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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

**EIGHTY-FIFTH  
SESSION**

**HOUSE FILE No. 3166**

February 18, 2008

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The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act  
1.2 relating to capital investment; establishing a biomedical science research  
1.3 facilities funding program for the University of Minnesota; appropriating money;  
1.4 proposing coding for new law in Minnesota Statutes, chapter 137.

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

1.6 Section 1. **[137.61] PURPOSE.**

1.7 Sections 137.61 to 137.64 provide for a biomedical science research funding  
1.8 program to further the investment in biomedical science research facilities in Minnesota to  
1.9 benefit the state's economy, advance the biomedical technology industry, benefit human  
1.10 health, and facilitate research collaboration between the University of Minnesota and other  
1.11 private and public institutions in this state.

1.12 Sec. 2. **[137.62] DEFINITIONS.**

1.13 Subdivision 1. **Applicability.** The definitions in this section apply to sections  
1.14 137.51 to 137.60.

1.15 Subd. 2. **Biomedical science research facility.** "Biomedical science research  
1.16 facility" means a facility located on the campus of the University of Minnesota to be used  
1.17 as a research facility and laboratory for biomedical science and biomedical technology. A  
1.18 hospital licensed under sections 144.50 to 144.56 is not a biomedical science research  
1.19 facility.

1.20 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of finance.

1.21 Subd. 4. **Project costs.** "Project costs" means the sum of all obligations incurred,  
1.22 paid, or to be paid that are reasonably required for the design, construction, and completion  
1.23 of the project, including, but not limited to:

- 2.1 (1) site acquisition;  
2.2 (2) soil and environmental testing, surveys, estimates, plans and specifications,  
2.3 supervision of construction, and other engineering and architectural services;  
2.4 (3) payments under construction contracts and payments for performance bonds; and  
2.5 (4) purchase and installation of furniture, fixtures, and equipment.

2.6 Subd. 5. **Project.** "Project" means the acquisition, construction, improvement,  
2.7 expansion, repair, or rehabilitation of all or part of a structure, facility, infrastructure, or  
2.8 equipment necessary for a biomedical science research facility approved by the Board of  
2.9 Regents.

2.10 Sec. 3. **[137.63] BIOMEDICAL SCIENCE RESEARCH FACILITIES FUNDING**  
2.11 **PROGRAM.**

2.12 Subdivision 1. **Program established.** A biomedical science research facilities  
2.13 funding program is established to provide appropriations to the Board of Regents of the  
2.14 University of Minnesota for up to 80 percent of the project costs for each of four projects  
2.15 approved by the Board of Regents under section 137.64.

2.16 Subd. 2. **Project requirements.** The Board of Regents of the University of  
2.17 Minnesota, either acting on its own or in collaboration with another private or public  
2.18 entity, must pay at least 20 percent of the project costs for each of four projects.

2.19 Sec. 4. **[137.64] CONDITIONS FOR PAYMENTS TO UNIVERSITY.**

2.20 Subdivision 1. **Certifications.** Before the commissioner may make any payments  
2.21 authorized in this section to the Board of Regents for a biomedical science research  
2.22 facility project, the commissioner must certify that the board has, by board resolution,  
2.23 approved the maximum project cost for the project and complied with the requirements of  
2.24 section 137.63, subdivision 2. For each project approved by the board, the board must  
2.25 certify to the commissioner the amount of the annual payments of principal and interest  
2.26 required to service each series of bonds issued by the University of Minnesota for the  
2.27 project, and the actual amount of the state's annual payment to the University of Minnesota  
2.28 under subdivision 2. The annual payment must not exceed the state's share of the amount  
2.29 required to service the bonds issued for the project costs.

2.30 Subd. 2. **Payments.** On July 1 of each year after the certification under subdivision  
2.31 1, but no earlier than July 1, 2009, and for so long thereafter as any bonds issued by the  
2.32 board for the construction of a project are outstanding, the state must transfer to the board  
2.33 annual payments as certified under subdivision 1, up to the maximum amounts in the  
2.34 appropriation schedule under subdivision 3. Payments under this section are to reimburse

3.1 the Board of Regents for the state's share of the project costs for the biomedical science  
3.2 research facility projects provided that the bonds issued to pay the state's share of such  
3.3 costs shall not exceed \$233,600,000.

3.4 Subd. 3. **Appropriations.** Annual appropriations are made from the general fund to  
3.5 the commissioner of finance for transfer to the Board of Regents, as follows:

3.6 (1) up to \$1,000,000 is appropriated in fiscal year 2010;

3.7 (2) up to \$4,000,000 is appropriated in fiscal year 2011;

3.8 (3) up to \$9,000,000 is appropriated in fiscal year 2012;

3.9 (4) up to \$14,000,000 is appropriated in fiscal year 2013;

3.10 (5) up to \$16,000,000 is appropriated in fiscal year 2014; and

3.11 (6) up to \$16,575,000 is appropriated in fiscal year 2015 and each year thereafter, up  
3.12 to 25 years following the certification of the last project by the commissioner.

3.13 Subd. 4. **Reinvestment.** The Board of Regents must, to the extent permitted under  
3.14 federal law and University of Minnesota policies, place a priority on reducing the state's  
3.15 share of project costs by dedicating a share of the proceeds from any commercialization or  
3.16 licensing revenues attributable to research conducted in the biomedical science facilities  
3.17 to reduce the state's payment of debt service.