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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. 2182

March 26, 2009

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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; requiring rating criteria for capital project funding
1.3 requests; proposing coding for new law in Minnesota Statutes, chapter 16A.

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

1.5 Section 1. **[16A.865] EVALUATION OF CAPITAL PROJECT FUNDING**
1.6 **REQUESTS.**

1.7 Subdivision 1. **Application.** (a) The commissioner of finance must evaluate all
1.8 individual capital project funding requests, whatever the source of funds and whether
1.9 requested by a state agency or a political subdivision. The evaluation under this section
1.10 is in addition to that under section 16A.86. The evaluation must be included in the
1.11 commissioner's capital budget submission to the legislature in January of even-numbered
1.12 years.

1.13 (b) This section does not apply to capital project funding requests that are to be
1.14 funded under a state agency program that uses transparent and objective methods to
1.15 prioritize requests.

1.16 Subd. 2. **Criteria.** The commissioner of finance must develop objective criteria
1.17 to evaluate the cost effectiveness of each capital project funding request to allow the
1.18 legislature to compare projects. At a minimum, the criteria must evaluate and rate:

1.19 (1) the ratio of state funding to nonstate funding;

1.20 (2) the potential for funding the project in part or whole with federal funds;

1.21 (3) the estimated number of temporary and permanent jobs created by the project
1.22 and the estimated total amount of wages those jobs represent;

1.23 (4) whether any additional economic activity will be generated by the project;

2.1 (5) the potential for the project to provide cost savings over time, including savings
2.2 from reduced energy consumption and other operational savings; and

2.3 (6) whether the project is necessary to comply with state or federal environmental or
2.4 public health standards or building codes.

2.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.6 Sec. 2. **CRITERIA FOR 2010 SESSION.**

2.7 The commissioner of finance must develop the criteria under Minnesota Statutes,
2.8 section 16A.865, and provide them to the chairs and ranking minority members of the
2.9 house of representatives and senate committees with jurisdiction over capital investment,
2.10 finance, and ways and means by August 1, 2009. The commissioner must apply the criteria
2.11 to all capital project funding requests submitted to the commissioner by July 15, 2009.

2.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.