mission 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

#### **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 signatures and electronic approvals.** When authorized by the commissioner, facsimile signatures and electronic approvals may be used by personnel of the department of administration in accordance with the commissioner's delegated authority and instructions, copies of which shall be filed with the commissioner of finance, state treasurer, and the secretary of state. A facsimile signature or electronic approval, 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

#### **16B.052 AUTHORITY TO TRANSFER FUNDS.**

The commissioner may, with the approval of the commissioner of finance, 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 transfer must be repaid within 18 months.

**History:** 1988 c 613 s 3

### **CONTRACTS AND PURCHASES**

#### **16B.06 CONTRACT MANAGEMENT AND REVIEW.**

**Subdivision 1. Duties of commissioner.** (a) **Contract management.** The commissioner shall perform all contract management and review functions for state contracts, except those functions performed by the contracting agency, and the attorney general. All agencies shall fully cooperate with the commissioner in the management and review of state contracts. A delegation of the commissioner's duties under this section to the head of an agency or a designated subordinate must be filed with the secretary of state and may not, except with respect to delegations within the department of administration, exceed two years in duration.

(b) **Purchasing.** The commissioner shall purchase, rent, or otherwise provide for the furnishing of all supplies, materials, equipment, and utility services. The commissioner may lease, rent, or sell supplies, equipment, and services to agencies. The commissioner shall purchase from the state correctional institutions, the University of Minnesota, and other state institutions all articles manufactured by them which are usable by the state. All purchase orders must be prepared in a format prescribed by the attorney general.

**Subd. 2. Validity of state contracts.** (a) A state contract or lease is not valid and the state is not bound by it until:

(1) it has first been executed by the head of the agency or a delegate which is a party to the contract;

(2) it has been approved by the commissioner or a delegate, under this section;

(3) it has been approved by the attorney general or a delegate as to form and execution; and

(4) the account system shows an allotment or encumbrance balance for the full amount of the contract liability.

(b) Paragraph (a), clause (2), does not apply to contracts between state agencies, contracts awarding grants, or contracts making loans by the department of trade and economic development.

(c) The head of the agency may delegate the execution of specific contracts or specific types of contracts to a designated subordinate within the agency if the delegation has been approved by the commissioner of administration and filed with the secretary of state. The fully executed copy of every contract or lease must be kept on file at the contracting agency.

**Subd. 2a. Exception.** The requirements of subdivision 2 do not apply to state contracts of the department of economic security and the department of children, families, and learning, to the extent that the department of children, families, and learning is administering programs transferred from the department of economic security, that distribute state and federal funds for the purpose of subcontracting the provision of program services to eligible recipi-

ents. For these contracts, each department is authorized to directly enter into state contracts and encumber available funds. For contracts distributing state or federal funds pursuant to the federal Economic Dislocation and Worker Adjustment Assistance Act, United States Code, title 29, section 1651 et seq.; or Minnesota Statutes, sections 268.9771, 268.978, 268.9781, and 268.9782, the commissioner of economic security is authorized to directly enter into state contracts with approval of the workforce development council and encumber available funds to ensure a rapid response to the needs of dislocated workers. Each department shall adopt internal procedures to administer and monitor funds distributed under these contracts.

**Subd. 3. Contract administration.** Upon entering into a state contract, an agency bears full responsibility for the diligent administration and monitoring of the contract. The commissioner may require an agency to report to the commissioner at any time on the status of any outstanding state contract to which the agency is a party.

**Subd. 3a. Warranties.** A contract for the purchase of a product covered by a manufacturer's warranty must provide for servicing of the product under the warranty by the vendor or a designated agent of the vendor.

**Subd. 4. Subject to audit.** A contract or any disbursement of public funds to a provider of services or a grantee made by or under the supervision of the commissioner, an agency, or any county or unit of local government must include, expressly or impliedly, an audit clause that provides that the books, records, documents, and accounting procedures and practices of the contractor or other party, relevant to the contract or transaction are subject to examination by the contracting agency, and either the legislative auditor or the state auditor as appropriate. If the contracting 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 contractor or other party pursuant to this subdivision, the contracting agency shall be liable for the cost of the examination. If the contracting agency is a local unit of government, and the grantee, contractor, or other party requests that the state auditor examine all books, records, documents, and accounting procedures and practices related to the contract, the grantee, contractor, or other party that requested the examination shall be liable for the cost of the examination. A state contract made for purchase, lease, or license of software and data from the state is not required to contain that audit clause.

**Subd. 5. Authority of attorney general.** The attorney general may sue to avoid the obligation of an agency to pay under a state contract or to recover payments made if services performed under the contract are so unsatisfactory, incomplete, or inconsistent with the price that payment would involve unjust enrichment. The contrary opinion of the contracting agency does not affect the power of the attorney general under this subdivision.

**Subd. 6. Contracts with Indian tribes and bands.** Notwithstanding any other law, the state may not require an Indian tribe or band to deny their sovereignty as a requirement or condition of a contract with the state or an agency of the state.

**Subd. 7. Compliance.** The commissioner must develop procedures to audit agency personnel to whom the commissioner has delegated contracting authority, in order to ensure compliance with laws and guidelines governing issuance of contracts, including laws and guidelines governing conflicts of interest.

**History:** 1984 c 544 s 11; 1985 c 296 s 1; 1986 c 444; 1987 c 365 s 5; 1988 c 627 s 1; 1989 c 282 art 2 s 1; 1990 c 506 art 2 s 9; 1991 c 199 art 2 s 3; 1993 c 13 art 1 s 13; 1993 c 315 s 4; 1993 c 369 s 41; 1994 c 465 art 2 s 2; 1994 c 483 s 1; 1994 c 632 art 3 s 30,31; art 4 s 19; 1995 c 131 s 2; 1995 c 254 art 1 s 52; 1Sp1995 c 3 art 4 s 30; 1996 c 339 s 1; 1996 c 369 s 1

## 16B.07 COMPETITIVE BIDS.

**Subdivision 1. Application.** Except as otherwise provided by this chapter, all contracts for construction or repairs and all purchases of and all contracts for supplies, materials, purchase or rental of equipment, and utility services must be based on competitive bids, and all sales of property must be to the highest responsible bidder after advertising for bids pursuant to this section.

**Subd. 2. Requirement contracts.** Standard requirement price contracts for supplies or services to be purchased by the state must be established by competitive bids as provided in subdivision 1. The standard requirement price contracts may contain escalation clauses and may provide for a negotiated price increase or decrease based upon a demonstrable industry-wide or regional increase or decrease in the vendor's costs or for the addition of similar products or replacement items not significant to the total value of existing contracts. The term of these contracts may not exceed five years including all extensions.

**Subd. 3. Publication of notice; expenditures over \$15,000 and requests for proposal.** If the amount of an expenditure or sale is estimated to exceed \$15,000, sealed bids or requests for proposal as provided in section 16B.08, subdivision 4, clause (b), must be solicited by public notice inserted at least once in a newspaper or trade journal not less than seven days before the final date of submitting bids. The commissioner shall designate the newspaper or trade journal for that publication, and may designate different newspapers or journals according to the nature of the purchase or contract. The commissioner shall also solicit sealed bids by sending notices by mail to all prospective bidders known to the commissioner, and by posting notice on a public bulletin board in the commissioner's office at least five days before the final date of submitting bids. All bids must be sealed when they are received and must be opened in public at the hour stated in the notice. All original bids and all documents pertaining to the award of a contract must be retained and made a part of a permanent file or record and remain open to public inspection.

**Subd. 4. Purchases, sales, or rentals; \$15,000 or less.** All purchases or sales the amount of which is estimated to be \$15,000 or less may be made either upon competitive bids or in the open market, in the discretion of the commissioner. So far as practicable, however, they must be based on at least three competitive bids which must be permanently recorded.

**Subd. 5. Standard specifications, security.** Contracts and purchases must be based on the standard specifications prescribed and enforced by the commissioner under this chapter, unless otherwise expressly provided. Each bidder for a contract must furnish security approved by the commissioner to insure the making of the contract being bid for.

**Subd. 6. Noncompetitive bids.** Agencies are encouraged to purchase from small targeted group businesses designated under section 16B.19 when making purchases that are not subject to competitive bidding procedures.

**History:** 1984 c 544 s 12; 1986 c 363 s 1,2; 1986 c 444; 1988 c 613 s 4,5; 1990 c 541 s 2

## **16B.08 BIDS NOT REQUIRED.**

**Subdivision 1. Utility services.** Competitive bids are not required for utility services where no competition exists or where rates are fixed by law or ordinance.

**Subd. 2. Single source of supply.** Competitive bidding is not required for purchases clearly and legitimately limited to a single source of supply, and the purchase price may be best established by direct negotiation.

**Subd. 3. Auction in lieu of bids.** The commissioner, in lieu of advertising for bids, may sell buildings and other personal property owned by the state and not needed for public purposes at public auction to the highest responsible bidder. A sale under this subdivision may not be made until publication of notice of the sale in a newspaper of general circulation in the area where the property is located and any other advertising the commissioner directs. Any of the property may be withdrawn from the sale prior to the completion of the sale unless the auction has been announced to be without reserve. If the sale is made at public auction a duly licensed auctioneer must be retained to conduct the sale. The auctioneer's fees and other administrative costs of the auction must be paid from the proceeds from which an amount sufficient to pay them is appropriated.

**Subd. 4. Negotiated contracts.** (a) In lieu of any of the other requirements of this chapter, the commissioner may negotiate a contract for public work to be performed at a state-owned institution or installation if the cost does not exceed \$15,000 and if the head of the affected state agency requests the commissioner to do so. The commissioner shall have prepared whatever plans and specifications for the public work deemed necessary by the com-

missioner to protect the public interest. Contractor's bonds or security pursuant to chapter 574 are not required for contracts entered into pursuant to this subdivision.

(b) In lieu of the requirement for competitive bidding in section 16B.07, subdivision 1, purchases and contracts may be negotiated in those circumstances determined by the commissioner, and in any of those circumstances the commissioner shall advertise for a request for proposal as a basis for negotiation.

**Subd. 5. Federal agency price schedules.** Notwithstanding anything in this chapter to the contrary, the commissioner may, instead of soliciting bids, contract for purchases with suppliers who have published schedules of prices effective for sales to any federal agency of the United States. These contracts may be entered into, regardless of the amount of the purchase price, if the commissioner considers them advantageous and if the purchase price of all the commodities purchased under the contract do not exceed the price specified by the schedule.

**Subd. 6. Emergency purchases.** In emergencies the commissioner may, without calling for bids, contract directly for the repair, rehabilitation, and improvement of a state-owned structure or may authorize an agency to do so, and may purchase or may authorize an agency to purchase directly supplies, materials, equipment, or utility services for immediate use. An emergency for the purposes of this subdivision is an unforeseen occurrence or combination of circumstances which calls for immediate action in the public interest.

**Subd. 7. Specific purchases.** (a) The following may be purchased without regard to the competitive bidding requirements of this chapter:

- (1) merchandise for resale at state park refectories or facility operations;
- (2) farm and garden products, which may be sold at the prevailing market price on the date of the sale;
- (3) meat for other state institutions from the technical college maintained at Pipestone by independent school district No. 583; and
- (4) products and services from the Minnesota correctional facilities.

(b) Supplies, materials, equipment, and utility services for use by a community-based residential facility operated by the commissioner of human services may be purchased or rented without regard to the competitive bidding requirements of this chapter.

(c) Supplies, materials, or equipment to be used in the operation of a hospital licensed under sections 144.50 to 144.56 that are purchased under a shared service purchasing arrangement whereby more than one hospital purchases supplies, materials, or equipment with one or more other hospitals, either through one of the hospitals or through another entity, may be purchased without regard to the competitive bidding requirements of this chapter if the following conditions are met:

- (1) the hospital's governing authority authorizes the arrangement;
- (2) the shared services purchasing program purchases items available from more than one source on the basis of competitive bids or competitive quotations of prices; and
- (3) the arrangement authorizes the hospital's governing authority or its representatives to review the purchasing procedures to determine compliance with these requirements.

**History:** 1984 c 544 s 13; 1Sp1985 c 13 s 117; 1986 c 363 s 3; 1986 c 444; 1987 c 258 s 12; 1987 c 365 s 6,7; 1988 c 613 s 6; 1988 c 689 art 2 s 5; 1989 c 246 s 2; 1993 c 326 art 8 s 1; 1994 c 632 art 4 s 20; 1995 c 207 art 2 s 2; 1995 c 224 s 49

**16B.089** [Renumbered 16B.189]

## **16B.09 CONTRACTS AND PURCHASES, AWARD.**

**Subdivision 1. Lowest responsible bidder.** All state contracts and purchases made by or under the supervision of the commissioner or an agency for which competitive bids are required must be awarded to the lowest responsible bidder, taking into consideration conformity with the specifications, terms of delivery, the purpose for which the contract or purchase is intended, the status and capability of the vendor, and other considerations imposed in the call for bids. The commissioner may decide which is the lowest responsible bidder for all purchases and may use the principles of life cycle costing, where appropriate, in determining

the lowest overall bid. As to contracts other than for purchases, the head of the interested agency shall make the decision, subject to the approval of the commissioner. Any or all bids may be rejected. In a case where competitive bids are required and where all bids are rejected, new bids, if solicited, must be called for as in the first instance, unless otherwise provided by law.

**Subd. 2. Alterations and erasures.** A bid containing an alteration or erasure of any price contained in the bid which is used in determining the lowest responsible bid must be rejected unless the alteration or erasure is corrected pursuant to this subdivision. An alteration or erasure may be crossed out and the correction printed in ink or typewritten adjacent to it and initialed in ink by the person signing the bid.

**Subd. 3. Special circumstances.** The commissioner may reject the bid of any bidder who has failed to perform a previous contract with the state. In the case of identical low bids from two or more bidders, the commissioner may use negotiated procurement methods with the tied low bidders for that particular transaction, so long as the price paid does not exceed the low tied bid price. The commissioner may award contracts to more than one bidder in accordance with subdivision 1, if doing so does not decrease the service level or diminish the effect of competition.

**Subd. 4. Record.** A record must be kept of all bids, including names of bidders, amounts of bids, and each successful bid. This record is open to public inspection.

**Subd. 5. Cooperative agreements; purchasing revolving fund.** The commissioner may enter into cooperative purchasing agreements under section 471.59 with cities, counties, towns, school districts, or other political subdivisions or instrumentalities of a governmental unit or any entity that is statutorily authorized to purchase materials and services through state contracts. The cooperative purchasing revolving fund is a separate account in the state treasury. The commissioner may charge a fee to cover the commissioner's administrative expenses to government units that have joint or cooperative purchasing agreements with the state under section 471.59. The fees collected must be deposited in the revolving fund established by this subdivision. Money in the fund is appropriated to the commissioner to administer the programs and services covered by this section.

**Subd. 6. Preferences not cumulative.** The preferences provided for under sections 16B.101, 16B.102, 16B.121, 16B.18, and 16B.19 are not cumulative. The total percentage of preference granted on a contract may not exceed the highest percentage of preference allowed for that contract under any one of these statutory sections.

**History:** 1984 c 544 s 14; 1Sp1985 c 13 s 118; 1986 c 363 s 4; 1986 c 444; 1987 c 365 s 8; 1988 c 613 s 7,8; 1990 c 506 art 2 s 10; 1990 c 572 s 1; 1992 c 514 s 2

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

### **16B.101 PREFERENCE FOR AMERICAN-MADE MATERIALS.**

**Subdivision 1. Definitions.** As used in this section, the following terms have the meanings given them in this subdivision.

(a) "Public agency" includes all state agencies, the University of Minnesota, the board of trustees of the Minnesota state colleges and universities, and any contractor acting under a contract with a public agency.

(b) "Materials" means goods, supplies, equipment, or other tangible products or materials, including foods.

(c) "Manufactured" means mined, grown, produced, manufactured, fabricated, or assembled.

(d) "Manufactured in the United States" means materials manufactured in whole or in substantial part within the United States or a majority of whose component parts were manufactured in whole or in substantial part in the United States. Salt mined in Canada and cement manufactured in Canada are considered to have been manufactured in the United States for purposes of this section.

(e) "Purchase" means acquire by purchase or lease.

**Subd. 2. Purchase preference.** Notwithstanding the provisions of any other law to the contrary, no materials may be purchased by a public agency for use for governmental pur-



poses which are not manufactured in the United States, except as may be provided in this section. When all other factors are substantially equal, preference must be given first to those products which are manufactured to the greatest extent in the United States. To the extent possible, specifications must be written so as to permit the public agency to purchase materials manufactured in the United States.

**Subd. 3. Exemptions.** Subdivision 2 does not apply if the person having contracting authority in respect to the purchase determines that (1) the materials are not manufactured in the United States in sufficient or reasonably available quantities, (2) the price or bid of the materials unreasonably exceeds the price or bid of available and comparable materials manufactured outside of the United States, (3) the quality of the materials is substantially less than the quality of comparably priced available materials manufactured outside of the United States, or (4) the purchase of the materials manufactured in the United States is otherwise not in the public interest. Subdivision 2 also does not apply if the materials are purchased with a view to commercial resale or with a view to use in the production of goods for commercial sale.

**History:** 1983 c 336 s 2; 1984 c 440 s 1; 1984 c 544 s 88; 1984 c 655 art 2 s 13 subd 1; 1991 c 23 s 1; 1992 c 583 s 1; 1996 c 395 s 18

### 16B.102 RESIDENT PREFERENCE IN PUBLIC CONTRACTS.

**Subdivision 1. Other states with resident preference.** When a public contract for construction or repairs and all purchases of and all contracts for supplies, materials, and the purchase and rental of equipment is to be awarded to the lowest responsible bidder a resident bidder shall be allowed a preference as against a nonresident bidder from a state which gives or requires a preference to bidders from that state. The preference shall be equal to the preference given or required by the state of the nonresident bidder. If a state agency does not give the preference to the resident bidder, the finance department shall unallot from that agency's budget an amount equal to the specific bid.

**Subd. 2. Definition.** Resident bidder as used in this section means a person, firm or corporation authorized to engage in business in the state of Minnesota and having a bona fide establishment for the doing of business within the state of Minnesota on the date when any bid for a public contract is first advertised or announced, and includes a foreign corporation duly authorized to engage in business in Minnesota and having a bona fide establishment for the doing of business within the state.

**Subd. 3. Federally funded projects exempt.** The provisions of subdivisions 1 and 2 shall not apply to any contract for any project upon which federal funds are available for expenditure.

**History:** 1959 c 47 s 1; 1959 c 139 s 1; 1984 c 440 s 2; 1984 c 544 s 88; 1984 c 655 art 2 s 13 subd 1

### 16B.103 AGRICULTURAL FOOD PRODUCTS GROWN IN STATE.

**Subdivision 1. State contracts.** The commissioner shall encourage and make a reasonable attempt to identify and purchase food products that are grown in this state.

**Subd. 2. Report.** The commissioner shall prepare a report at the end of each biennium and submit it to the committees on agriculture of the house of representatives and senate on the total food products purchased or contracted for by agencies and the amounts of fruits, vegetables, grains, meats, poultry, and other food products purchased or contracted for that are grown in this state.

**History:** 1988 c 688 art 1 s 1

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

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

## RECYCLABILITY AND ENERGY EFFICIENCY

**16B.121 PURCHASE OF RECYCLED, REPAIRABLE, AND DURABLE MATERIALS.**

The commissioner shall take the recycled content and recyclability of commodities to be purchased into consideration in bid specifications. When feasible and when the price of recycled materials does not exceed the price of nonrecycled materials by more than ten percent, the commissioner, and state agencies when purchasing under delegated authority, shall purchase recycled materials. In order to maximize the quantity and quality of recycled materials purchased, the commissioner, and state agencies when purchasing under delegated authority, may also use other appropriate procedures to acquire recycled materials at the most economical cost to the state.

When purchasing commodities and services, the commissioner, and state agencies when purchasing under delegated authority, shall apply and promote the preferred waste management practices listed in section 115A.02, with special emphasis on reduction of the quantity and toxicity of materials in waste. The commissioner, and state agencies when purchasing under delegated authority, in developing bid specifications, shall consider the extent to which a commodity or product is durable, reusable, or recyclable and marketable through the state resource recovery program and the extent to which the commodity or product contains postconsumer material.

**History:** *1Sp1989 c 1 art 18 s 1; 1992 c 514 s 3; 1992 c 593 art 1 s 1; 1993 c 249 s 1*

**16B.122 PURCHASE AND USE OF PAPER STOCK; PRINTING.**

Subdivision 1. **Definitions.** The definitions in this subdivision apply to this section.

(a) "Copier paper" means paper purchased for use in copying machines.

(b) "Office paper" means notepads, loose-leaf fillers, tablets, and other paper commonly used in offices.

(c) "Postconsumer material" means a finished material that would normally be discarded as a solid waste, having completed its life cycle as a consumer item.

(d) "Practicable" means capable of being used, consistent with performance, in accordance with applicable specifications, and availability within a reasonable time.

(e) "Printing paper" means paper designed for printing, other than newsprint, such as offset and publication paper.

(f) "Public entity" means the state, an office, agency, or institution of the state, the metropolitan council, a metropolitan agency, the metropolitan mosquito control district, the legislature, the courts, a county, a statutory or home rule charter city, a town, a school district, another special taxing district, or any contractor acting pursuant to a contract with a public entity.

(g) "Soy-based ink" means printing ink made from soy oil.

(h) "Uncoated" means not coated with plastic, clay, or other material used to create a glossy finish.

Subd. 2. **Purchases; printing.** (a) Whenever practicable, a public entity shall:

(1) purchase uncoated office paper and printing paper;

(2) purchase recycled content paper with at least ten percent postconsumer material by weight;

(3) purchase paper which has not been dyed with colors, excluding pastel colors;

(4) purchase recycled content paper that is manufactured using little or no chlorine bleach or chlorine derivatives;

(5) use no more than two colored inks, standard or processed, except in formats where they are necessary to convey meaning;

(6) use reusable binding materials or staples and bind documents by methods that do not use glue;

(7) use soy-based inks; and  
 (8) produce reports, publications, and periodicals that are readily recyclable within the state resource recovery program.

(b) Paragraph (a), clause (1), does not apply to coated paper that is made with at least 50 percent postconsumer material.

(c) A public entity shall print documents on both sides of the paper where commonly accepted publishing practices allow.

(d) Notwithstanding paragraph (a), clause (2), and section 16B.121, copier paper purchased by a state agency must contain at least ten percent postconsumer material by fiber content.

**Subd. 3. Public entity purchasing.** (a) Notwithstanding section 365.37, 375.21, 412.311, or 473.705, a public entity may purchase recycled materials when the price of the recycled materials does not exceed the price of nonrecycled materials by more than ten percent. In order to maximize the quantity and quality of recycled materials purchased, a public entity also may use other appropriate procedures to acquire recycled materials at the most economical cost to the public entity.

(b) When purchasing commodities and services, a public entity shall apply and promote the preferred waste management practices listed in section 115A.02, with special emphasis on reduction of the quantity and toxicity of materials in waste. A public entity, in developing bid specifications, shall consider the extent to which a commodity or product is durable, reusable, or recyclable and marketable through the applicable local or regional recycling program and the extent to which the commodity or product contains postconsumer material. When a project by a public entity involves the replacement of carpeting, the public entity may require all persons who wish to bid on the project to designate a carpet recycling company in their bids.

**History:** *1Sp1989 c 1 art 18 s 2; 1991 c 337 s 3; 1992 c 464 art 1 s 7; 1992 c 593 art 1 s 2; 1993 c 249 s 2; 1994 c 465 art 1 s 1; 1995 c 247 art 1 s 1*

### 16B.123 PACKING MATERIALS.

**Subdivision 1. Required use.** Whenever technically feasible, a public entity shall purchase and use degradable loose foam packing material manufactured from vegetable starches or other renewable resources, unless the cost of the packing material is more than ten percent greater than the cost of packing material made from nonrenewable resources.

**Subd. 2. Definition; packing material.** For the purposes of this section, "packing material" means loose foam material, other than an exterior packaging shell, that is used to stabilize, protect, cushion, or brace the contents of a package.

**Subd. 3. Purchase of packaged products.** Whenever practicable, a public entity shall specify use of degradable loose foam packing material in contracting for purchase of packaged products, unless the cost of packaging a product with loose foam packing material is more than ten percent greater than the cost of packaging the product with loose foam packing material made from nonrenewable resources.

**History:** *1992 c 593 art 1 s 3; 1993 c 249 s 3*

### 16B.124 CONSIDERATION OF ENVIRONMENTAL IMPACTS OF METAL RECYCLING FACILITIES.

(a) The state, counties, towns, and home rule charter or statutory cities shall include consideration of environmental impacts in selecting a recycling facility for the recycling of scrap metal.

(b) For the purposes of this section, "recycling facility" has the meaning given in section 115A.03, subdivision 25c.

**History:** *1995 c 247 art 1 s 2*

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

**16B.126 FUNDS FOR ENERGY EFFICIENT BULBS.**

State agencies in the executive, legislative, and judicial branches that purchase replacement bulbs in accordance with section 16B.61, subdivision 3, paragraph (1), must use money allocated for utility expenditures for the purchase.

**History:** 1991 c 149 s 1

**SPECIAL PURCHASING SITUATIONS****16B.13 ADVERTISEMENT OF HIGHWAY CONTRACTS.**

Notwithstanding anything in this chapter to the contrary, all contracts for the repair, improvement, maintenance, or construction of highways or highway bridges must be advertised and let as provided by law for highway construction contracts.

**History:** 1984 c 544 s 18

**16B.14 CERTAIN VEHICLES.**

Upon the written request of the commissioner of public safety, motor vehicles for specific use by investigative and undercover agents of the department of public safety must be purchased by the brand make and model. All other provisions of this chapter relating to competitive bidding apply to purchases covered by this section.

**History:** 1984 c 544 s 19

**16B.15 ELECTRONIC DATA PROCESSING EQUIPMENT.**

Subdivision 1. **Commissioner may reject bids.** The commissioner may reject all bids for electronic data processing equipment, related equipment, and software and may negotiate a contract for this equipment if the commissioner finds the bids to be unsatisfactory because of failure to fully comply with the specifications, terms, and conditions of the call for bids. The contract must be awarded to the vendor offering the lowest price to the state taking into consideration the specifications, terms, and conditions agreed upon pursuant to negotiation.

Subd. 2. **Equipment.** The commissioner may purchase, sell, repurchase or otherwise undertake the acquisition, rental or disposal of electronic data processing equipment as best serves the interests of the state, provided, however, the commissioner shall adhere to the competitive bidding requirements of chapter 16B.

**History:** 1984 c 544 s 20; 1985 c 248 s 68

**16B.16 ENERGY EFFICIENCY INSTALLMENT PURCHASES.**

Subdivision 1. **Contract conditions.** (a) The commissioner may contract to purchase by installment payments capital or other equipment or services intended to improve the energy efficiency of a state building or facility if:

- (1) the term of the contract does not exceed ten years;
- (2) the entire cost of the contract is a percentage of the resultant savings in energy costs;
- (3) the contract for purchase is competitive;
- (4) the commissioner has determined that the contract bidder is a responsible bidder under rules adopted by the commissioner, has adequately performed all previous contracts with the state, and has either established a record of promptly paying all its suppliers and subcontractors or has made secure provisions for doing so in connection with the current contract for goods delivered and services rendered;
- (5) the contract bidder can finance or obtain financing for the performance of the contract without state assistance or guarantee; and
- (6) the state may unilaterally cancel the agreement if the legislature fails to appropriate funds to continue the contract or if the contractor at any time during the term of the contract fails to provide or maintain the equipment to provide the services, or otherwise to meet specifications for performance.

The commissioner may spend money appropriated for energy costs in payment of a contract under this section.

(b) For purposes of clause (a), "contract bidder" means a sole proprietorship, firm, corporation, or other business entity submitting a bid or, if the entity submitting the bid is a new enterprise, a person having a ten percent or greater financial interest in the entity who has or has had a ten percent or greater financial interest in any other entity that has entered into past contracts with the state or other purchasers.

**Subd. 2. Energy conservation incentives.** Notwithstanding any other law to the contrary, fuel cost savings resulting from energy conservation actions shall be available at the managerial level at which the actions took place for expenditure for other purposes within the biennium in which the actions occur or in the case of a shared savings agreement for the contract period of the shared savings agreement. For purposes of this subdivision "shared savings agreement" means a contract meeting the terms and conditions of subdivision 1.

**Subd. 3. Legislative intent.** The purpose of the energy efficiency installment purchase contracts authorized by this section is to save money on energy costs. The entire cost of the contract must be a percentage of the resultant savings in energy costs. Neither the state nor any state agency is liable to make payments on the contract except to the extent that there are savings in energy costs that must be shared with other parties to the contract. The legislature intends not to appropriate any more money to pay for energy costs as a result of these contracts than would be payable without them.

**History:** 1984 c 544 s 21; 1984 c 654 art 2 s 44; 1984 c 655 art 2 s 13 subd 1; 1987 c 77 s 1; 1990 c 610 art 2 s 1

#### **16B.165 ENERGY EFFICIENCY IN BUILDING CODES.**

**Subdivision 1. Energy efficiency.** By August 1, 1991, the commissioner of public service, in consultation with the commissioner of administration, shall solicit outside information under section 14.10, on proposed amendments to the Minnesota building code. The commissioner shall begin rulemaking to adopt the amendments by February 1, 1993. So far as is compatible with interests of public health and safety, the amendments must be designed to equal or exceed the most energy-conserving codes adopted by any other state. To the extent practicable, the codes must equal or exceed the model conservation standards proposed by the Pacific Northwest Power Planning Council for climate zones having 8,000 to 10,000 heating degree days.

**Subd. 2. Energy efficiency; commercial heating, ventilation, and air conditioning.** By August 1, 1991, the commissioner of public service shall solicit outside information under section 14.10, on proposed codes or standards for commercial heating, ventilation, and air conditioning systems and installations to assure that new and remodeled commercial development in Minnesota is as energy efficient as practicable and compatible with public health and safety. The commissioner shall begin rulemaking to adopt the codes by February 1, 1993.

**History:** 1991 c 149 s 4

#### **16B.167 EMPLOYEE SKILLS INVENTORY.**

The commissioners of employee relations and administration shall develop a list of skills that state agencies commonly seek from professional or technical service contracts, in consultation with exclusive representatives of state employees.

Before an agency may seek approval of a professional or technical services contract valued in excess of \$25,000, it must certify to the commissioner that it has publicized the contract by posting notice at appropriate worksites within agencies and has made reasonable efforts to determine that no state employee, including an employee outside the contracting agency, is able and available to perform the services called for by the contract. When possible this posting must be done electronically.

**History:** 1995 c 254 art 1 s 53

#### **16B.17 PROFESSIONAL OR TECHNICAL SERVICES.**

**Subdivision 1. Terms.** For the purposes of this section, "professional or technical services" means services that are intellectual in character; that do not involve the provision of

supplies or materials; that include consultation analysis, evaluation, prediction, planning, or recommendation; and that result in the production of a report or the completion of a task.

**Subd. 2. Procedure for professional or technical services contracts.** Before approving a proposed state contract for professional or technical services, the commissioner must determine, at least, that:

(1) all provisions of section 16B.19 and subdivision 3 of this section have been verified or complied with;

(2) the work to be performed under the contract is necessary to the agency's achievement of its statutory responsibilities, and there is statutory authority to enter into the contract;

(3) the contract will not establish an employment relationship between the state or the agency and any persons performing under the contract;

(4) no current state employees will engage in the performance of the contract;

(5) no state agency has previously performed or contracted for the performance of tasks which would be substantially duplicated under the proposed contract;

(6) the contracting agency has specified a satisfactory method of evaluating and using the results of the work to be performed; and

(7) the combined contract and amendments will not extend for more than five years.

**Subd. 3. Duties of contracting agency.** Before an agency may seek approval of a professional or technical services contract valued in excess of \$5,000, it must certify to the commissioner that:

(1) no current state employee is able and available to perform the services called for by the contract;

(2) the normal competitive bidding mechanisms will not provide for adequate performance of the services;

(3) the contractor has certified that the product of the services will be original in character;

(4) reasonable efforts were made to publicize the availability of the contract to the public;

(5) the agency has received, reviewed, and accepted a detailed work plan from the contractor for performance under the contract;

(6) the agency has developed, and fully intends to implement, a written plan providing for the assignment of specific agency personnel to a monitoring and liaison function, the periodic review of interim reports or other indications of past performance, and the ultimate utilization of the final product of the services; and

(7) the agency will not allow the contractor to begin work before funds are fully encumbered.

**Subd. 3a. Renewals.** The renewal of a professional or technical contract must comply with all requirements, including notice, applicable to the original contract. A renewal contract must be identified as such. All notices and reports on a renewal contract must state the date of the original contract and the amount paid previously under the contract.

**Subd. 4. Reports.** (a) The commissioner shall submit to the governor, the chairs of the house ways and means and senate finance committees, and the legislative reference library a monthly listing of all contracts for professional or technical services executed or disapproved in the preceding month. The report must identify the parties and the contract amount, duration, and tasks to be performed. The commissioner shall also issue quarterly reports summarizing the contract review activities of the department during the preceding quarter.

(b) The monthly and quarterly reports must:

(1) be sorted by agency and by contractor;

(2) show the aggregate value of contracts issued by each agency and issued to each contractor;

(3) distinguish between contracts that are being issued for the first time and contracts that are being renewed;

(4) state the termination date of each contract; and

(5) categorize contracts according to subject matter, including topics such as contracts for training, contracts for research and opinions, and contracts for computer systems.

(c) Within 30 days of final completion of a contract over \$40,000 covered by this subdivision, the chief executive of the agency entering into the contract must submit a one-page report to the commissioner who must submit a copy to the legislative reference library. The report must:

- (1) summarize the purpose of the contract, including why it was necessary to enter into a contract;
- (2) state the amount spent on the contract; and
- (3) explain why this amount was a cost-effective way to enable the agency to provide its services or products better or more efficiently.

**Subd. 5. Contract terms.** (a) A professional or technical services contract must by its terms permit the agency to unilaterally terminate the contract prior to completion, upon payment of just compensation, if the agency determines that further performance under the contract would not serve agency purposes. If the final product of the contract is a written report, a copy must be filed with the legislative reference library.

(b) The terms of a contract must provide that no more than 90 percent of the amount due under the contract may be paid until the final product has been reviewed by the chief executive of the agency entering into the contract, and the chief executive has certified that the contractor has satisfactorily fulfilled the terms of the contract.

**Subd. 6. Exclusions.** This section and section 16B.167 do not apply to contracts with individuals or organizations for administration of employee pension plans authorized under chapter 354B or 354C.

**History:** 1984 c 544 s 22; 1986 c 444; 1990 c 572 s 2,3; 1995 c 254 art 1 s 54; 1996 c 398 s 4

### **16B.175 PROFESSIONAL OR TECHNICAL SERVICE CONTRACT CONFLICT OF INTEREST GUIDELINES.**

**Subdivision 1. Development; applicability.** The commissioner of administration must develop guidelines designed to prevent conflicts of interest for agency employees involved in professional or technical service contracts. The guidelines must apply to agency employees who are directly or indirectly involved in: developing requests for proposals; evaluating proposals; drafting and entering into professional or technical service contracts; evaluating performance under these contracts; and authorizing payments under the contract.

**Subd. 2. Content.** (a) The guidelines must attempt to ensure that an employee involved in contracting:

- (1) does not have any financial interest in and does not personally benefit from the contract;
- (2) does not accept from a contractor or bidder any promise, obligation, contract for future reward, or gift; and
- (3) does not appear to have a conflict of interest because of a family or close personal relationship to a contractor or bidder, or because of a past employment or business relationship with a contractor or bidder.

(b) The guidelines must contain a process for making employees aware of guidelines and laws relating to conflict of interest, and for training employees on how to avoid and deal with potential conflicts.

(c) The guidelines must contain a process under which an employee who has a conflict or a potential conflict may disclose the matter, and a process under which work on the contract may be assigned to another employee if possible.

**History:** 1995 c 254 art 1 s 55

### **16B.18 SHELTERED WORKSHOPS; PROCUREMENT OF PRODUCTS AND SERVICES; WORK ACTIVITY PROGRAMS.**

**Subdivision 1. Product and service list.** The commissioner in consultation with the commissioner of economic security shall prepare a list containing products and services of state certified sheltered workshops and work activity programs for procurement use by state

agencies and institutions. The commissioner shall determine the fair market price for listed products and services. In determining the fair market price the commissioner shall consider (1) open market bid prices in previous years for similar products and services, and (2) cost increases for both labor and materials. The price paid may not exceed by more than five percent the fair market price. State agencies and institutions shall, after promulgation of the product and service list by the commissioner, procure listed products and services from sheltered workshops and work activity programs in preference to procurement from other suppliers or sources with the exceptions in this section. The provisions of this chapter relating to competitive bidding do not apply to purchases made in accordance with this section.

**Subd. 2. Products and services available elsewhere.** When any listed products or services are available for procurement from any state agency or institution and procurement from the agency or institution is required by law, the procurement must be made in accordance with that law.

**Subd. 3. Rules.** Rules under this section may provide a procedure by which the commissioner shall determine product specifications, quality standards, and timing of delivery to be complied with by the sheltered workshop and work activity program boards on purchases made under this section. The list to be prepared pursuant to subdivision 1 shall not be promulgated as a rule.

**Subd. 4. Selection of nonprofit corporation.** The commissioner may select a nonprofit corporation organized under chapter 317A to facilitate distribution of orders among sheltered workshops and work activity programs. The corporation shall distribute orders so as to afford each sheltered workshop and work activity program an equal opportunity to obtain orders.

**History:** 1984 c 544 s 23; 1Sp1985 c 14 art 9 s 75; 1989 c 304 s 137; 1994 c 483 s 1

### 16B.181 PURCHASES FROM CORRECTIONS INDUSTRIES.

Subdivision 1. **Definitions.** As used in this section:

(1) "public entity" or "public entities" includes the state and an agency, department, or institution of the state, and state colleges and universities; and

(2) "items" includes articles, products, supplies, and services.

**Subd. 2. Public entities; purchases from corrections industries.** (a) The commissioner of corrections shall prepare updated lists of the items available for purchase from department of corrections industries and annually forward a copy of the most recent list to all public entities within the state. A public entity that is supported in whole or in part with funds from the state treasury shall purchase directly from corrections industries those items that are comparable in price, quality, and delivery time to items available from other vendors. An item is comparable in price if the price is no more than five percent higher than the lowest bid price.

(b) The commissioner of administration shall develop a contract pursuant to section 16B.09, to enable public entities to purchase items directly from corrections industries. The commissioner of administration, in consultation with the commissioner of corrections, shall determine the fair market price for listed items. In determining fair market price, the commissioner shall use competitive bidding, or shall consider open bid prices in previous years for similar products which meet the needs of the public entity.

(c) No public entity may evade the intent of this section by adopting slight variations in specifications, when Minnesota corrections industry items meet the reasonable needs and specifications of the public entity.

(d) As part of its ongoing audit process, the legislative auditor is requested to ensure that state agencies are in compliance with this section.

(e) The commissioners of administration and corrections shall appoint a joint task force to explore additional methods that support the philosophy of providing a substantial market opportunity to correctional industries that maximizes inmate work opportunities. The task force shall develop a plan and prepare a set of criteria with which to evaluate the effectiveness of the recommendations and initiatives in the plan. By February 15, 1997, the task force shall



report to the chairs of the senate and house of representatives committees having jurisdiction over criminal justice funding.

**History:** 1995 c 226 art 5 s 1; 1996 c 408 art 8 s 1

### **16B.185 PROCUREMENTS FROM REHABILITATION FACILITIES AND DAY TRAINING AND HABILITATION FACILITIES.**

In collaboration with the commissioners of economic security, human services, and trade and economic development, the commissioner shall identify contracts for the purchase of goods and services from certified rehabilitation facilities and day training and habilitation services that will enhance employment opportunities for persons with severe disabilities that result in additional annual sales volume of 15 percent per year by July 1, 1995.

**History:** 1992 c 513 art 9 s 1; 1994 c 483 s 1

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

## **SMALL BUSINESS PROCUREMENTS**

### **16B.19 DESIGNATION OF PROCUREMENTS FROM SMALL BUSINESSES.**

Subdivision 1. **Small business procurements.** The commissioner shall for each fiscal year ensure that small businesses receive at least 25 percent of the value of anticipated total state procurement of goods and services, including printing and construction. The commissioner shall divide the procurements so designated into contract award units of economically feasible production runs in order to facilitate offers or bids from small businesses. In making the annual designation of such procurements the commissioner shall attempt (1) to vary the included procurements so that a variety of goods and services produced by different small businesses are obtained each year, and (2) to designate small business procurements in a manner that will encourage proportional distribution of such awards among the geographical regions of the state. To promote the geographical distribution of set-aside awards, the commissioner may designate a portion of the small business set-aside procurement for award to bidders from a specified congressional district or other geographical region specified by the commissioner. The failure of the commissioner to designate particular procurements shall not be deemed to prohibit or discourage small businesses from seeking the procurement award through the normal solicitation and bidding processes.

Subd. 1a. **Small business.** The commissioner shall adopt rules defining "small business" for purposes of sections 16B.19 to 16B.22, 137.31, 137.35, 161.321, and 473.142. The definition must include only businesses with their principal place of business in Minnesota. The definition must establish different size standards for various types of businesses. In establishing these standards, the commissioner must consider the differences among industries caused by the size of the market for goods or services and the relative size and market share of the competitors operating in those markets.

The definition of "small business" in section 645.445 applies to sections 16B.19 to 16B.22, 137.31, 137.35, 161.321, and 473.142, until the commissioner adopts rules with a new definition. However, only small businesses with a principal place of business in Minnesota are included for purposes of these sections.

Subd. 2. **Professional or technical procurements.** Every state agency shall for each fiscal year designate for awarding to small businesses at least 25 percent of the value of anticipated procurements of that agency for professional or technical services. The set-aside under this subdivision is in addition to that provided by subdivision 1, but must otherwise comply with section 16B.17.

Subd. 2a. **Targeted group purchasing.** The commissioner shall establish a program for purchasing goods and services from targeted group businesses, as designated in subdivision 2b. The purpose of the program is to remedy the effects of past discrimination against members of targeted groups. In furtherance of this purpose, the commissioner shall attempt to assure that for each category of goods or services purchased by the state, the percentage of purchasing from each type of targeted group business is proportional to the representation of that targeted group business among all businesses in the state in the purchasing category.

**Subd. 2b. Designation of targeted groups.** (a) The commissioner of administration shall periodically designate businesses that are majority owned and operated by women, persons with a substantial physical disability, or specific minorities as targeted group businesses within purchasing categories the commissioner determines. A group must be targeted within a purchasing category if the commissioner determines there is a statistical disparity between the percentage of purchasing from businesses owned by group members and the representation of businesses owned by group members among all businesses in the state in the purchasing category. The commissioner must review public agencies' purchasing from businesses owned by women, persons with a substantial physical disability, and minorities at least once every two years. The commissioner must review the representation of businesses owned by these groups among all businesses in the state at least once every five years.

(b) In addition to designations under paragraph (a), an individual business may be included as a targeted group business if the commissioner determines that inclusion is necessary to remedy discrimination against the owner based on race, gender, or disability in attempting to operate a business that would provide goods or service to public agencies.

(c) The designations of purchasing categories and businesses under paragraphs (a) and (b) are not rules for purposes of chapter 14, and are not subject to rulemaking procedures of that chapter.

**Subd. 2c. Purchasing methods.** (a) The commissioner may award up to a six percent preference in the amount bid for specified goods or services to small targeted group businesses.

(b) The commissioner may designate a purchase of goods or services for award only to small targeted group businesses, if the commission determines that at least three small targeted group businesses are likely to bid.

(c) The commissioner, as a condition of awarding a construction contract or approving a contract for consultant, professional, or technical services, may set goals that require the prime contractor to subcontract a portion of the contract to small targeted group businesses. The commissioner must establish a procedure for granting waivers from the subcontracting requirement when qualified small targeted group businesses are not reasonably available. The commissioner may establish financial incentives for prime contractors who exceed the goals for use of subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. The subcontracting requirements of this paragraph do not apply to prime contractors who are small targeted group businesses.

**Subd. 2d. Economically disadvantaged areas.** The commissioner may award up to a four percent preference in the amount bid on state procurement to small businesses located in an economically disadvantaged area. A business is located in an economically disadvantaged area if:

(1) the owner resides or is employed in a county in which the median income for married couples is less than 70 percent of the state median income for married couples; or

(2) the owner resides or is employed in an area designated a labor surplus area by the United States Department of Labor; or

(3) the business is a rehabilitation facility or work activity program.

The commissioner may designate one or more areas designated as targeted neighborhoods under section 469.202 or as enterprise zones under section 469.167 as economically disadvantaged areas for purposes of this subdivision if the commissioner determines that this designation would further the purposes of this section. If the owner of a small business resides or is employed in a designated area, the small business is eligible for any preference provided under this subdivision.

The department of revenue shall gather data necessary to make the determinations required by clause (1), and shall annually certify counties that qualify under clause (1). An area designated a labor surplus area retains that status for 120 days after certified small businesses in the area are notified of the termination of the designation by the United States Department of Labor.

**Subd. 3. Surety bonds.** Surety bonds guaranteed by the federal Small Business Administration and second party bonds are acceptable security for a construction award under this

section. "Second party bond" means a bond that designates as principal, guarantor, or both, a person or persons in addition to the person to whom the contract is proposed for award.

**Subd. 4. Determination of ability to perform.** Before making an award under the preference programs established in subdivisions 2a to 2d, the commissioner shall evaluate whether the small business scheduled to receive the award is able to perform the contract. This determination shall include consideration of production and financial capacity and technical competence.

**Subd. 5. Limits.** At least 75 percent of the value of the subcontracts awarded to small targeted group businesses under subdivision 2c, paragraph (c), must be performed by the business to which the subcontract is awarded or by another small targeted group business.

**Subd. 6.** [Repealed by amendment, 1990 c 541 s 3]

**Subd. 7.** [Repealed, 1984 c 654 art 2 s 48]

**Subd. 8.** [Repealed by amendment, 1989 c 352 s 3]

**Subd. 9. Procurement procedures.** All laws and rules pertaining to solicitations, bid evaluations, contract awards, and other procurement matters apply equally to procurements designated for small businesses. In the event of conflict with other rules, section 16B.18 and rules adopted under it govern, if section 16B.18 applies. If it does not apply, sections 16B.19 to 16B.22 and rules adopted under those sections govern.

**Subd. 10. Applicability.** This section does not apply to construction contracts or contracts for professional or technical services under section 16B.17 that are financed in whole or in part with federal funds and that are subject to federal disadvantaged business enterprise regulations.

**History:** 1984 c 544 s 24; 1984 c 654 art 2 s 48; 1984 c 655 art 2 s 13 subd 1; 1985 c 296 s 2-5; 1987 c 365 s 9; 1988 c 644 s 1; 1989 c 352 s 3,25; 1990 c 541 s 3,29; 1991 c 199 art 1 s 4; art 2 s 1; 1992 c 514 s 4; 1995 c 254 art 1 s 56,57

## 16B.20 ENCOURAGEMENT OF PARTICIPATION; ADVISORY COUNCIL.

**Subdivision 1. Commissioner of administration.** The commissioners of administration and trade and economic development shall publicize the provisions of the purchasing programs in sections 16B.19 to 16B.22, attempt to locate small businesses able to perform under the programs, and encourage participation. When the commissioner of administration determines that a small business is unable to perform under a program established in sections 16B.19 to 16B.22, the commissioner shall inform the commissioner of trade and economic development who shall assist the small business in attempting to remedy the causes of the inability to perform a set-aside award. In assisting the small business, the commissioner of trade and economic development in cooperation with the commissioner of administration shall use management or financial assistance programs made available by or through the department of trade and economic development, other state or governmental agencies, or private sources.

**Subd. 2. Advisory council.** A small business and targeted group procurement advisory council is created. The council consists of 13 members appointed by the commissioner of administration. A chair of the advisory council shall be elected from among the members. The appointments are subject to the appointments program provided by section 15.0597. The terms, compensation, and removal of members are as provided in section 15.059.

**Subd. 3. Duties.** The small business procurement advisory council shall:

(1) advise the commissioner of administration on matters relating to the small business and targeted group procurement program;

(2) review complaints or grievances from small business and targeted group vendors or contractors who are doing or attempting to do business under the program; and

(3) review the reports of the commissioners of administration and trade and economic development provided by section 16B.21 to ensure compliance with the goals of the program.

**History:** 1984 c 544 s 25; 1985 c 285 s 4; 1986 c 444; 1987 c 312 art 1 s 26 subd 2; 1987 c 404 s 79; 1988 c 629 s 11; 1989 c 352 s 4,25; 1990 c 541 s 4-6,29

**16B.21 REPORTS.**

Subdivision 1. **Commissioner of administration.** The commissioner shall submit an annual report pursuant to section 3.195 to the governor and the legislature with a copy to the commissioner of trade and economic development indicating the progress being made toward the objectives and goals of sections 16B.19 to 16B.22, 161.321, and 473.142 during the preceding fiscal year. The commissioner shall also submit a quarterly report to the small business and targeted group procurement advisory council. These reports shall include the following information:

(1) the total dollar value and number of potential set-aside awards identified during this period and the percentage of total state procurement this figure reflects;

(2) the number of small businesses identified by and responding to the small business procurement program, the total dollar value and number of set-aside and other contracts actually awarded to small businesses, and the total number of small businesses that were awarded set-aside and other contracts;

(3) the total dollar value and number of contracts awarded to small targeted group businesses pursuant to each bidding process authorized by sections 16B.19, subdivision 2c, 161.321, and 473.142; the total number and value of these contracts awarded to each small targeted group business and to each type of small targeted group business in each purchasing category, and the percentages of the total procurement for each purchasing category the figures represent;

(4) the total dollar value and number of contracts awarded to small businesses in economically disadvantaged areas under the bidding process authorized in section 16B.19, subdivision 2d; the total number and value of these contracts awarded to each business, and to all businesses within each economically disadvantaged area in each purchasing category, and the percentages of total procurement for each purchasing category the figures represent.

The information required by clauses (1) and (2) must be presented on a statewide basis and also broken down by geographic regions within the state.

Subd. 2. **Commissioner of trade and economic development.** The commissioner of trade and economic development shall submit an annual report to the governor and the legislature pursuant to section 3.195 with a copy to the commissioner of administration. This report shall include the following information:

(1) the efforts undertaken to publicize the provisions of the small business and small targeted group business procurement program during the preceding fiscal year;

(2) the efforts undertaken to identify small targeted group businesses and the efforts undertaken to encourage participation in the targeted group purchasing program;

(3) the efforts undertaken by the commissioner to remedy the inability of small businesses and targeted group businesses to perform on potential contract awards; and

(4) the commissioner's recommendations for strengthening the small business and small targeted group business procurement program and delivery of services to small businesses.

Subd. 3. **Reports from other agencies.** The commissioner of transportation, and each metropolitan agency listed in section 473.143, subdivision 1, shall report to the commissioner of administration all information that the commissioner requests to make reports required under this section. The information must be reported at the time and in the manner requested by the commissioner of administration.

**History:** 1984 c 544 s 26; 1985 c 296 s 6; 1Sp1985 c 13 s 119; 1987 c 312 art 1 s 26 subd 2; 1989 c 352 s 5,25; 1990 c 541 s 7,29; 1991 c 199 art 1 s 5; 1996 c 398 s 5,6

**16B.22 ELIGIBILITY; RULES.**

(a) A small business wishing to participate in the programs under section 16B.19, subdivisions 2a to 2d, must be certified by the commissioner. The commissioner shall adopt by rule standards and procedures for certifying that small businesses, small targeted group businesses, and small businesses located in economically disadvantaged areas are eligible to participate under the requirements of sections 16B.19 to 16B.22. The commissioner shall adopt by rule standards and procedures for hearing appeals and grievances and other rules necessary to carry out the duties set forth in sections 16B.19 to 16B.22.

(b) The commissioner may make rules which exclude or limit the participation of non-manufacturing business, including third-party lessors, brokers, franchises, jobbers, manufacturers' representatives, and others from eligibility under sections 16B.19 to 16B.22.

(c) The commissioner may make rules that set time limits and other eligibility limits on business participation in programs under sections 16B.19 to 16B.22.

**History:** 1984 c 544 s 27; 1985 c 296 s 7; 1Sp1985 c 13 s 120; 1989 c 352 s 6,25; 1990 c 541 s 8,29

#### **16B.226 CERTIFICATION.**

A business that is certified by the commissioner of administration as a small business, small targeted group business or a business located in an economically disadvantaged area is eligible to participate under the requirements of sections 137.31, 161.321, and, if certified as a small targeted group business, under section 473.142 without further certification by the contracting agency. Personnel in state agencies currently involved in certifying small businesses shall be reduced accordingly.

**History:** 1989 c 352 s 7,25; 1990 c 541 s 9,29

#### **16B.227 CRIMINAL PENALTY.**

A person who knowingly provides false information to a public official or employee for the purpose of obtaining or retaining certification as a small targeted group business or a small business located in an economically disadvantaged area under sections 16B.19 to 16B.226, 137.31, 137.35, 161.321, or 473.142, is guilty of a misdemeanor.

**History:** 1990 c 541 s 10; 1991 c 199 art 2 s 1

### **DISTRICT HEATING**

#### **16B.23 DISTRICT HEATING.**

Notwithstanding any other law, general or special, the commissioner of administration is authorized to enter into or approve a written agreement not to exceed 31 years with a district heating utility that will specify, but not be limited to, the appropriate terms and conditions for the interchange of district heating services.

**History:** 1984 c 544 s 28

### **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 15.50, subdivision 2, clause (h), and the state office building, the judicial center, the economic security buildings in Minneapolis and St. Paul, the state department of health building, and the surplus property building, and their grounds, 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 devi-

ation. 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 15.50, subdivision 2, clause (h).

**Subd. 3. Disposal of old buildings.** The commissioner, upon request of the head of an agency which has control of a state-owned building which is no longer used or which is a fire or safety hazard, shall, after obtaining approval of the chairs of the senate finance committee and house of representatives appropriations committee, sell, wreck, or otherwise dispose of the building. In the event a sale is made the proceeds shall be deposited in the proper account or 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, lands acquired under section 298.22, or lands acquired under section 41.56 which are under the jurisdiction of the department of agriculture.

(c) **Fort Snelling Chapel; rental.** The Fort Snelling Chapel, located within the boundaries of Fort Snelling State Park, is available for use only on payment of a rental fee. The commissioner shall establish rental fees for both public and private use. The rental fee for private use by an organization or individual must reflect the reasonable value of equivalent rental space. Rental fees collected under this section must be deposited in the general fund.

(d) **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.

(e) **Lease of space in certain state buildings to state agencies.** The commissioner may lease portions of the state-owned buildings in the capitol complex, the capitol square building, the health building, and the building at 1246 University Avenue, St. Paul, Minnesota, 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 depreciation cost of a building built with 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.

**Subd. 6. Property rental. (a) Leases.** The commissioner shall rent 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 15.50 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 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 finance 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 rental of other land or premises for the same use.

**Subd. 7. Power, heating, and lighting plants.** The commissioner shall inspect all state power, heating, and lighting plants, make rules governing their operation, and recommend improvements in the plants which will promote their economical and efficient operation.

**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.

**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

#### 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.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. If the owner is unknown, the commissioner must give two weeks' published notice in the county where the



property was found. Within six months following publication, the rightful owner may receive the property on paying the search expenses.

**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

## 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 the purpose of constructing roads, streets, telephone, telegraph, and electric power lines, cables or conduits, underground or otherwise, or mains or pipe lines for gas, liquids, or solids in suspension. 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 to vacate the premises affected.

(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 be in quadruplicate and 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

## 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 fur-

nish 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 co-terminous 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. The council expires on June 30, 1998.

**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 7.09 to 7.12 do not apply to this subdivision.

(b) Notwithstanding sections 7.09 to 7.12, 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.

**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

## 16B.28 MATERIALS DISTRIBUTION.

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

(a) "Surplus property" means commodities, equipment, materials, supplies, books, printed matter, and other property made available by a governmental unit or nonprofit organization to another governmental unit or nonprofit organization.

(b) "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. Authorization.** (a) The commissioner is the state agency designated to purchase, accept or dispose of federal 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 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 until it is needed and any expenses incurred in connection with any of these acts shall be paid from the materials distribution revolving fund.

(b) To dispose of surplus property or other property that is obsolete or unused that belongs to the state or any other governmental unit or nonprofit organization, the commissioner may transfer or sell it to a governmental unit or nonprofit organization or sell it to any other person. 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 (d). Expenses incurred in connection with the disposal of surplus property or other property that is obsolete or unused must be paid from the materials distribution revolving fund. If the commissioner sells the property, the proceeds of the sale, minus any expenses of providing the service set by the commissioner, are appropriated to the governmental unit or nonprofit organization for whose account the sale was made, to be used and expended by the organization for the purposes it determines.

(c) The commissioner may centrally acquire, warehouse, and distribute supplies, materials, and equipment for governmental units or nonprofit organizations. Expenses incurred in connection with acquiring, warehousing, and distributing must be paid from the materials distribution revolving fund.

(d) 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.

**Subd. 3. Deposit of receipts.** (a) **Creation.** The materials distribution 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. All money resulting from the sale of centrally acquired, warehoused, and distributed supplies, materials, and equipment must be deposited in the fund. Money paid into the materials distribution revolving fund is appropriated to the commissioner for the purposes of the programs and services referred to in this section.

(b) **Transfer or sale to state agency.** When the state or an agency operating under a legislative appropriation obtains surplus property from the commissioner, the commissioner of finance 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 state agency receiving the surplus property to the materials distribution revolving fund. The determination of the commissioner is final as to the cost of the surplus property to the state agency receiving the property.

(c) **Transfer or sale to other governmental units or nonprofit organizations.** When any governmental unit or nonprofit organization other than a state agency receives surplus property, supplies, materials, or equipment from the commissioner, the governmental unit or nonprofit organization must reimburse the materials distribution 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 materials distribution revolving fund the cost of the surplus property, supplies, materials, and equipment upon mutually agreeable terms and conditions. The commissioner may charge a fee to political subdivisions and nonprofit organizations to establish their eligibility for receiving the property and to pay for costs of storage and distribution.

**History:** 1984 c 544 s 33; 1988 c 613 s 11; 1989 c 209 art 1 s 5; 1990 c 572 s 6; 1990 c 594 art 3 s 1

### **16B.29 STATE SURPLUS PROPERTY; DISPOSAL.**

The commissioner may do any of the following to dispose of supplies, materials, and equipment which are surplus, obsolete, or unused: (1) transfer it to or between state agencies; (2) transfer it to local government units in Minnesota and other institutions and organizations in Minnesota authorized by federal law to accept surplus property and charge a fee to cover expenses incurred by the commissioner in making the property available to these units; or (3) sell it. The commissioner must make proper adjustments in the accounts and appropriations of the agencies concerned. When the commissioner sells the supplies, materials and equipment, the proceeds of the sale are appropriated to the agency for whose account the sale was made, to be used and expended by the agency to purchase similar needed supplies, materials, and equipment.

**History:** 1984 c 544 s 34; 1Sp1985 c 13 s 122; 1986 c 363 s 5; 1987 c 365 s 10

### **16B.295 NOTICE OF DOCUMENTS TO LIBRARIES.**

The commissioner of administration shall make available to educational institution libraries and public libraries documents the department of administration receives, does not

need, and would otherwise discard. For purposes of this section, "documents" has the meaning given in section 3.302, subdivision 3.

**History:** 1986 c 320 s 1

## CAPITAL IMPROVEMENTS

### 16B.30 GENERAL AUTHORITY.

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. A state agency may not undertake improvements of a capital nature without specific legislative authority.

**History:** 1984 c 544 s 35; 1992 c 558 s 34; 1996 c 395 s 18; 1996 c 457 s 5

### 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 finance, 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

### 16B.31 COMMISSIONER MUST APPROVE PLANS.

Subdivision 1. **Construction plans and specifications.** 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 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.

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, 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 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 appropriations 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 section 15.50, subdivision 2, clauses (c) and (e).

(b) **Approval required.** The preparation of plans and specifications for the capitol area, as defined in section 15.50, 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 finance 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

### 16B.32 ENERGY USE.

Subdivision 1. **Alternative energy sources.** Plans prepared by the commissioner for a new building or for a renovation of 50 percent or more of an existing building or its energy systems must include designs which use active and passive solar energy systems, earth sheltered construction, and other alternative energy sources where feasible.

Subd. 2. **Energy conservation goals; efficiency program.** (a) The commissioner of administration in consultation with the department of public service, 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 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 be reduced by at least 25 percent from consumption in the base year of 1990. All agencies participating in the program 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.

(b) The commissioner may exclude from the program of paragraph (a) a building in which energy conservation measures are carried out. “Energy conservation measures” means measures that are applied to a state building that improve energy efficiency and have a simple return of investment in ten years or within the remaining period of a lease, whichever time is shorter, and involves energy conservation, conservation facilities, renewable energy sources, improvements in operations and maintenance efficiencies, or retrofit activities.

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; 1994 c 632 art 3 s 32; 1994 c 634 art 1 s 3

**NOTE:** Subdivision 2, as added by Laws 1991, chapter 235, article 5, section 1, is repealed effective July 1, 1999. Laws 1991, chapter 235, article 5, section 3, as amended by Laws 1995, chapter 254, article 1, section 91.

### 16B.33 DESIGNER SELECTION BOARD.

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

- (a) "Agency" has the meaning given in section 16B.01.
- (b) "Architect" means an architect or landscape architect registered to practice under sections 326.02 to 326.15.
- (c) "Board" means the state designer selection board.
- (d) "Designer" means an architect or engineer, or a partnership, association, or corporation comprised primarily of architects or engineers or of both architects and engineers.
- (e) "Engineer" means an engineer registered to practice under sections 326.02 to 326.15.
- (f) "Person" includes an individual, corporation, partnership, association, or any other legal entity.
- (g) "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.
- (h) "Project" means an undertaking to construct, erect, or remodel a building by or for the state or an agency.
- (i) "User agency" means the agency undertaking a specific project.

**Subd. 2. Organization of board.** (a) **Membership.** The state designer selection board consists of five individuals, the majority of whom must be Minnesota residents. Each of the following three 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 Minnesota society of architects; and the Minnesota board of the arts. The commissioner may appoint the three named individuals to the board but may reject a nominated individual and request another nomination. The remaining two members shall also be appointed by the commissioner.

(b) **Nonvoting members.** In addition to the five members of the board, two nonvoting members shall participate in the interviewing and selection of designers pursuant to this section. One shall be a representative of the commissioner and shall participate in the interviewing and selection of designers for all projects. The other shall be a representative of the user agency, who shall participate in the interviewing and selection of the designers for the project being undertaken by the user agency. The commissioner shall appoint the representative of the user agency in consultation with the user agency.

(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 \$750,000 or a planning project with estimated fees greater than \$60,000, 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 \$2,000,000 or a planning project with estimated fees greater than \$200,000, 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.

**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. 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.** The board may not select a designer or firm in which a member of the designer selection board has a current 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. Crite-



ria 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.

**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

### 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 ways and means committee and the chairs have made their recommendations, and the chair of the house capital investment committee is notified. "Construction or major remodeling" means construction of a new building or substantial alteration of the exterior dimensions or 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 of the senate finance committee, the house capital investment committee, and the house ways and means committee 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 section include construction, renovation, or improvements to dams, highway rest areas, truck stations, storage facilities not consisting primarily of offices or heated work areas, trails, bike paths, sewer separation projects, water and wastewater facilities, campgrounds, roads, bridges, or any other capital project with a construction cost of less than \$200,000.

**Subd. 2. Other projects.** All other capital projects for which a specific appropriation is made must not proceed until the recipient undertaking the project has notified the chair of the senate finance committee, the chair of the house capital investment committee, and the chair of the house ways and means committee that the work is ready to begin. Notice is not required for capital projects needed to comply with the Americans with Disabilities Act or funded by an agency's operating budget or by a capital asset preservation and replacement account under section 16A.632, or a higher education capital asset preservation and renewal account under section 135A.046.

**Subd. 3. Predesign requirement.** 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 scope, cost, and schedule of the project and must demonstrate that the project has been analyzed according to appropriate space needs standards.

**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.21, and rules adopted thereunder. The recipient may use the energy planning and intervention and energy technologies units of the department of public service to obtain information and technical assistance 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 information policy office 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 of the house of representatives capital investment committee is 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

#### 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. 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. 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.

**History:** 1984 c 544 s 40; 1996 c 398 s 11

### 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.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 finance 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 warrant procedure established by the commissioner of finance.

**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

### 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. **Employee assistance program.** The commissioner shall provide an employee assistance program of training, diagnostic, and referral services for state employees and their dependents.

**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

### 16B.40 ADMINISTRATION OF STATE COMPUTER FACILITIES.

Subdivision 1. **Definitions.** For the purposes of sections 16B.40 to 16B.45, the following terms have the meanings given them.

(a) "Computer activity" means the development or acquisition of a data processing device or system.

(b) "Data processing device or system" means any equipment or computer programs, including computer hardware, firmware, software, and communication protocol, used in connection with the processing of information via electronic data processing means, and includes data communication devices used in connection with computer facilities for the transmission of data.

Subd. 2. **Commissioner's responsibility.** The commissioner is charged with integrating and operating the state's computer facilities to serve the needs of the state government. Except as otherwise provided by law, all plans and programs for systems and procedures analysis, information systems, and related computer efforts of agencies must be submitted to the commissioner prior to implementation for review and approval, modification, or rejection. The commissioner, after consulting the intergovernmental information systems advisory council, shall:

(1) design and maintain a master plan for information systems in the state and its political subdivisions and shall report on the plan to the governor and legislature at the beginning of each regular session;

(2) establish standards for information systems;

(3) maintain a library of systems and programs developed by the state and its political subdivisions for use by agencies of government; and

(4) administer the communications for the state information system.

Subd. 3. **Evaluation procedure.** The commissioner shall establish and, as necessary, update and modify procedures to evaluate computer activities proposed by state agencies. The evaluation must include the necessity, design and plan for development, ability to meet user requirements, feasibility, and flexibility, of the proposed data processing device or system, its relationship to other state data processing devices or systems, and its costs and benefits when considered by itself and when compared with alternative solutions.

Subd. 4. **Evaluation and approval requirements.** A state agency may not undertake a computer activity until the activity has been evaluated according to the procedures developed under subdivision 3 and the commissioners of administration and finance have given written approval of the proposed activity. If a proposed computer activity is not approved, the commissioner of finance shall cancel the unencumbered balance of any appropriation allotted for the activity. The commissioners of administration and finance may delegate their respective approval powers regarding computer activities to the head of another agency including the agency seeking approval if delegation is deemed appropriate.

**Subd. 5. Report to legislature.** If a proposed computer activity is approved, the commissioners of administration and finance shall submit to the legislature a concise narrative explanation of the computer activity and a request for any additional appropriation necessary to complete the activity.

**Subd. 6. System development methodology.** The commissioner shall establish and, as necessary, update and modify a methodology for the development of approved data processing systems by state agencies. The development methodology shall be used to define the design, programming, and implementation of approved data processing systems. The development methodology shall also enable and require a data processing system to be defined in terms of its computer programs, input requirements, output formats, administrative procedures, and processing frequencies.

**Subd. 7. System development methodology requirements.** A state agency may not develop, improve, or modify a data processing system using any methodology other than that established by the commissioner.

**Subd. 8. Data security systems.** In consultation with the attorney general and appropriate agency heads, the commissioner shall develop data security policies, guidelines, and standards, and shall install, and administer state data security systems on the state's centralized computer facility consistent with state law to assure the integrity of computer based and all other data and to assure confidentiality of the data, consistent with the public's right to know. Each department or agency head is responsible for the security of the department's or agency's data.

**Subd. 9. Joint actions.** The commissioner may, within available funding, join with the federal government, other states, local governments, and organizations representing those groups either jointly or severally in the development and implementation of systems analysis, information services, and computerization projects.

**History:** 1984 c 544 s 45; 1992 c 514 s 9

#### 16B.405 SOFTWARE SALES.

**Subdivision 1. Authorization.** The commissioner may sell or license computer software products or services developed by state agencies or custom developed by a vendor, through whatever sales method the commissioner considers appropriate. Prices for the software products or services may be based on market considerations.

**Subd. 2. Software sale fund.** (a) Except as provided in paragraph (b), proceeds of the sale or licensing of software products or services by the commissioner must be credited to the intertechnologies revolving fund. If a state agency other than the department of administration has contributed to the development of software sold or licensed under this section, the commissioner may reimburse the agency by discounting computer services provided to that agency.

(b) Proceeds of the sale or licensing of software products or services developed by the pollution control agency, or custom developed by a vendor for the agency, must be credited to the environmental fund.

**History:** 1987 c 365 s 12; 1990 c 506 art 2 s 12; 1991 c 199 art 1 s 6; 1995 c 220 s 27

#### 16B.41 INFORMATION POLICY OFFICE.

**Subdivision 1. Establishment and purpose.** The information policy office shall develop and establish a policy and standards for state agencies to follow for the development, purchase, and training for information systems. The purpose of the office is to develop, promote, and coordinate a state technology, architecture, standards and guidelines, information needs analysis techniques, contracts for the purchase of equipment and services, and training of state agency personnel on these issues.

**Subd. 2. Responsibilities.** The office has the following duties:

(a) The office must develop and establish a state information architecture to ensure that further state agency development and purchase of information systems equipment and software is directed in such a manner that individual agency information systems complement

and do not needlessly duplicate or needlessly conflict with the systems of other agencies. In those instances where state agencies have need for the same or similar computer data, the commissioner shall ensure that the most efficient and cost-effective method of producing and storing data for or sharing data between those agencies is used. The development of this information architecture must include the establishment of standards and guidelines to be followed by state agencies. On January 1, 1988, and every six months thereafter, any state agency that has purchased information systems equipment or software in the past six months, or that is contemplating purchasing this equipment or software in the next six months, must report to the office and to the chairs of the house ways and means committee and the senate finance committee on how the purchases or proposed purchases comply with the applicable standards and guidelines.

(b) The office shall assist state agencies in the planning and management of information systems so that an individual information system reflects and supports the state agency's and the state's mission, requirements, and functions.

(c) The office must review and approve all agency requests for legislative appropriations for the development or purchase of information systems equipment or software. Requests may not be included in the governor's budget submitted to the legislature, unless the office has approved the request.

(d) Each biennium the office must rate agency requests for new appropriations for development or purchase of information systems equipment or software based on established information management criteria. The office must submit this rating to the legislature at the same time, or no later than 14 days after, the governor submits the budget message to the legislature. The governor must provide information necessary to rate agency requests to the office.

(e) The office must define, review, and approve major purchases of information systems equipment to (1) ensure that the equipment follows the standards and guidelines of the state information architecture; (2) ensure that the equipment is consistent with the information management principles adopted by the information policy council; (3) evaluate whether or not the agency's proposed purchase reflects a cost-effective policy regarding volume purchasing; and (4) ensure the equipment is consistent with other systems in other state agencies so that data can be shared among agencies, unless the office determines that the agency purchasing the equipment has special needs justifying the inconsistency. The commissioner of finance may not allot funds appropriated for major purchases of information systems equipment until the office reviews and approves the proposed purchase. A public institution of higher education may purchase up to \$250,000 of equipment or other computer technology to connect the college or university to sites outside the institution without the prior approval of the office.

(f) The office shall review the operation of information systems by state agencies and provide advice and assistance so that these systems are operated efficiently and continually meet the standards and guidelines established by the office. These standards and guidelines shall emphasize uniformity that encourages information interchange, open systems environments, and portability of information whenever practicable and consistent with an agency's authority and the Minnesota government data practices act. The office, in consultation with the intergovernmental information systems advisory council and the legislative reference library, shall adopt specific standards and guidelines to be met by each state agency within a time period fixed by the office in regard to the following:

(1) establishment of methodologies and systems directed at reducing and ultimately eliminating redundant storage of data and encouraging greater use of central databases;

(2) establishment of data retention schedules, disaster recovery plans and systems, security systems, and procedural safeguards concerning privacy of data;

(3) establishment of pricing policies and incentives that encourage electronic transfer of information in electronic forms, while giving due consideration to the value and cost of providing the information in those forms. These pricing policies may include preferential prices for information requested by a public entity for a public purpose; and

(4) establishment of information sales systems that utilize licensing and royalty agreements to the greatest extent possible, together with procedures for agency denial of requests

for licenses or royalty agreements by commercial users or resellers of the information. Section 3.751 does not apply to these licensing and royalty agreements and the agreements must include provisions that section 3.751 does not apply and that the state is immune from liability under the agreement.

If an agency needs additional funds to comply with the requirements of this paragraph, the agency must first obtain approval of the proposal by the office as required by paragraph (c) before submitting it to the legislature.

(g) The office must conduct a comprehensive review at least every three years of the information systems investments that have been made by state agencies and higher education institutions. The review must include recommendations on any information systems applications that could be provided in a more cost beneficial manner by an outside source. The office must report the results of its review to the legislature and the governor.

(h) The office shall recommend to the legislature any statutory changes that are necessary or desirable to accomplish the duties described in this subdivision.

(i) The office must report to the legislature by January 15 each year on progress in implementing paragraph (f), clauses (1) to (4).

**Subd. 2a. Compliance by agencies with IPO recommendations.** Agencies must comply with information policy office recommendations regarding purchase of information systems equipment made under subdivision 2, paragraph (e).

**Subd. 3. Staff.** The office shall function as a division of the department of administration. The commissioner of administration shall provide the necessary administrative support to the office. The director shall serve in the unclassified service.

**Subd. 4.** [Repealed by amendment, 1993 c 192 s 71]

**Subd. 5. Computer impact statement.** When a statutory change affects reporting and data collection requirements for local units of government, the state agency most responsible for the data collected and reported by the local units of government must file a computer impact statement with the office within 60 days of the final enactment of the statutory change. The statement must indicate the anticipated data processing costs associated with the change.

**History:** 1984 c 544 s 46; 1987 c 404 s 80; 1989 c 335 art 1 s 63; 1990 c 572 s 7; 1991 c 345 art 1 s 62,63; 1993 c 4 s 12; 1993 c 192 s 71; 1996 c 398 s 14; 1996 c 457 s 7

## 16B.42 INTERGOVERNMENTAL INFORMATION SYSTEMS ADVISORY COUNCIL.

**Subdivision 1. Composition.** The intergovernmental information systems advisory council is composed of (1) two members from each of the following groups: counties outside of the seven-county metropolitan area, cities of the second and third class outside the metropolitan area, cities of the second and third class within the metropolitan area, and cities of the fourth class; (2) one member from each of the following groups: the metropolitan council, an outstate regional body, counties within the metropolitan area, cities of the first class, school districts in the metropolitan area, school districts outside the metropolitan area, and public libraries; (3) one member each appointed by the state departments of children, families, and learning, human services, revenue, and economic security, the office of strategic and long-range planning, and the legislative auditor; (4) one member from the office of the state auditor, appointed by the auditor; (5) the assistant commissioner of administration for the information policy office; (6) one member appointed by each of the following organizations: league of Minnesota cities, association of Minnesota counties, Minnesota association of township officers, and Minnesota association of school administrators; and (7) one member of the house of representatives appointed by the speaker and one member of the senate appointed by the subcommittee on committees of the committee on rules and administration. The legislative members appointed under clause (7) are nonvoting members. The commissioner of administration shall appoint members under clauses (1) and (2). The terms, compensation, and removal of the appointed members of the advisory council are as provided in section 15.059, but the council does not expire until June 30, 1997.

**Subd. 2. Duties.** The council shall: assist state and local agencies in developing and updating intergovernmental information systems; facilitate participation of users during the development of major revisions of intergovernmental information systems; review intergov-

ernmental information and computer systems involving intergovernmental funding; encourage cooperative efforts among state and local governments in developing intergovernmental information systems; present local government concerns to state government and state government concerns to local government with respect to intergovernmental information systems; develop and recommend standards and policies for intergovernmental information systems to the information policy office; foster the efficient use of available federal, state, local, and private resources for the development of intergovernmental systems; keep government agencies abreast of the state of the art in information systems; prepare guidelines for intergovernmental systems; assist the commissioner of administration in the development of cooperative contracts for the purchase of information system equipment and software; and assist the legislature by providing advice on intergovernmental information systems issues.

**Subd. 3. Other duties.** The intergovernmental informations systems advisory council shall (1) recommend to the commissioners of state departments, the legislative auditor, and the state auditor a method for the expeditious gathering and reporting of information and data between agencies and units of local government in accordance with cooperatively developed standards; (2) elect an executive committee, not to exceed seven members from its membership; (3) develop an annual plan, to include administration and evaluation of grants, in compliance with applicable rules; (4) provide technical information systems assistance or guidance to local governments for development, implementation, and modification of automated systems, including formation of consortiums for those systems; (5) appoint committees and task forces, which may include persons other than council members, to assist the council in carrying out its duties; (6) select an executive director to serve the council and may employ other employees it deems necessary, all of whom are in the classified service of the state civil service; (7) may contract for professional and other similar services on terms it deems desirable; and (8) work with the information policy office to ensure that information systems developed by state agencies that impact local government will be reviewed by the council.

**Subd. 4. Funding.** Appropriations and other funds made available to the council for staff, operational expenses, projects, and grants are under the control of the council. The council may contract with the department of administration for staff services and administrative support. The council shall reimburse the department for these services. The council may request assistance from other state and local agencies in carrying out its duties. Fees charged to local units of government for the administrative costs of the council and revenues derived from royalties, reimbursements, or other fees from software programs, systems, or technical services arising out of activities funded by current or prior state appropriations must be credited to the general fund. The unencumbered balance of an appropriation in the first year of a biennium does not cancel but is available for the second year of the biennium.

**History:** 1984 c 531 s 4; 1984 c 544 s 47; 1984 c 654 art 5 s 58; 1984 c 655 art 2 s 13 subd 1; 1Sp1985 c 13 s 124; 1986 c 363 s 6; 1987 c 404 s 81; 1988 c 613 s 12; 1989 c 335 art 4 s 9; 1Sp1993 c 6 s 1; 1994 c 483 s 1; 1994 c 634 art 1 s 4-7; 1995 c 254 art 1 s 58; 1Sp1995 c 3 art 16 s 13

## 16B.43 EDUCATION MANAGEMENT INFORMATION SYSTEMS.

**Subdivision 1. Application.** The authority of the commissioner under sections 16B.40 to 16B.42, 16B.44, and 16B.45 applies to ESV-IS and to SDE-IS and computer-related services provided to the department of children, families, and learning by the department of administration's information services bureau. For purposes of this section, "ESV-IS" and "SDE-IS" have the meanings given them in Minnesota Statutes 1994, section 121.93.

**Subd. 2. Furnishing staff and assistance.** To the extent permitted by available resources, the commissioner may furnish staff and other assistance to the department, the state board, the ESV computer council, and the Minnesota educational computing consortium in conjunction with their performance of the duties imposed by sections 121.931 to 121.935.

**History:** 1984 c 544 s 48; 1987 c 384 art 2 s 1; 1993 c 192 s 72; 1993 c 224 art 14 s 16; 1Sp1995 c 3 art 16 s 13; 1996 c 305 art 1 s 10,139



**16B.44 MODIFICATION OF OPERATING AND MANAGEMENT PROCEDURES.**

When improved program effectiveness, better use of services, and greater efficiency and economy in state government can be demonstrated, the commissioner with the approval of the governor may require a state agency to adjust its operating and management procedures to take advantage of improved systems, procedures, and methods resulting from systems analysis and information science technology.

*History: 1984 c 544 s 49*

**16B.45 FUNCTION OF LEGISLATIVE AUDITOR.**

The legislative auditor may conduct performance evaluations of all systems analysis, information services, and computerization efforts of agencies, the University of Minnesota, and metropolitan boards, agencies, and commissions. Upon request of the governing body or the state information systems advisory council, the legislative auditor shall conduct the same services for political subdivisions of the state and report the findings to the governor and the legislature. The cost of these evaluations must be paid by the agencies being evaluated.

*History: 1984 c 544 s 50*

**16B.46 TELECOMMUNICATION; POWERS.**

The commissioner shall supervise and control all state telecommunication facilities including any transmission, emission, or reception of signs, signals, writing, images, and sounds or intelligence of any nature by wire, radio, optical, or other electromagnetic systems. Nothing in this section modifies, amends, or abridges any powers and duties presently vested in or imposed upon the commissioner of transportation or the commissioner of public safety relating to telecommunications facilities or the commissioner of transportation relating only to radio air navigation facilities or other air navigation facilities.

*History: 1984 c 544 s 51*

**16B.465 STATEWIDE TELECOMMUNICATIONS ACCESS ROUTING SYSTEM.**

**Subdivision 1. Creation.** The statewide telecommunications access routing system provides voice, data, video, and other telecommunications transmission services to state agencies; educational institutions, including public schools as defined in section 120.05, nonpublic, church or religious organization schools which provide instruction in compliance with sections 120.101 to 120.102, and private colleges; public corporations; and state political subdivisions. It is not a telephone company for purposes of chapter 237. It shall not resell or sublease any services or facilities to nonpublic entities except it may serve private schools and colleges. The commissioner has the responsibility for planning, development, and operations of a statewide telecommunications access routing system in order to provide cost-effective telecommunications transmission services to system users.

**Subd. 2. Advisory council.** The statewide telecommunications access and routing system is managed by the commissioner. Subject to section 15.059, subdivisions 1 to 4, the commissioner shall appoint an advisory council to provide advice in implementing and operating a statewide telecommunications access and routing system. The council shall represent the users of STARS services and shall include representatives of higher education, public and private schools, state agencies, and political subdivisions.

**Subd. 3. Duties.** The commissioner, after consultation with the council, shall:

(1) provide voice, data, video, and other telecommunications transmission services to the state and to political subdivisions through an account in the intertechnologies revolving fund;

(2) manage vendor relationships, network function, and capacity planning in order to be responsive to the needs of the system users;

(3) set rates and fees for services;

(4) approve contracts relating to the system;

(5) develop the system plan, including plans for the phasing of its implementation and maintenance of the initial system, and the annual program and fiscal plans for the system; and

(6) develop a plan for interconnection of the network with private colleges and public and private schools in the state.

**Subd. 4. Program participation.** (a) The commissioner may require the participation of state agencies, the state board of education, and the board of trustees of the Minnesota state colleges and universities and may request the participation of the board of regents of the University of Minnesota, in the planning and implementation of the network to provide interconnective technologies. The commissioner shall establish reimbursement rates in cooperation with the commissioner of finance to be billed to participating agencies and educational institutions sufficient to cover the operating, maintenance, and administrative costs of the system.

(b) A direct appropriation made to an educational institution for usage costs associated with the STARS network must only be used by the educational institution for payment of usage costs of the network as billed by the commissioner of administration.

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

**Subd. 6. Revolving fund.** Money appropriated for the statewide telecommunications access routing system and fees for telecommunications services must be deposited in an account in the intertechnologies revolving fund. Money in the account is appropriated annually to the commissioner to operate telecommunications services.

**Subd. 7. Exemption.** The system is exempt from the five-year limitation on contracts set by section 16B.07, subdivision 2.

**History:** 1989 c 246 s 2; 1989 c 335 art 1 s 64; 1990 c 594 art 1 s 47; 1991 c 345 art 1 s 64; 1992 c 514 s 10-12; 1994 c 634 art 1 s 8,9; 1Sp1995 c 3 art 12 s 1; 1996 c 398 s 15

#### 16B.467 ELECTRONIC PERMITTING AND LICENSING.

The commissioner of administration shall develop and implement a system under which people seeking state permits or licenses that can be issued immediately upon payment of a fee can obtain these permits and licenses through electronic access to the appropriate state agencies.

**History:** 1994 c 559 s 2

#### 16B.47 MICROGRAPHICS.

The commissioner shall provide micrographics services and products to meet agency needs. Within available resources, the commissioner may also provide micrographic services to political subdivisions. Agency plans and programs for micrographics must be submitted to and receive the approval of the commissioner prior to implementation. Upon the commissioner's approval, subsidiary or independent microfilm operations may be implemented in other state agencies. The commissioner may direct that copies of official state documents be distributed to official state depositories on microfilm.

**History:** 1984 c 544 s 52

#### 16B.48 GENERAL SERVICES AND INTERTECHNOLOGIES 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 a central store and equipment service;
- (2) to operate a central duplication and printing service;
- (3) to operate the central mailing service, including purchasing postage and related items and refunding postage deposits;
- (4) to operate a documents service as prescribed by section 16B.51;

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

(6) to operate a materials handling service, including interagency mail and product delivery, solid waste removal, courier service, equipment rental, and vehicle and equipment maintenance;

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

(8) to operate a records center and provide micrographics products and services; and

(9) 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. Intertechnologies revolving fund.** Money in the intertechnologies revolving fund is appropriated annually to the commissioner to operate information and telecommunications services, including management, consultation, and design services.

**Subd. 4. Reimbursements.** Except as specifically provided otherwise by law, each agency shall reimburse intertechnologies and 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. The commissioner of finance 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 finance, disbursements in anticipation of such transfers. In addition, the commissioner of administration, with the approval of the commissioner of finance, 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. 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 finance, must be transferred to the general fund.

**Subd. 5. Liquidation.** If the intertechnologies or general services revolving fund is 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

#### **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 REIMBURSEMENT FOR MATERIALS AND SERVICES.**

The commissioner of administration may provide materials and services under this chapter to state legislative and judicial branch agencies, political subdivisions, the Minneso-

ta state colleges and universities, the University of Minnesota, and federal government agencies. Legislative and judicial branch agencies, political subdivisions, the Minnesota state colleges and universities, the University of Minnesota, and federal government agencies purchasing materials and services from the commissioner of administration shall reimburse the general services, intertechnologies, and cooperative purchasing revolving funds for cost.

**History:** 1994 c 429 s 2; 1994 c 634 art 1 s 12; 1996 c 398 s 16

#### **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 INTELLECTUAL PROPERTY.**

Before executing a contract or license agreement involving intellectual property developed or acquired by the state, a state agency shall seek review and comment from the attorney general on the terms and conditions of the contract or agreement.

**History:** 1994 c 632 art 3 s 33

#### **16B.485 INTERFUND LOANS.**

The commissioner may, with the approval of the commissioner of finance, 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 term of a loan made under this section must be not more than 24 months.

**History:** 1995 c 254 art 1 s 59

### **CENTRAL SERVICES**

#### **16B.49 CENTRAL MAILING SYSTEM.**

The commissioner shall maintain and operate for agencies a central mailing system. Official mail of an agency occupying quarters within the boundaries of the city of St. Paul must be delivered unstamped to the central mailing station. 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.

**History:** 1984 c 544 s 54; 1994 c 634 art 1 s 13; 1996 c 398 s 18

#### **16B.50 CENTRAL DUPLICATING AND PRINTING DIVISION.**

The commissioner shall maintain and operate for agencies a central duplicating and printing division which is responsible for all duplicating and printing. The commissioner

shall prescribe and designate classes of state printing. The duplicating and printing work to be done by the division is restricted to producing any form, booklet or pamphlet to the extent the commissioner deems appropriate.

**History:** 1984 c 544 s 55

### 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; 268.12, subdivision 2; 299C.18; and 360.015, subdivision 17.

**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 finance 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

### 16B.52 MISUSE OF STATE PUBLICATIONS.

**Subdivision 1. Permissible publications; pictures.** No elected, administrative, or executive state officer, may have printed, nor may the commissioner authorize the printing of, at government expense, official reports and other publications intended for general public circulation except those authorized by law or included in the intent of the appropriation out of which the cost will be defrayed. Executive officers shall, before presenting their annual reports and other publications to the commissioner, examine them and exclude from them pictures of elected and administrative officials, and any other pictorial device calculated to or tending to attribute the publication to an individual instead of the department of state government from which it emanates. All other engravings, maps, drawings and illustrations must be excluded from the reports and publications, except those the executive officers certify when they present the reports for printing to be necessary and to relate entirely to the transaction of the state's business, or to be reasonably required to present for clear understanding the substance of the report.

**Subd. 2. Attribution of publications.** A report or publication authorized by law and paid for from public funds must carry the imprimatur of the agency under whose authority it is issued, but it may not carry the name of an official in any way that might imply attributing the publication to any person, except where certification of the officer is required for authenticity of the document.

**Subd. 3. Distribution.** No report or publication distributed by or from an administrative or executive officer may contain any notice that it is sent with "the compliments" and may not carry letters of personal greeting from an official.

**Subd. 4. Exception.** This section does not apply to the legislative manuals provided for in chapter 5.

**Subd. 5. Publications by department of administration.** Notwithstanding the provisions of this section or any other law relating to the subject matter of this section, the department of administration may continue to publish reports, documents, and related materials of the same manner described in its catalogs of Minnesota state publications.

**History:** 1984 c 544 s 57

### 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 CENTRAL MOTOR POOL; ESTABLISHMENT.

**Subdivision 1. Motor pools.** The commissioner shall manage a central motor pool of passenger motor vehicles and trucks used by state agencies with principal offices in the city of St. Paul and may provide for branch central motor pools at other places within the state. For purposes of this section, (1) "agencies" includes the Minnesota state colleges and universities, and (2) "truck" means a pickup or panel truck up to one ton carrying capacity.

**Subd. 2. Vehicles.** (a) **Acquisition from agency; appropriation.** 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 central motor pool. 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 central motor pool. 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) **Purchase.** 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 central motor pool. The title to all motor vehicles assigned to or purchased or acquired for the central motor pool is in the name of the department of administration.

(c) **Transfer at agency request.** On the request of an agency, the commissioner may transfer to the central motor pool 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) **Vehicles; marking.** 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 liquor control, the division of gambling enforcement, and arson investigators of the division of fire marshal in the department of public safety;

(4) the financial institutions division 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 the department of human services;

(9) the investigative staff of the department of economic security; and

(10) the office of the attorney general.

**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 central motor pool. The commissioner may employ a director and other necessary classified employees for the operation of the central motor pool 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 central motor pool.

(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 central motor pool are for official state business only. An agency requiring the services of a motor vehicle shall request it from the central motor pool 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 central motor pool 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 central motor pool, 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 central motor pool 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 sum of \$438,000 at the end of any fiscal year, the unobligated amount in excess of \$438,000 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

### 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 ridesharing 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 179 or a compensation plan adopted by the commissioner of employee relations 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 ridesharing 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

### 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 coop-



eration with the commissioner of public service, the commissioner of transportation, 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 van pool are state employees and if state employees constitute a majority of the members of every van pool. Available space in van pools 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

## **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 the 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. 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, except as provided in subdivision 7.

**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. Surcharge for vehicles occupied by one person.** The commissioner shall impose a surcharge of 25 percent for vehicles occupied by only one person parking in a state parking facility in the capitol area, as described by section 15.50, subdivision 2. The revenue from this additional charge shall be placed by the commissioner in a special account. For the benefit of employees employed in the capitol area, the money in the account is appropriated to the commissioner and shall be used by the commissioner in the following order of priority: (1) to acquire or lease commuter vans pursuant to section 16B.56; (2) within limits and upon conditions the commissioner determines to be necessary, to reimburse state agencies for all costs resulting from agreements with the metropolitan transit commission, or its successor, or other operators pursuant to section 473.409, including costs related to employees employed outside the capitol area; and (3) to be used for maintaining and improving parking lots or facilities owned or operated by the state. The commissioner may adopt rules necessary to administer the provisions of this subdivision, subdivision 5, and section 473.409. The rules may exempt from the surcharge vehicles operated by persons whom the commissioner determines have job requirements that make car pooling impractical.

**Subd. 8. Fees charged state employees.** Notwithstanding any other law to the contrary, the commissioner shall charge state employees for parking facilities which are used by them and furnished for their use pursuant to any lease entered into between the state of Minnesota and the lessor of any privately owned property situated in the seven county metropolitan area.

**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

### 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

## STATE BUILDING CODE

**16B.59 STATE BUILDING CODE; POLICY AND PURPOSE.**

The state building code governs the construction, reconstruction, alteration, and repair of buildings and other structures to which the code is applicable. The commissioner shall administer and amend a state code of building construction which will provide basic and uniform performance standards, establish reasonable safeguards for health, safety, welfare, comfort, and security of the residents of this state and provide for the use of modern methods, devices, materials, and techniques which will in part tend to lower construction costs. The construction of buildings should be permitted at the least possible cost consistent with recognized standards of health and safety.

**History:** 1984 c 544 s 64; 1995 c 254 art 2 s 1

**16B.60 DEFINITIONS, STATE BUILDING CODE.**

Subdivision 1. **Scope.** For the purposes of sections 16B.59 to 16B.75, the terms defined in this section have the meanings given them.

Subd. 2. **City.** "City" means a home rule charter or statutory city.

Subd. 3. **Municipality.** "Municipality" means a city, county, or town meeting the requirements of section 368.01, subdivision 1, the University of Minnesota, or the state for public buildings and state licensed facilities.

Subd. 4. **Code.** "Code" means the state building code adopted by the commissioner in accordance with sections 16B.59 to 16B.75.

Subd. 5. **Agricultural building.** "Agricultural building" means a structure on agricultural land as defined in section 273.13, subdivision 23, designed, constructed, and used to house farm implements, livestock, or agricultural produce or products used by the owner, lessee, and sublessee of the building and members of their immediate families, their employees, and persons engaged in the pickup or delivery of agricultural produce or products.

Subd. 6. **Public building.** "Public building" means a building and its grounds the cost of which is paid for by the state or a state agency regardless of its cost, and a school district building project the cost of which is \$100,000 or more.

Subd. 7. **Physically handicapped.** "Physically handicapped" means having sight disabilities, hearing disabilities, disabilities of incoordination, disabilities of aging, or other disabilities that significantly reduce mobility, flexibility, coordination, or perceptiveness.

Subd. 8. **Remodeling.** "Remodeling" means deliberate reconstruction of an existing public building in whole or in part in order to bring it up to date in conformity with present uses of the structure and to which other rules on the upgrading of health and safety provisions are applicable.

Subd. 9. **Historic building.** "Historic building" means a state-owned building that is on the National Register of Historic Places.

Subd. 10. **Equivalent protection.** "Equivalent protection" means a measure other than a code requirement that provides essentially the same protection that would be provided by a code requirement.

Subd. 11. **State licensed facilities.** "State licensed facilities" means a building and its grounds that are licensed by the state as a hospital, nursing home, supervised living facility, free-standing outpatient surgical center, or correctional facility.

**History:** 1984 c 544 s 65; 1Sp1985 c 14 art 4 s 3; 1987 c 387 s 1,2; 1989 c 329 art 5 s 1; 1990 c 458 s 1; 1990 c 572 s 10,11; 1994 c 634 art 2 s 1,2; 1995 c 254 art 2 s 2,3

**16B.61 GENERAL POWERS OF COMMISSIONER; STATE BUILDING CODE.**

Subdivision 1. **Adoption of code.** Subject to sections 16B.59 to 16B.75, the commissioner shall by rule establish a code of standards for the construction, reconstruction, alteration, and repair of buildings, governing matters of structural materials, design and construction, fire protection, health, sanitation, and safety. The code must conform insofar as practicable to model building codes generally accepted and in use throughout the United States. In

the preparation of the code, consideration must be given to the existing statewide specialty codes presently in use in the state. Model codes with necessary modifications and statewide specialty codes may be adopted by reference. The code must be based on the application of scientific principles, approved tests, and professional judgment. To the extent possible, the code must be adopted in terms of desired results instead of the means of achieving those results, avoiding wherever possible the incorporation of specifications of particular methods or materials. To that end the code must encourage the use of new methods and new materials. Except as otherwise provided in sections 16B.59 to 16B.75, the commissioner shall administer and enforce the provisions of those sections.

**Subd. 1a. Administration by commissioner.** The commissioner shall administer and enforce the state building code as a municipality with respect to public buildings and state licensed facilities in the state. The commissioner shall establish appropriate permit, plan review, and inspection fees for public buildings and state licensed facilities. Fees and surcharges for public buildings and state licensed facilities must be remitted to the commissioner, who shall deposit them in the state treasury for credit to the special revenue fund.

Municipalities other than the state having a contractual agreement with the commissioner for code administration and enforcement service for public buildings and state licensed facilities shall charge their customary fees, including surcharge, to be paid directly to the contractual jurisdiction by the applicant seeking authorization to construct a public building or a state licensed facility. The commissioner shall contract with a municipality other than the state for plan review, code administration, and code enforcement service for public buildings and state licensed facilities in the contractual jurisdiction if the building officials of the municipality meet the requirements of section 16B.65 and wish to provide those services and if the commissioner determines that the municipality has enough adequately trained and qualified building inspectors to provide those services for the construction project.

The commissioner shall administer and enforce the provisions of the code relating to elevators statewide, except as provided for under section 16B.747, subdivision 3.

**Subd. 2. Enforcement by certain bodies.** Under the direction and supervision of the commissioner, the provisions of the code relating to electrical installations shall be enforced by the state board of electricity, pursuant to the Minnesota electrical act, the provisions relating to plumbing shall be enforced by the commissioner of health, the provisions relating to the Minnesota uniform fire code shall be enforced by the state fire marshal, the provisions relating to high pressure steam piping and appurtenances shall be enforced by the department of labor and industry. Fees for inspections conducted by the state board of electricity shall be paid in accordance with the rules of the state board of electricity.

**Subd. 3. Special requirements. (a) Space for commuter vans.** The code must require that any parking ramp or other parking facility constructed in accordance with the code include an appropriate number of spaces suitable for the parking of motor vehicles having a capacity of seven to 16 persons and which are principally used to provide prearranged commuter transportation of employees to or from their place of employment or to or from a transit stop authorized by a local transit authority.

**(b) Smoke detection devices.** The code must require that all dwellings, lodging houses, apartment houses, and hotels as defined in section 299F.362 comply with the provisions of section 299F.362.

**(c) Doors in nursing homes and hospitals.** The state building code may not require that each door entering a sleeping or patient's room from a corridor in a nursing home or hospital with an approved complete standard automatic fire extinguishing system be constructed or maintained as self-closing or automatically closing.

**(d) Child care facilities in churches; ground level exit.** A licensed day care center serving fewer than 30 preschool age persons and which is located in a below ground space in a church building is exempt from the state building code requirement for a ground level exit when the center has more than two stairways to the ground level and its exit.

**(e) Child care facilities in churches; vertical access.** Until August 1, 1996, an organization providing child care in an existing church building which is exempt from taxation under section 272.02, subdivision 1, clause (5), shall have five years from the date of initial licensure under chapter 245A to provide interior vertical access, such as an elevator, to per-

sons with disabilities as required by the state building code. To obtain the extension, the organization providing child care must secure a \$2,500 performance bond with the commissioner of human services to ensure that interior vertical access is achieved by the agreed upon date.

(f) **Family and group family day care.** Until the legislature enacts legislation specifying appropriate standards, the definition of Group R-3 occupancies in the state building code applies to family and group family day care homes licensed by the department of human services under Minnesota Rules, chapter 9502.

(g) **Mined underground space.** Nothing in the state building codes shall prevent cities from adopting rules governing the excavation, construction, reconstruction, alteration, and repair of mined underground space pursuant to sections 469.135 to 469.141, or of associated facilities in the space once the space has been created, provided the intent of the building code to establish reasonable safeguards for health, safety, welfare, comfort, and security is maintained.

(h) **Enclosed stairways.** No provision of the code or any appendix chapter of the code may require stairways of existing multiple dwelling buildings of two stories or less to be enclosed.

(i) **Double cylinder dead bolt locks.** No provision of the code or appendix chapter of the code may prohibit double cylinder dead bolt locks in existing single-family homes, townhouses, and first floor duplexes used exclusively as a residential dwelling. Any recommendation or promotion of double cylinder dead bolt locks must include a warning about their potential fire danger and procedures to minimize the danger.

(j) **Relocated residential buildings.** A residential building relocated within or into a political subdivision of the state need not comply with the state energy code or section 326.371 provided that, where available, an energy audit is conducted on the relocated building.

(k) **Automatic garage door opening systems.** The code must require all residential buildings as defined in section 325F.82 to comply with the provisions of sections 325F.82 and 325F.83.

(l) **Exit sign illumination.** For a new building on which construction is begun on or after October 1, 1993, or an existing building on which remodeling affecting 50 percent or more of the enclosed space is begun on or after October 1, 1993, the code must prohibit the use of internally illuminated exit signs whose electrical consumption during nonemergency operation exceeds 20 watts of resistive power. All other requirements in the code for exit signs must be complied with.

(m) **Exterior wood decks, patios, and balconies.** The code must permit the decking surface and upper portions of exterior wood decks, patios, and balconies to be constructed of (1) heartwood from species of wood having natural resistance to decay or termites, including redwood and cedars, (2) grades of lumber which contain sapwood from species of wood having natural resistance to decay or termites, including redwood and cedars, or (3) treated wood. The species and grades of wood products used to construct the decking surface and upper portions of exterior decks, patios, and balconies must be made available to the building official on request before final construction approval.

Subd. 3a. **Recycling space.** The code must require suitable space for the separation, collection, and temporary storage of recyclable materials within or adjacent to new or significantly remodeled structures that contain 1,000 square feet or more. Residential structures with fewer than four dwelling units are exempt from this subdivision.

Subd. 4. **Review of plans for public buildings and state licensed facilities.** Construction or remodeling may not begin on any public building or state licensed facility until the plans and specifications have been approved by the commissioner or municipality under contractual agreement pursuant to subdivision 1a. The plans and specifications must be submitted for review, and within 30 days after receipt of the plans and specifications, the commissioner or municipality under contractual agreement shall notify the submitting authority of any corrections.

Subd. 5. **Accessibility.** (a) **Public buildings.** The code must provide for making public buildings constructed or remodeled after July 1, 1963, accessible to and usable by physically handicapped persons, although this does not require the remodeling of public buildings sole-

ly to provide accessibility and usability to the physically handicapped when remodeling would not otherwise be undertaken.

(b) **Leased space.** No agency of the state may lease space for agency operations in a non-state-owned building unless the building satisfies the requirements of the state building code for accessibility by the physically handicapped, or is eligible to display the state symbol of accessibility. This limitation applies to leases of 30 days or more for space of at least 1,000 square feet.

(c) **Meetings or conferences.** Meetings or conferences for the public or for state employees which are sponsored in whole or in part by a state agency must be held in buildings that meet the state building code requirements relating to accessibility for physically handicapped persons. This subdivision does not apply to any classes, seminars, or training programs offered by the Minnesota state colleges and universities or the University of Minnesota. Meetings or conferences intended for specific individuals none of whom need the accessibility features for handicapped persons specified in the state building code need not comply with this subdivision unless a handicapped person gives reasonable advance notice of an intent to attend the meeting or conference. When sign language interpreters will be provided, meetings or conference sites must be chosen which allow hearing impaired participants to see their signing clearly.

(d) **Exemptions.** The commissioner may grant an exemption from the requirements of paragraphs (b) and (c) in advance if an agency has demonstrated that reasonable efforts were made to secure facilities which complied with those requirements and if the selected facilities are the best available for access for handicapped persons. Exemptions shall be granted using criteria developed by the commissioner in consultation with the council on disability.

(e) **Symbol indicating access.** The wheelchair symbol adopted by Rehabilitation International's Eleventh World Congress is the state symbol indicating buildings, facilities, and grounds which are accessible to and usable by handicapped persons. In the interests of uniformity, this symbol is the sole symbol for display in or on all public or private buildings, facilities, and grounds which qualify for its use. The secretary of state shall obtain the symbol and keep it on file. No building, facility, or grounds may display the symbol unless it is in compliance with the rules adopted by the commissioner under subdivision 1. Before any rules are proposed for adoption under this paragraph, the commissioner shall consult with the council on disability. Rules adopted under this paragraph must be enforced in the same way as other accessibility rules of the state building code.

(f) **Municipal enforcement.** Municipalities which have not adopted the state building code may enforce the building code requirements for handicapped persons by either entering into a joint powers agreement for enforcement with another municipality which has adopted the state building code; or contracting for enforcement with an individual certified under section 16B.65, subdivision 3, to enforce the state building code.

(g) **Equipment allowed.** The code must allow the use of vertical wheelchair lifts and inclined stairway wheelchair lifts in public buildings. An inclined stairway wheelchair lift must be equipped with light or sound signaling device for use during operation of the lift. The stairway or ramp shall be marked in a bright color that clearly indicates the outside edge of the lift when in operation. The code shall not require a guardrail between the lift and the stairway or ramp. Compliance with this provision by itself does not mean other handicap accessibility requirements have been met.

**Subd. 6. Energy efficiency.** The code must provide for building new low-income housing in accordance with energy efficiency standards adopted under section 216C.19, subdivision 8. For purposes of this subdivision, low-income housing means residential housing built for low-income persons and families under a program of a housing and redevelopment authority, the Minnesota housing finance agency, or another entity receiving money from the state to construct such housing.

**Subd. 7. Access for the hearing-impaired.** All rooms in the state office building and in the capitol that are used by the house of representatives or the senate for legislative hearings, and the public galleries overlooking the house and senate chambers, must be fitted with assistive listening devices for the hearing-impaired. Each hearing room and the public galleries must have a sufficient number of receivers available so that hearing-impaired members of

the public may participate in the committee hearings and public sessions of the house and senate.

**History:** 1984 c 544 s 66; 1984 c 655 art 2 s 13 subd 1; 1984 c 658 s 1; 1985 c 194 s 30; 1985 c 248 s 70; 1986 c 444; 1Sp1986 c 3 art 4 s 2; 1987 c 291 s 192; 1987 c 354 s 8; 1987 c 387 s 3; 1988 c 608 s 1; 1988 c 685 s 2; 1989 c 82 s 1; 1989 c 335 art 1 s 65; 1990 c 414 s 1; 1991 c 104 s 1; 1991 c 134 s 1; 1991 c 149 s 2; 1991 c 235 art 3 s 1; 1991 c 240 s 1; 1991 c 337 s 4; 1992 c 597 s 1; 1993 c 327 s 1; 1994 c 480 s 6; 1994 c 567 s 1; 1994 c 634 art 2 s 3,4; 1995 c 100 s 1; 1995 c 166 s 1,2,17; 1995 c 213 art 1 s 1; 1995 c 254 art 2 s 4-6; 1996 c 395 s 18

### 16B.615 RESTROOM FACILITIES.

**Subdivision 1. Definition.** For purposes of this section, "place of public accommodation" means a publicly or privately owned sports or entertainment arena, stadium, theater, community or convention hall, special event center, amusement facility, or special event center in a public park, that is designed for occupancy by 200 or more people.

**Subd. 2. Application.** This section applies only to a place of public accommodation for which construction, or alterations exceeding 50 percent of the estimated replacement value of the existing facility, begins after July 1, 1995.

**Subd. 3. Ratio.** In a place of public accommodation subject to this section, the ratio of water closets for women to the total of water closets and urinals provided for men must be at least three to two, unless there are two or fewer fixtures for men.

**Subd. 4. Rules.** The commissioner of administration shall adopt rules to implement this section. The rules may provide for a greater ratio of women's to men's facilities for certain types of occupancies than is required in subdivision 3, and may apply the required ratios to categories of occupancies other than those defined as places of public accommodation under subdivision 1.

**History:** 1994 c 632 art 3 s 34

### 16B.62 STATE BUILDING CODE; APPLICATION.

**Subdivision 1. Municipal enforcement.** The state building code applies statewide and supersedes the building code of any municipality. The state building code does not apply to agricultural buildings except with respect to state inspections required or rulemaking authorized by sections 103F.141, 216C.19, subdivision 8, and 326.244. All municipalities shall adopt and enforce the state building code with respect to new construction within their respective jurisdictions.

If a city has adopted or is enforcing the state building code on June 3, 1977, or determines by ordinance after that date to undertake enforcement, it shall enforce the code within the city. A city may by ordinance extend the enforcement of the code to contiguous unincorporated territory not more than two miles distant from its corporate limits in any direction. Where two or more noncontiguous cities which have elected to enforce the code have boundaries less than four miles apart, each is authorized to enforce the code on its side of a line equidistant between them. Once enforcement authority is extended extraterritorially by ordinance, the authority may continue to be exercised in the designated territory even though another city less than four miles distant later elects to enforce the code. After the extension, the city may enforce the code in the designated area to the same extent as if the property were situated within its corporate limits.

A city which, on June 3, 1977, had not adopted the code may not commence enforcement of the code within or outside of its jurisdiction until it has provided written notice to the commissioner, the county auditor, and the town clerk of each town in which it intends to enforce the code. A public hearing on the proposed enforcement must be held not less than 30 days after the notice has been provided. Enforcement of the code by the city outside of its jurisdiction commences on the first day of January in the year following the notice and hearing.

Municipalities may provide for the issuance of permits, inspection, and enforcement within their jurisdictions by means which are convenient, and lawful, including by means of

contracts with other municipalities pursuant to section 471.59, and with qualified individuals. The other municipalities or qualified individuals may be reimbursed by retention or remission of some or all of the building permit fee collected or by other means. In areas of the state where inspection and enforcement is unavailable from qualified employees of municipalities, the commissioner shall train and designate individuals available to carry out inspection and enforcement on a fee basis.

**Subd. 2. Enforcement by state building official.** If the commissioner determines that a municipality is not properly administering and enforcing the state building code as provided in section 16B.71, the commissioner may have the administration and enforcement in the involved municipality undertaken by the state building official. The commissioner shall notify the affected municipality in writing immediately upon making the determination, and the municipality may challenge the determination as a contested case before the commissioner pursuant to the administrative procedure act. In municipalities not properly administering and enforcing the state building code, and in municipalities who determine not to administer and enforce the state building code, the commissioner shall have administration and enforcement undertaken by the state building official or by another inspector certified by the state. The commissioner shall determine appropriate fees to be charged for the administration and enforcement service rendered. Any cost to the state arising from the state administration and enforcement of the state building code shall be borne by the subject municipality.

**History:** 1984 c 544 s 67; 1987 c 312 art 1 s 10 subd 1; 1990 c 391 art 8 s 2; 1994 c 634 art 2 s 5,10

#### 16B.625 EXEMPTIONS.

The commissioner may exempt a part of a historic building occupied by the state from the state or another building, fire, safety, or other code if the exemption is necessary to preserve the historic or esthetic character of the building or to prevent theft, vandalism, terrorism, or another crime. When the commissioner grants an exemption, the commissioner shall consider providing equivalent protection. A certificate of occupancy may not be denied because of an exemption under this section.

**History:** 1990 c 572 s 12

#### 16B.63 STATE BUILDING OFFICIAL.

**Subdivision 1. Appointment.** The commissioner shall appoint a state building official who under the direction and supervision of the commissioner shall administer the code.

**Subd. 2. Qualifications.** To be eligible for appointment as state building official an individual must be competent in the field of administration and shall have the experience in building design, construction, and supervision which the commissioner considers necessary.

**Subd. 3. Powers and duties.** The state building official may, with the approval of the commissioner, employ personnel necessary to carry out the inspector's function under sections 16B.59 to 16B.75. The state building official shall distribute without charge one copy of the code to each municipality within the state. Additional copies shall be made available to municipalities and interested parties for a fee prescribed by the commissioner. The state building official shall perform other duties in administering the code assigned by the commissioner.

**Subd. 4. Accessibility specialists.** The state building official shall, with the approval of the commissioner, assign three department employees to assist municipalities in complying with section 16B.61, subdivision 5.

**History:** 1984 c 544 s 68; 1986 c 444; 1991 c 345 art 1 s 66; 1994 c 634 art 2 s 10; 1995 c 254 art 2 s 7

#### 16B.64 APPLICATION OF ADMINISTRATIVE PROCEDURE ACT.

**Subdivision 1. Applicability.** Subject to this section, the adoption of the code and amendment is subject to the administrative procedure act.

**Subd. 2. Distribution of incorporations by reference.** The commissioner need not publish or distribute those parts of the code which are adopted by reference pursuant to section 14.07, subdivision 4.



**Subd. 3. Filing.** The commissioner shall file one copy of the complete code with the secretary of state, except that all standards referred to in any model or statewide specialty code or any of the modifications of a code need not be filed. All standards referred to in the code must be kept on file and available for inspection in the office of the commissioner.

**Subd. 4. Hearings.** The commissioner, except in the case of energy conservation standards promulgated or amended pursuant to section 216C.19, subdivision 8, shall hold all state hearings and make all determinations regarding any subject matter dealt with in the code including those in which another state agency proposes to adopt or amend rules which are incorporated by reference into the code or whenever the commissioner proposes to incorporate those rules into the state building code. In no event shall a state agency subsequently authorized to adopt rules involving state building code subject matter proceed to adopt the rules without prior consultation with the commissioner.

**Subd. 5. Proposed amendments; hearings.** Any interested person may propose amendments to the code which may be either applicable to all municipalities or, where it is alleged and established that conditions exist within a municipality which are not generally found within other municipalities, amendments may be restricted in application to that municipality. Notice of public hearings on proposed amendments shall be given to the governing bodies of all municipalities in addition to those persons entitled to notice under the administrative procedure act.

**Subd. 6. Adoption.** The commissioner shall approve any proposed amendments deemed by the commissioner to be reasonable in conformity with the policy and purpose of the code and justified under the particular circumstances involved. Upon adoption, a copy of each amendment must be distributed to the governing bodies of all affected municipalities.

**Subd. 7. Investigation and research.** With the approval of the commissioner the state building official shall investigate or provide for investigations, or may accept authenticated reports from authoritative sources, concerning new materials or modes of construction intended for use in the construction of buildings or structures, and shall propose amendments to the code setting forth the conditions under which the new materials or modes may be used.

**History:** 1984 c 544 s 69; 1985 c 248 s 8; 1986 c 444; 1987 c 312 art 1 s 10 subd 1; 1994 c 634 art 2 s 10

## 16B.65 BUILDING OFFICIALS.

**Subdivision 1. Appointments.** The governing body of each municipality shall, unless other means are already provided, appoint a building official to administer the code. Two or more municipalities may combine in the appointment of a single building official for the purpose of administering the provisions of the code within their communities. In those municipalities for which no building officials have been appointed, the state building inspector, with the approval of the commissioner, may appoint building officials to serve until the municipalities have made an appointment. If unable to make an appointment, the state building inspector may use whichever state employees or state agencies are necessary to perform the duties of the building official. All costs incurred by virtue of an appointment by the state building inspector or services rendered by state employees must be borne by the involved municipality. Receipts arising from the appointment must be paid into the state treasury and credited to the general fund.

**Subd. 2. Qualifications.** A building official, to be eligible for appointment, must have the experience in design, construction, and supervision which the commissioner deems necessary and must be generally informed on the quality and strength of building materials, accepted building construction requirements, and the nature of equipment and needs conducive to the safety, comfort, and convenience of building occupants. Each building official must be certified under this section, except that the qualifications outlined in this section are not mandatory regarding any building official in any municipality engaged in the administration of a building code on May 27, 1971, and continuing that function through July 1, 1972.

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

(1) prepare and conduct written and practical examinations to determine if a person is qualified pursuant to subdivision 2 to be a building official;

- (2) accept documentation of successful completion of testing programs developed by nationally recognized testing agencies, as proof of qualification pursuant to subdivision 2; or
- (3) determine qualifications by both clauses (1) and (2).

Upon a determination of qualification under clause (1), (2), or both of them, the commissioner shall issue a certificate to the building official stating that the official is certified. Each person applying for examination and certification pursuant to this section shall pay a nonrefundable fee of \$70. The commissioner or a designee may establish classes of certification that will recognize the varying complexities of code enforcement in the municipalities within the state. Except as provided by subdivision 2, no person may act as a building official for a municipality unless the commissioner determines that the official is qualified. The commissioner shall provide educational programs designed to train and assist building officials in carrying out their responsibilities.

The department of employee relations may, at the request of the commissioner, provide statewide testing services.

**Subd. 4. Duties.** Building officials shall, in the municipality for which they are appointed, attend to all aspects of code administration for which they are certified, including the issuance of all building permits and the inspection of all manufactured home installations. The commissioner may direct a municipality with a building official to perform services for another municipality, and in that event the municipality being served shall pay the municipality rendering the services the reasonable costs of the services. The costs may be subject to approval by the commissioner.

**Subd. 5. Removal from office.** Except as otherwise provided for by law the commissioner may, upon notice and hearing, direct the dismissal of a building official when it appears to the commissioner by competent evidence that the building official has consistently failed to act in the public interest in the performance of duties. Notice must be provided and the hearing conducted in accordance with the provisions of chapter 14 governing contested case proceedings. Nothing in this subdivision limits or otherwise affects the authority of a municipality to dismiss or suspend a building official at its discretion, except as otherwise provided for by law.

**Subd. 6. Vacancies.** In the event that a certified building official vacates that position within a municipality, that municipality shall appoint a certified building official to fill the vacancy as soon as possible. If the municipality fails to appoint a certified building official within 90 days of the occurrence of the vacancy, the state building inspector may make the appointment or provide state employees to serve that function as provided in subdivision 1.

**Subd. 7. Continuing education.** Subject to sections 16B.59 to 16B.75, the commissioner may by rule establish or approve continuing education programs for municipal building officials dealing with matters of building code administration, inspection, and enforcement.

Effective January 1, 1985, each person certified as a building official for the state must satisfactorily complete applicable educational programs established or approved by the commissioner every three calendar years to retain certification.

Each person certified as a building official must submit in writing to the commissioner an application for renewal of certification within 60 days of the last day of the third calendar year following the last certificate issued. Each application for renewal must be accompanied by proof of satisfactory completion of minimum continuing education requirements and the certification renewal fee established by the commissioner.

For persons certified prior to January 1, 1985, the first three-year period commences January 1, 1985.

**History:** 1984 c 544 s 70; 1984 c 578 s 1; 1984 c 655 art 2 s 13 subd 1; 1Sp1985 c 17 s 6; 1986 c 444; 1988 c 613 s 16; 1995 c 254 art 2 s 8-11

## 16B.66 CERTAIN INSPECTIONS.

The state building official may, upon an application setting forth a set of plans and specifications that will be used in more than one municipality to acquire building permits, review and approve the application for the construction or erection of any building or structure de-

signed to provide dwelling space for no more than two families if the set of plans meets the requirements of the state building code. All costs incurred by the state building official by virtue of the examination of the set of plans and specifications must be paid by the applicant. A building official shall issue a building permit upon application and presentation to the official of a set of plans and specifications bearing the approval of the state building official if the requirements of all other local ordinances are satisfied.

**History:** 1984 c 544 s 71; 1986 c 444; 1994 c 634 art 2 s 6,10

### 16B.67 APPEALS.

A person aggrieved by the final decision of any municipality as to the application of the code, including any rules adopted under sections 471.465 to 471.469, may, within 180 days of the decision, appeal to the commissioner. Appellant shall submit a nonrefundable fee of \$70, payable to the commissioner, with the request for appeal. An appeal must be heard as a contested case under chapter 14. The commissioner shall submit written findings to the parties. The party not prevailing shall pay the costs of the contested case hearing, including fees charged by the office of administrative hearings and the expense of transcript preparation. Costs under this section do not include attorney fees. Any person aggrieved by a ruling of the commissioner may appeal in accordance with chapter 14. For the purpose of this section "any person aggrieved" includes the council on disability. No fee or costs shall be required when the council on disability is the appellant.

**History:** 1984 c 544 s 72; 1986 c 444; 1987 c 354 s 4; 1988 c 613 s 17; 1995 c 254 art 2 s 12

### 16B.68 CERTAIN PERMITS.

Building permits or certificates of occupancy validly issued before July 1, 1972, regarding buildings or structures being constructed or altered according to the permits or certificates, are valid after that date. The construction may be completed according to the building permit, unless the building official determines that life or property is in jeopardy.

**History:** 1984 c 544 s 73

### 16B.69 VIOLATION, PENALTY.

A violation of the code is a misdemeanor.

**History:** 1984 c 544 s 74

### 16B.70 SURCHARGE.

Subdivision 1. **Computation.** To defray the costs of administering sections 16B.59 to 16B.75, a surcharge is imposed on all permits issued by municipalities in connection with the construction of or addition or alteration to buildings and equipment or appurtenances after June 30, 1971, as follows:

If the fee for the permit issued is fixed in amount the surcharge is equivalent to one-half mill (.0005) of the fee or 50 cents, whichever amount is greater. For all other permits, the surcharge is as follows:

(1) if the valuation of the structure, addition, or alteration is \$1,000,000 or less, the surcharge is equivalent to one-half mill (.0005) of the valuation of the structure, addition, or alteration;

(2) if the valuation is greater than \$1,000,000, the surcharge is \$500 plus two-fifths mill (.0004) of the value between \$1,000,000 and \$2,000,000;

(3) if the valuation is greater than \$2,000,000, the surcharge is \$900 plus three-tenths mill (.0003) of the value between \$2,000,000 and \$3,000,000;

(4) if the valuation is greater than \$3,000,000, the surcharge is \$1,200 plus one-fifth mill (.0002) of the value between \$3,000,000 and \$4,000,000;

(5) if the valuation is greater than \$4,000,000, the surcharge is \$1,400 plus one-tenth mill (.0001) of the value between \$4,000,000 and \$5,000,000; and

(6) if the valuation exceeds \$5,000,000, the surcharge is \$1,500 plus one-twentieth mill (.00005) of the value that exceeds \$5,000,000.

**Subd. 2. Collection and reports.** All permit surcharges must be collected by each municipality and a portion of them remitted to the state. Each municipality having a population greater than 20,000 people shall prepare and submit to the commissioner once a month a report of fees and surcharges on fees collected during the previous month but shall retain the greater of two percent or that amount collected up to \$25 to apply against the administrative expenses the municipality incurs in collecting the surcharges. All other municipalities shall submit the report and surcharges on fees once a quarter but shall retain the greater of four percent or that amount collected up to \$25 to apply against the administrative expenses the municipalities incur in collecting the surcharges. The report, which must be in a form prescribed by the commissioner, must be submitted together with a remittance covering the surcharges collected by the 15th day following the month or quarter in which the surcharges are collected. All surcharges and other fees prescribed by sections 16B.59 to 16B.75, which are payable to the state, must be paid to the commissioner who shall deposit them in the state treasury for credit to a special revenue fund.

**History:** 1984 c 544 s 75; 1Sp1985 c 13 s 127; 1989 c 303 s 1; 1989 c 335 art 4 s 11; 1991 c 2 art 7 s 5; 1994 c 634 art 2 s 7; 1995 c 254 art 2 s 13

### **16B.71 PERMIT FEES, TO WHOM APPLICABLE.**

Municipal building officials shall administer and enforce the state building code with respect to all subject structures constructed within their jurisdiction, including all buildings constructed by municipalities other than the state, as defined in section 16B.60, and the University of Minnesota. These governmental bodies shall pay the building permit fees and surcharges that the inspecting municipality customarily imposes for its administration and enforcement of the code.

**History:** 1984 c 544 s 76; 1987 c 387 s 4

### **16B.72 REFERENDA ON STATE BUILDING CODE IN NONMETROPOLITAN COUNTIES.**

Notwithstanding any other provision of law to the contrary, a county that is not a metropolitan county as defined by section 473.121, subdivision 4, may provide, by a vote of the majority of its electors residing outside of municipalities that have adopted the state building code before January 1, 1977, that no part of the state building code except the building requirements for handicapped persons and the requirements for elevator safety applies within its jurisdiction.

The county board may submit to the voters at a regular or special election the question of adopting the building code. The county board shall submit the question to the voters if it receives a petition for the question signed by a number of voters equal to at least five percent of those voting in the last general election. The question on the ballot must be stated substantially as follows:

“Shall the state building code be adopted in ..... County?”

If the majority of the votes cast on the proposition is in the negative, the state building code does not apply in the subject county, outside home rule charter or statutory cities or towns that adopted the building code before January 1, 1977, except the building requirements for handicapped persons and the requirements for elevator safety do apply.

Nothing in this section precludes a municipality that did not adopt the state building code before January 1, 1977, from adopting and enforcing by ordinance or other legal means the state building code within its jurisdiction.

**History:** 1984 c 544 s 77; 1994 c 634 art 2 s 8; 1995 c 166 s 3

### **16B.73 STATE BUILDING CODE IN MUNICIPALITIES UNDER 2,500; LOCAL OPTION.**

The governing body of a municipality whose population is less than 2,500 may provide that the state building code, except the requirements for handicapped persons and the requirements for elevator safety, will not apply within the jurisdiction of the municipality, if the municipality is located in whole or in part within a county exempted from its application un-

der section 16B.72. If more than one municipality has jurisdiction over an area, the state building code continues to apply unless all municipalities having jurisdiction over the area have provided that the state building code, except the requirements for handicapped persons and the requirements for elevator safety, does not apply within their respective jurisdictions. Nothing in this section precludes a municipality from adopting and enforcing by ordinance or other legal means the state building code within its jurisdiction.

**History:** 1984 c 544 s 78; 1994 c 634 art 2 s 9; 1995 c 166 s 4

#### 16B.74 DEFINITIONS.

Subdivision 1. As used in sections 16B.74 to 16B.746 the terms "passenger or freight elevator," "automatic operation" and "continuous pressure operation" shall have the following meanings.

Subd. 2. **Passenger or freight elevator.** "Passenger or freight elevator" means all elevators except those that comply with the safety rules of the department of administration relating to construction and installation and that have automatic operation or continuous pressure operation.

Subd. 3. Automatic operation shall mean operation wherein the starting of the elevator car is effected in response to momentary actuation of operating devices at the landing or of operating devices in the car identified with the landings, or both, or in response to an automatic starting mechanism and wherein the car is stopped automatically at the landings.

Subd. 4. Continuous pressure operation shall mean operation by means of buttons or switches in the car and at the landing, any one of which may be used to control the movement of the car as long as the button or switch is manually maintained in the actuating position.

Subd. 5. **Elevator.** As used in this chapter, "elevator" means moving walks and vertical transportation devices such as escalators, passenger elevators, freight elevators, dumbwaiters, handpowered elevators, endless belt lifts, and wheelchair platform lifts, but does not include external temporary material lifts or temporary construction personnel elevators at sites of construction of new or remodeled buildings.

Subd. 6. **Municipality.** "Municipality," as used in sections 16B.74 to 16B.748, means a city, county, or town meeting the requirements of section 368.01, subdivision 1.

**History:** 1955 c 561 s 1; Ex1967 c 1 s 6; 1985 c 248 s 70; 1989 c 303 s 5,6; 1995 c 166 s 5,6,17

#### 16B.741 ELEVATOR AVAILABLE FOR INSPECTION.

A person, firm, entity, or corporation that owns or controls a building or other structure housing an elevator that is subject to inspection by the department, shall, upon request, provide access at a reasonable hour to the elevator for purposes of inspection.

**History:** 1989 c 303 s 4; 1995 c 166 s 17

#### 16B.742 ELEVATOR OPERATORS.

The owner, manager, or lessee of any building in which there is installed a passenger or freight elevator, as hereinafter defined, shall designate a competent person or competent persons regularly to operate such elevator; provided, however, that any such owner, manager or lessee may arrange with one or more tenants of such building to designate one or more of their employees regularly to operate such elevator. No person not so designated shall operate any such elevator and no person shall employ or permit a person not so designated to operate any such elevator. The foregoing prohibitions shall not apply during any period of time when any such elevator is being constructed, installed, inspected, repaired or maintained.

**History:** 1955 c 561 s 1; 1986 c 444; 1995 c 166 s 17

#### 16B.743 LICENSING AUTHORITIES.

Any municipality may by ordinance establish a licensing authority with jurisdiction over all passenger and freight elevators within such municipality, fix the initial and renewal fee for, and the period of duration of, licenses to operate such elevators, and setting forth the

requirements for applicants for and the terms and conditions of licenses to operate such elevators.

**History:** 1955 c 561 s 2; 1973 c 123 art 5 s 7; 1995 c 166 s 7,17

#### **16B.744 ELEVATORS, ENTRANCES SEALED.**

It shall be the duty of the department of administration and the licensing authority of any municipality which adopts any such ordinance whenever it finds any such elevator under its jurisdiction in use in violation of any provision of sections 16B.74 to 16B.745 to seal the entrances of such elevator and attach a notice forbidding the use of such elevator until the provisions thereof are complied with.

**History:** 1955 c 561 s 3; Ex1967 c 1 s 6; 1973 c 123 art 5 s 7; 1995 c 166 s 8,17

#### **16B.745 VIOLATIONS, PENALTIES.**

**Subdivision 1. Removal of seal.** No person, firm, or corporation may remove any seal or notice forbidding the use of an elevator, except by authority of the department of administration or the licensing authority having jurisdiction over the elevator, or operate an elevator after a notice has been attached forbidding its use, unless the notice has been removed by authority of the department of administration or the licensing authority having jurisdiction over the elevator.

**Subd. 2. False certification.** No inspector, or other party authorized by this section or by rule to inspect elevators, may falsely certify the safety of an elevator, or grant a license or permit contrary to any provision of this chapter.

**Subd. 3. Minimum requirements.** No person, firm, or corporation may construct, install, alter, remove, or repair an elevator that does not meet the minimum requirements of this chapter, adopted rules, or national codes adopted by rule.

**Subd. 4. Penalties.** The commissioner of administration shall administer sections 16B.74 to 16B.749. In addition to the remedies provided for violations of this chapter, the commissioner may impose a penalty of up to \$1,000 for a violation of any provision of sections 16B.74 to 16B.749.

**History:** 1955 c 561 s 4; Ex1967 c 1 s 6; 1989 c 303 s 7; 1995 c 166 s 9-11,17

#### **16B.746 LICENSES FOR OPERATORS.**

In the event an operator is employed to operate an automatic elevator or continuous pressure elevator as provided in sections 16B.74 to 16B.745, such operator shall be duly licensed as provided in sections 16B.74 to 16B.745.

**History:** 1955 c 561 s 5; 1995 c 166 s 17

#### **16B.747 FEES FOR LICENSURE AND INSPECTION.**

**Subdivision 1. Permits.** No person, firm, or corporation may construct, install, alter, or remove an elevator without first filing an application for a permit with the department of administration or a municipality authorized by subdivision 3 to inspect elevators. Upon successfully completing inspection and the payment of the appropriate fee, the owner must be granted an operating permit for the elevator.

**Subd. 2. Contractor licenses.** The commissioner may establish criteria for the qualifications of elevator contractors and issue licenses based upon proof of the applicant's qualifications.

**Subd. 3. Permissive municipal regulation.** A municipality that conducts a system of elevator inspection on a periodic basis in conformity with this chapter, state building code requirements, and adopted rules, and that employs or contracts with inspectors meeting the minimum requirements established by rule, may provide for the inspection of elevator installation, repair, alteration, removal, construction, and the periodic routine inspection of elevators. A municipality may not adopt standards that do not conform to the uniform standards prescribed by the department.

If a municipality does not conduct elevator inspections as provided in this chapter, or if the commissioner determines that a municipality is not properly administering and enforcing

the law, rules, and codes, the commissioner shall have the inspection, administration, and enforcement undertaken by a qualified inspector employed by the department.

Subd. 4. **Deposit of fees.** Fees received under this section must be deposited in the state treasury and credited to the special revenue fund.

**History:** 1989 c 303 s 8; 1995 c 166 s 12,13,17

#### **16B.748 RULES.**

The commissioner may adopt rules for the following purposes:

(1) to set a fee under section 16A.1285 for processing a construction or installation permit or elevator contractor license application;

(2) to set a fee under section 16A.1285 to cover the cost of elevator inspections;

(3) to establish minimum qualifications for elevator inspectors that must include possession of a current elevator constructor electrician's license issued by the state board of electricity and proof of successful completion of the national elevator industry education program examination or equivalent experience;

(4) to establish criteria for the qualifications of elevator contractors;

(5) to establish elevator standards under sections 16B.61, subdivisions 1 and 2, and 16B.64;

(6) to establish procedures for appeals of decisions of the commissioner under chapter 14 and procedures allowing the commissioner, before issuing a decision, to seek advice from the elevator trade, building owners or managers, and others knowledgeable in the installation, construction, and repair of elevators; and

(7) to establish requirements for the registration of all elevators.

**History:** 1989 c 303 s 9; 1995 c 166 s 14,17; 1996 c 305 art 3 s 1

#### **16B.749 CONFLICT OF LAWS.**

Nothing in sections 16B.74 to 16B.749 supersedes the Minnesota electrical act in chapter 326.

**History:** 1995 c 166 s 15,17

#### **16B.75 INTERSTATE COMPACT ON INDUSTRIALIZED/MODULAR BUILDINGS.**

The state of Minnesota ratifies and approves the following compact:

##### **INTERSTATE COMPACT ON INDUSTRIALIZED/MODULAR BUILDINGS**

##### **ARTICLE I**

##### **FINDINGS AND DECLARATIONS OF POLICY**

(1) The compacting states find that:

(a) Industrialized/modular buildings are constructed in factories in the various states and are a growing segment of the nation's affordable housing and commercial building stock.

(b) The regulation of industrialized/modular buildings varies from state to state and locality to locality, which creates confusion and burdens state and local building officials and the industrialized/modular building industry.

(c) Regulation by multiple jurisdictions imposes additional costs, which are ultimately borne by the owners and users of industrialized/modular buildings, restricts market access and discourages the development and incorporation of new technologies.

(2) It is the policy of each of the compacting states to:

(a) Provide the states which regulate the design and construction of industrialized/modular buildings with a program to coordinate and uniformly adopt and administer the states' rules and regulations for such buildings, all in a manner to assure interstate reciprocity.

(b) Provide to the United States Congress assurances that would preclude the need for a voluntary preemptive federal regulatory system for modular housing, as outlined in Section

572 of the Housing and Community Development Act of 1987, including development of model standards for modular housing construction, such that design and performance will insure quality, durability and safety; will be in accordance with life-cycle cost-effective energy conservation standards; all to promote the lowest total construction and operating costs over the life of such housing.

## ARTICLE II

### DEFINITIONS

As used in this compact, unless the context clearly requires otherwise:

(1) "Commission" means the interstate industrialized/modular buildings commission.

(2) "Industrialized/modular building" means any building which is of closed construction, i.e. constructed in such a manner that concealed parts or processes of manufacture cannot be inspected at the site, without disassembly, damage or destruction, and which is made or assembled in manufacturing facilities, off the building site, for installation, or assembly and installation, on the building site. "Industrialized/modular building" includes, but is not limited to, modular housing which is factory-built single-family and multifamily housing (including closed wall panelized housing) and other modular, nonresidential buildings. "Industrialized/modular building" does not include any structure subject to the requirements of the National Manufactured Home Construction and Safety Standards Act of 1974.

(3) "Interim reciprocal agreement" means a formal reciprocity agreement between a noncompacting state wherein the noncompacting state agrees that labels evidencing compliance with the model rules and regulations for industrialized/modular buildings, as authorized in Article VIII, section (9), shall be accepted by the state and its subdivisions to permit installation and use of industrialized/modular buildings. Further, the noncompacting state agrees that by legislation or regulation, and appropriate enforcement by uniform administrative procedures, the noncompacting state requires all industrialized/modular building manufacturers within that state to comply with the model rules and regulations for industrialized/modular buildings.

(4) "State" means a state of the United States, territory or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

(5) "Uniform administrative procedures" means the procedures adopted by the commission (after consideration of any recommendations from the rules development committee) which state and local officials, and other parties, in one state, will utilize to assure state and local officials, and other parties, in other states, of the substantial compliance of industrialized/modular building construction with the construction standard of requirements of such other states; to assess the adequacy of building systems; and to verify and assure the competency and performance of evaluation and inspection agencies.

(6) "Model rules and regulations for industrialized/modular buildings" means the construction standards adopted by the commission (after consideration of any recommendations from the rules development committee) which govern the design, manufacture, handling, storage, delivery and installation of industrialized/modular buildings and building components. The construction standards and any amendments thereof shall conform insofar as practicable to model building codes and referenced standards generally accepted and in use throughout the United States.

## ARTICLE III

### CREATION OF COMMISSION

The compacting states hereby create the Interstate Industrialized/Modular Buildings Commission, hereinafter called commission. Said commission shall be a body corporate of each compacting state and an agency thereof. The commission shall have all the powers and duties set forth herein and such additional powers as may be conferred upon it by subsequent action of the respective legislatures of the compacting states.



## ARTICLE IV

## SELECTION OF COMMISSIONERS

The commission shall be selected as follows. As each state becomes a compacting state, one resident shall be appointed as commissioner. The commissioner shall be selected by the governor of the compacting state, being designated from the state agency charged with regulating industrialized/modular buildings or, if such state agency does not exist, being designated from among those building officials with the most appropriate responsibilities in the state. The commissioner may designate another official as an alternate to act on behalf of the commissioner at commission meetings which the commissioner is unable to attend.

Each state commissioner shall be appointed, suspended, or removed and shall serve subject to and in accordance with the laws of the state which said commissioner represents; and each vacancy occurring shall be filled in accordance with the laws of the state wherein the vacancy exists.

For every three state commissioners that have been appointed in the manner described, those state commissioners shall select one additional commissioner who shall be a representative of manufacturers of residential- or commercial-use industrialized/modular buildings. For every six state commissioners that have been appointed in the manner described, the state commissioners shall select one additional commissioner who shall be a representative of consumers of industrialized/modular buildings. In the event states withdraw from the compact or, for any other reason, the number of state commissioners is reduced, the state commissioners shall remove the last added representative commissioner as necessary to maintain the ratio of state commissioners to representative commissioners described herein.

Upon a majority vote of the state commissioners, the state commissioners may remove, fill a vacancy created by, or replace any representative commissioner, provided that any replacement is made from the same representative group and the ratio described herein is maintained. Unless provided otherwise, the representative commissioners have the same authority and responsibility as the state commissioners.

In addition, the commission may have as a member one commissioner representing the United States government if federal law authorizes such representation. Such commissioner shall not vote on matters before the commission. Such commissioner shall be appointed by the President of the United States, or in such other manner as may be provided by Congress.

## ARTICLE V

## VOTING

Each commissioner (except the commissioner representing the United States government) shall be entitled to one vote on the commission. A majority of the commissioners shall constitute a quorum for the transaction of business. Any business transacted at any meeting of the commission must be by affirmative vote of a majority of the quorum present and voting.

## ARTICLE VI

## ORGANIZATION AND MANAGEMENT

The commission shall elect annually, from among its members, a chairman, a vice chairman and a treasurer. The commission shall also select a secretariat, which shall provide an individual who shall serve as secretary of the commission. The commission shall fix and determine the duties and compensation of the secretariat. The commissioners shall serve without compensation, but shall be reimbursed for their actual and necessary expenses from the funds of the commission.

The commission shall adopt a seal.

The commission shall adopt bylaws, rules, and regulations for the conduct of its business, and shall have the power to amend and rescind these bylaws, rules, and regulations.

The commission shall establish and maintain an office at the same location as the office maintained by the secretariat for the transaction of its business and may meet at any time, but

in any event must meet at least once a year. The chairman may call additional meetings and upon the request of a majority of the commissioners of three or more of the compacting states shall call an additional meeting.

The commission annually shall make the governor and legislature of each compacting state a report covering its activities for the preceding year. Any donation or grant accepted by the commission or services borrowed shall be reported in the annual report of the commission and shall include the nature, amount and conditions, if any, of the donation, gift, grant or services borrowed and the identity of the donor or lender. The commission may make additional reports as it may deem desirable.

## ARTICLE VII

### COMMITTEES

The commission will establish such committees as it deems necessary, including, but not limited to, the following:

(1) An executive committee which functions when the full commission is not meeting, as provided in the bylaws of the commission. The executive committee will ensure that proper procedures are followed in implementing the commission's programs and in carrying out the activities of the compact. The executive committee shall be elected by vote of the commission. It shall be comprised of at least three and no more than nine commissioners, selected from the state commissioners and one member of the industry commissioners and one member of the consumer commissioners.

(2) A rules development committee appointed by the commission. The committee shall be consensus-based and consist of not less than seven nor more than 21 members. Committee members will include state building regulatory officials; manufacturers of industrialized/modular buildings; private, third-party inspection agencies; and consumers. This committee may recommend procedures which state and local officials, and other parties, in one state, may utilize to assure state and local officials, and other parties, in other states, of the substantial compliance of industrialized/modular building construction with the construction standard requirements of such other states; to assess the adequacy of building systems; and to verify and assure the competency and performance of evaluation and inspection agencies. This committee may also recommend construction standards for the design, manufacture, handling, storage, delivery and installation of industrialized/modular buildings and building components. The committee will submit its recommendations to the commission, for the commission's consideration in adopting and amending the uniform administrative procedures and the model rules and regulations for industrialized/modular buildings. The committee may also review the regulatory programs of the compacting states to determine whether those programs are consistent with the uniform administrative procedures or the model rules and regulations for industrialized/modular buildings and may make recommendations concerning the states' programs to the commission. In carrying out its functions, the rules committee may conduct public hearings and otherwise solicit public input and comment.

(3) Any other advisory, coordinating or technical committees, membership on which may include private persons, public officials, associations or organizations. Such committees may consider any matter of concern to the commission.

(4) Such additional committees as the commission's bylaws may provide.

## ARTICLE VIII

### POWER AND AUTHORITY

In addition to the powers conferred elsewhere in this compact, the commission shall have power to:

(1) Collect, analyze and disseminate information relating to industrialized/modular buildings.

(2) Undertake studies of existing laws, codes, rules and regulations, and administrative practices of the states relating to industrialized/modular buildings.

(3) Assist and support committees and organizations which promulgate, maintain and update model codes or recommendations for uniform administrative procedures or model rules and regulations for industrialized/modular buildings.

(4) Adopt and amend uniform administrative procedures and model rules and regulations for industrialized/modular buildings.

(5) Make recommendations to compacting states for the purpose of bringing such states' laws, codes, rules and regulations and administrative practices into conformance with the uniform administrative procedures or the model rules and regulations for industrialized/modular buildings, provided that such recommendations shall be made to the appropriate state agency with due consideration for the desirability of uniformity while also giving appropriate consideration to special circumstances which may justify variations necessary to meet unique local conditions.

(6) Assist and support the compacting states with monitoring of plan review programs and inspection programs, which will assure that the compacting states have the benefit of uniform industrialized/modular building plan review and inspection programs.

(7) Assist and support organizations which train state and local government and other program personnel in the use of uniform industrialized/modular building plan review and inspection programs.

(8) Encourage and promote coordination of state regulatory action relating to manufacturers, public or private inspection programs.

(9) Create and sell labels to be affixed to industrialized/modular building units, constructed in or regulated by compacting states, where such labels will evidence compliance with the model rules and regulations for industrialized/modular buildings, enforced in accordance with the uniform administrative procedures. The commission may use receipts from the sale of labels to help defray the operating expenses of the commission.

(10) Assist and support compacting states' investigations into and resolutions of consumer complaints which relate to industrialized/modular buildings constructed in one compacting state and sited in another compacting state.

(11) Borrow, accept or contract for the services of personnel from any state or the United States or any subdivision or agency thereof, from any interstate agency, or from any institution, association, person, firm or corporation.

(12) Accept for any of its purposes and functions under this compact any and all donations, and grants of money, equipment, supplies, materials and services (conditional or otherwise) from any state or the United States or any subdivision or agency thereof, from any interstate agency, or from any institution, person, firm or corporation, and may receive, utilize and dispose of the same.

(13) Establish and maintain such facilities as may be necessary for the transacting of its business. The commission may acquire, hold, and convey real and personal property and any interest therein.

(14) Enter into contracts and agreements, including but not limited to, interim reciprocal agreements with noncompacting states.

## ARTICLE IX

### FINANCE

The commission shall submit to the governor or designated officer or officers of each compacting state a budget of its estimated expenditures for such period as may be required by the laws of that state for presentation to the legislature thereof.

Each of the commission's budgets of estimated expenditures shall contain specific recommendations of the amounts to be appropriated by each of the compacting states. The total amount of appropriations requested under any such budget shall be apportioned among the compacting states as follows: one-half in equal shares; one-fourth among the compacting states in accordance with the ratio of their populations to the total population of the compacting states, based on the last decimal federal census; and one-fourth among the compacting states in accordance with the ratio of industrialized/modular building units manufactured in each state to the total of all units manufactured in all of the compacting states.

The commission shall not pledge the credit of any compacting state. The commission may meet any of its obligations in whole or in part with funds available to it by donations, grants, or sale of labels: provided that the commission takes specific action setting aside such funds prior to incurring any obligation to be met in whole or in part in such manner. Except where the commission makes use of funds available to it by donations, grants or sale of labels, the commission shall not incur any obligation prior to the allotment of funds by the compacting states adequate to meet the same.

The commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established under its bylaws. All receipts and disbursements of funds handled by the commission shall be audited yearly by a certified or licensed public accountant and the report of the audit shall be included in and become part of the annual report of the commission.

The accounts of the commission shall be open at any reasonable time for inspection by duly constituted officers of the compacting states and any person authorized by the commission.

Nothing contained in this article shall be construed to prevent commission compliance relating to audit or inspection of accounts by or on behalf of any government contributing to the support of the commission.

## ARTICLE X

### ENTRY INTO FORCE AND WITHDRAWAL

This compact shall enter into force when enacted into law by any three states. Thereafter, this compact shall become effective as to any other state upon its enactment thereof. The commission shall arrange for notification of all compacting states whenever there is a new enactment of the compact.

Any compacting state may withdraw from this compact by enacting a statute repealing the same. No withdrawal shall affect any liability already incurred by or chargeable to a compacting state prior to the time of such withdrawal.

## ARTICLE XI

### RECIPROCITY

If the commission determines that the standards for industrialized/modular buildings prescribed by statute, rule or regulation of compacting state are at least equal to the commission's model rules and regulations for industrialized/modular buildings, and that such state standards are enforced by the compacting state in accordance with the uniform administrative procedures, industrialized/modular buildings approved by such a compacting state shall be deemed to have been approved by all the compacting states for placement in those states in accordance with procedures prescribed by the commission.

## ARTICLE XII

### EFFECT ON OTHER LAWS AND JURISDICTION

Nothing in this compact shall be construed to:

- (1) Withdraw or limit the jurisdiction of any state or local court or administrative officer or body with respect to any person, corporation or other entity or subject matter, except to the extent that such jurisdiction pursuant to this compact, is expressly conferred upon another agency or body.
- (2) Supersede or limit the jurisdiction of any court of the United States.

## ARTICLE XIII

### CONSTRUCTION AND SEVERABILITY

This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence or provision

of this compact is declared to be contrary to the constitution of any state or of the United States or the applicability thereof to any government, agency, person or circumstances is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any state participating therein, the compact shall remain in full force and effect as to the remaining party states and in full force and effect as to the state affected as to all severable matters.

**History:** 1990 c 458 s 2; 1995 c 254 art 4 s 1

## 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 176.5401 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, 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 agency or agencies enter into an insurance or self-insurance program, each agency 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 finance, may assess state agencies participating in the fund amounts sufficient to pay the costs. The commissioner shall determine the proportionate share of the assessment of each agency.

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

(1) review the state's exposure to various types of potential risks in consultation with affected agencies and advise state agencies 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 agencies;

(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 Guarantee Fund, 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

### 16B.86 PRODUCTIVITY LOAN ACCOUNT.

The productivity loan account is a special account in the state treasury. Money in the account is appropriated to the commissioner of administration to make loans to finance agency projects that will result in either reduced operating costs or increased revenues, or both, for a state agency.

**History:** 1987 c 365 s 16

### 16B.87 AWARD AND REPAYMENT OF PRODUCTIVITY LOANS.

**Subdivision 1. Committee.** The productivity loan committee consists of the commissioners of administration, finance, revenue, and employee relations, and the state planning director. 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.** An agency shall apply for a loan on a form provided by the commissioner of administration. The committee shall review applications for loans and shall award a loan based upon criteria adopted by the committee. The committee shall determine the amount, interest, and other terms of the loan. The time for repayment of a loan may not exceed five years.

**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 productivity loan fund.

**Subd. 4. Report.** The commissioner of administration shall submit a report to the governor and the chairs of the house appropriations and senate finance committees by January 15 each year, reporting the amount and conditions of any loan and other matters concerning the operation of the committee.

**History:** 1987 c 365 s 17

### 16B.88 OFFICE OF CITIZENSHIP AND VOLUNTEER SERVICES.

**Subdivision 1. Information center for volunteer programs.** (a) The office of citizenship and volunteer services is under the supervision and administration of a director appointed by the commissioner. The office shall: (1) operate as a state information, technical assistance, and promotion center for volunteer programs; and (2) promote and facilitate citizen participation in local governance and public problem solving.

(b) In furtherance of the mission in paragraph (a), clause (2), the office shall:

(1) engage in education and other activities designed to enhance the capacity of citizens to solve problems affecting their communities;

(2) promote and support efforts by citizens, community-based organizations, nonprofits, churches, and local governments to collaborate in solving community problems;

(3) encourage local governments to provide increased opportunities for citizen involvement in public decision making and public problem solving;

(4) refer innovative approaches to encourage greater public access to and involvement in state and local government decisions to appropriate state and local government officials;

(5) encourage units of state and local government to respond to citizen initiatives and ideas;

(6) promote processes for involving citizens in government decisions; and

(7) recognize and publicize models of effective public problem solving by citizens.

**Subd. 2. Cooperation with other groups.** The director shall cooperate with national, state, and local groups in collecting information on federal, state, and private resources which may encourage and improve volunteer projects within the state. The office shall coordinate its research and other work on citizen engagement with the board of government innovation and cooperation, the Minnesota extension service, and Project Public Life, Humphrey Institute, University of Minnesota.

**Subd. 3. Money.** The director may accept and disburse public or private funds and gifts made available for the promotion of the office's programs.

**Subd. 3a. Fee for services.** The director may charge a fee for services provided to state agencies, political subdivisions, private and nonprofit organizations, and individuals. Fees collected by the office must be deposited in the state treasury and are appropriated to the director for the purposes of this section.

**Subd. 4. Research and information.** The director shall: (1) identify methods for increasing the capacity of citizens to influence decisions affecting their lives, identify methods citizens can use to solve problems in their communities, and promote innovative techniques for citizen and community-based organizations to collaborate in understanding and solving community problems; and (2) identify needs of volunteer programs. The director may issue informational materials relating to volunteer programs in Minnesota and results of the director's research.

**Subd. 5. Advisory committee.** The commissioner of administration shall appoint an advisory committee of not more than 21 members, at least one member from each economic development region, to advise and make recommendations to the commissioner and the director of volunteer services. Membership terms, compensation, removal, and filling of vacancies of members and expiration of the advisory committee shall be as provided in section 15.059; provided, that members shall not be eligible for a per diem.

**Subd. 6. Minnesota international volunteer corps.** The office shall disseminate information about and encourage participation in the Minnesota international volunteer corps. The office shall convene representatives from public and private sector organizations to develop the framework for the corps. The Minnesota international volunteer corps is an informal group made up of those who donate their time and expertise to teach American business entrepreneurship, English language instruction, or business and economics instruction, or to help people start businesses. The activity must be performed by a resident of the state in the Soviet Union or in East Central Europe.

If the donated effort is of at least two months' duration and is documented in writing by someone from the host country with a firsthand knowledge of the effort, the office shall designate the person donating the effort a member of the "Minnesota international volunteer corps" and may issue a certificate to the person attesting to the designation.

**History:** 1977 c 389 s 1; 1983 c 260 s 3; 1985 c 285 s 1; 1986 c 444; 1987 c 365 s 1-3,24; 1988 c 613 s 30; 1991 c 114 s 1; 1991 c 238 art 1 s 1; 1995 c 254 art 1 s 60-63

## **16B.89 ACQUISITION OF SURPLUS FEDERAL PROPERTY.**

The commissioner of administration, 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 of administration 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.

**History:** 1989 c 328 art 1 s 1

## **16B.92 [Renumbered 4A.05]**