

This Document can be made available
in alternative formats upon request

State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE NO. **983**

February 19, 2009

Authored by Hansen, Hausman, Wagenius, Scalze, Dill and others
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 improvements; establishing natural resources asset preservation
1.3 and replacement; proposing coding for new law in Minnesota Statutes, chapter
1.4 84.

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

1.6 Section 1. **[84.946] NATURAL RESOURCES ASSET PRESERVATION AND**
1.7 **REPLACEMENT (NRAPR).**

1.8 Subdivision 1. **Scope.** Article XI, section 5, clause (a), of the Minnesota
1.9 Constitution, requires that state general obligation bonds be issued to finance only the
1.10 acquisition or betterment of public land, buildings, and other public improvements of a
1.11 capital nature. Money appropriated for renovation, rehabilitation, and asset preservation
1.12 and replacement projects, whether from state bond proceeds or from other revenue, is
1.13 subject to the additional limitations provided in subdivision 2.

1.14 Subd. 2. **Standards.** (a) An appropriation for asset preservation may not be used
1.15 to acquire new land nor to acquire or construct new buildings, additions to buildings, or
1.16 major new improvements.

1.17 (b) An appropriation for asset preservation may be used only for a capital
1.18 expenditure on a capital asset previously owned by the state, within the meaning
1.19 of generally accepted accounting principles as applied to public expenditures. The
1.20 commissioner of natural resources will consult with the commissioner of finance to the
1.21 extent necessary to ensure this and will furnish the commissioner of finance a list of
1.22 projects to be financed from the account in order of their priority. The legislature assumes
1.23 that many projects for preservation and replacement of portions of existing capital assets
1.24 will constitute betterments and capital improvements within the meaning of the Minnesota

2.1 Constitution and capital expenditures under generally accepted accounting principles,
2.2 and will be financed more efficiently and economically under this section than by direct
2.3 appropriations for specific projects.

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

2.6 (1) projects to remove life safety hazards, such as building code violations or
2.7 structural defects. Notwithstanding paragraph (a), a project in this category may include an
2.8 addition to an existing building if it is a required component of the hazard removal project;

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

2.10 (3) major projects to replace or repair roofs, windows, tuckpointing, mechanical or
2.11 electrical systems, utility infrastructure, tunnels, site renovations necessary to support
2.12 building use, and structural components necessary to preserve the exterior and interior
2.13 of existing buildings; and

2.14 (4) projects to renovate parking structures.

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

2.18 Subd. 3. **Report.** By January 15 of each year, the commissioner of natural resources
2.19 shall submit to the commissioner of finance, the chairs of the legislative committees
2.20 or divisions that currently oversee the appropriations to the agency, and to the chairs
2.21 of the senate and house of representatives committees with jurisdiction over capital
2.22 investment, a list of the projects that have been funded with money under this program
2.23 during the preceding calendar year, as well as a list of those priority asset preservation
2.24 projects for which state bond proceeds fund appropriations will be sought during that
2.25 year's legislative session.