

Requirements and Conditions Associated with State-Funded Capital Projects

This table provides an overview of various conditions and requirements that may apply to state-funded capital projects, such as building construction over a certain dollar threshold. The table also provides notes if any conditions are current conditions of Environment and Natural Resources Trust Fund (ENRTF) funding. This information was gathered from various documents related to general obligation bond funding from the Minnesota Management & Budget (MMB). It is not meant to be a comprehensive review of every possible requirement that might apply to a state-funded capital project.

		Description	Citation	Current ENRTF Condition
Eligibility				
1	Government Program	The capital improvement will be used to operate a governmental program or activity.	M.S. 16A.695, subd. 8	No
2	Public Ownership	Ownership by state agency or political subdivision of the capital asset being acquired or improved. ¹	M.S. 16A.695	No
3	Coordinated Facility Planning	Coordinated planning for consolidation or construction by the MDH, MDA, DNR, MPCA, and BWSR of facilities located outside of the metropolitan area.	M.S. 16B.241	No
Assurances				
4	Full Funding	Committed or legally binding demonstration that all funds to complete project are secured before project starts.	M.S. 16A.502 ; M.S. 16B.31, subd. 2	No ²
5	Match	Commitment of money to match state contribution.	M.S. 16A.86, subd. 4 ; M.S. 16A.695, subd. 6 ;	No
6	Resolution	Resolution in support of the project from the governing body if the applicant is part of a local unit of government.	M.S. 16A.86, subd. 3a	Yes
7	Grant Agreement	Agreement between state and non-state entity receiving funding.	M.S. 16A.695, subd. 9	Yes
8	Construction Assurances	Assurances in place that construction will be completed as designed.		No
9	Confirmation of Satisfactory Completion	Final reimbursement contingent on demonstrated work completion based on inspection, certificate of occupancy, or other methods.		No
10	Insurance	Appropriate insurance in place for improved property, such as builders risk insurance and fire and extended coverage.		No
Consultation and Review				
11	Predesign	Review and recommendation of predesign plan defining the purpose, scope, cost, and schedule of the project by the Department of Administration. ³	M.S. 16B.335	No ²

¹ Fee simple or long-term lease or easement qualifies as ownership.

² The LCCMR has not fully operationalized this requirement.

³ Exemptions for local government projects with total construction costs less than \$1.5 million, state government or state university/college projects less than \$750,000, campgrounds, trails, parking lots, pathways, dams, park buildings owned by a local government unit in the metropolitan area, and others.

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		Description	Citation	Current ENRTF Condition
12	Legislative Design Review and Notification	Presentation of program plan and cost estimates and advisory recommendation by Senate Finance and House Ways and Means committees prior to preparing final plans and specifications and notice to House and Senate capital investment committees. ⁴	M.S. 16B.335	No
13	Historic and Archaeological	Consult with State Historic Preservation Office and the Office of the State Archaeologist.	M.S. 138.40, subd. 3; M.S. 138.665, subd. 2; M.S. 138.666	No ⁵
14	Information Technology	Review and approve the information technology portion of construction and major remodeling program plan. ⁶	M.S. 16B.335, subd. 5 and 6	No
15	Asset Preservation	Report of projects funded through asset preservation appropriation to various executive and legislative entities.	M.S. 16B.307; M.S. 16A.632; M.S. 84.946	No
Energy Conservation and Sustainable Building Guidelines				
16	Sustainable Building Guidelines	Apply sustainable building guidelines.	M.S. 16B.325; M.S. 216B.241	Yes ⁵
17	Energy Conservation Standards	Comply with applicable energy conservation standards contained in law.	M.S. 16B.335, subd. 4 ; M.S. 216C.19; M.S. 216C.20	Yes ⁵
18	Geothermal and Solar Heating and Cooling System	Consider providing Geothermal & Solar Energy Heating & Cooling Systems on new or replacement HVAC systems.	M.S. 16B.326	No
19	Energy Use	Consider and plan for use of renewable energy sources and make energy efficiency improvements.	M.S. 16B.32	No
20	Solar Energy	Limit costs for solar energy systems to 5% of appropriation.	M.S. 16B.323	No
21	Recycling of Construction and Demolition Waste	Recycle certain percentage of nonhazardous construction and demolition waste.	M.S. 16B.327	Yes ⁵
Accessibility				
22	Accommodation for Hard-of-Hearing	Provide accommodations for hard-of-hearing when a public gathering space for gatherings of more than 15 people is constructed or improved.	M.S. 16C.054	No ⁵
Contracting, Purchasing, and Wages				
23	State Designer Selection Board	Selection or recommendation of a primary designer by the State Designer Selection Board. ⁷	M.S. 16B.33	No
24	Competitive Bid	Follow state requirements for competitively bidding contracts.	M.S. 16C.28; M.S. 471.345	Yes

⁴ Exemptions for local government projects with total construction costs less than \$1.5 million; state government or state university/college projects with total construction costs less than \$750,000; and campgrounds, trails, parking lots, pathways, dams, and other types of projects.

⁵ The LCCMR has not fully operationalized this requirement.

⁶ Limited to state agency projects.

⁷ Limited to state agencies and state universities and colleges. Only applies to projects for more than \$2 million or planning projects with fees more than \$200,000.

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		Description	Citation	Current ENRTF Condition
25	Responsible Contractor	Award competitively bid contracts of more than \$50,000 to contractors meeting minimum criteria as a responsible contractor.	M.S. 16C.285	Yes
26	MINNCOR Products	Consider the use of MINNCOR products.	M.S. 16B.335, subd. 3(c)	No ⁸
27	Prevailing Wage	Prevailing wage for laborers and workers for construction work of \$25,000 or more.	M.S. 177.42 to 177.44	Yes
28	Targeted Group Purchasing	Promote the use of targeted group businesses in purchasing. ⁹	M.S. 16C.16, subd. 13	Yes
29	Workforce Certificate of Compliance	Contract with businesses holding a workforce certificate of compliance, confirming an affirmative action plan, from the Department of Human Rights. ¹⁰	M.S. 363A.36	No
30	Equal Pay Certificate of Compliance	Contract with businesses holding an equal pay certificate of compliance from the Department of Human Rights. ¹⁰	M.S. 363A.44	No
Expenditures				
31	Art	Allocate up to 1% of total appropriation for artwork in public areas if appropriation for \$500,000 or more.	M.S. 16B.35	No
Ongoing Operations and Maintenance				
32	Operational Funding	Ability and plan to fund the program intended for the facility.	M.S. 16A.695, subd. 5;	No
33	State Operating Budget Impact	Identification of additional state funds for operations that upon completion, will be needed or requested related to the project.	M.S. 16A.695, subd. 5; M.S. 16A.86, subd. 3a	No
34	Ongoing Public Program Operation	Ongoing oversight by the state granting agency to ensure that the intended public program contained in the facility or operated on the property exists.	M.S. 16A.695, subd. 9	No
35	Recording Property Restriction	Recorded use restriction against property that is purchased or improved.		No ¹¹
36	Maintenance and Upkeep	Duty to maintain and upkeep improved property and avoid actions that decrease value.		No
37	Sale	Sale of property subject to certain conditions and state approval.	M.S. 16A.695	No ¹²

⁸ The LCCMR has not fully operationalized this requirement.

⁹ Targeted group businesses include businesses majority owned and operated by women, persons with a substantial physical disability, or minorities.

¹⁰ Applies to contracts above a certain threshold and businesses of a certain size.

¹¹ ENRTF projects are subject to use restrictions on land acquired using ENRTF funds ([M.S. 116P.15](#)), but those restrictions do not apply to construction or improvements independent of acquisition.

¹² ENRTF projects are subject to limitations on the sale of land acquired using ENRTF funds ([M.S. 116P.15](#)), but those limitations do not apply to projects that construct or improve facilities on land acquired using other funds.