



THE LAW IS  
THE STANDARD AND GUARDIAN  
OF OUR LIBERTY. CLARENDON.  
LAWS  
CAN DISCOVER SIN,  
BUT NOT  
REMOVE IT. MILTON.  
JUSTICE WITHOUT REASON  
IS IMPOSSIBLE. FROUDE.

# 2023 Legislative Session Summary





## 2023 Legislative Session Summary

A Comprehensive Overview for the Minnesota Construction Industry

Page 2

# A New Era in Minnesota: Legislative Session Closes with Record-Setting Investments and Policy Impacts

When the Minnesota Legislature gavelled in on January 3, few – if any – Capitol watchers predicted the historic pace and productivity. Record-setting bill introductions and bill signing ceremonies reflect the new reality under the dome with a DFL trifecta determined to implement their budget and policy priorities discussed on the campaign trail and clear a legislative backlog after years of divided government.

But what wasn't unexpected? The historic \$17.5 billion dollar budget surplus.

After the 2023 Legislative Session, Minnesota's state budget for fiscal years 2024-25 is projected to be \$71.9B, an increase from the previous budget of approximately \$54.1B.

Everyone has their own take on whether the impacts are good, bad, in-between, or whether it remains to be seen, but calling it "historic" is not hyperbole when it comes to the number of bills introduced and passed, and is true for AGC of MN's top priority issue – infrastructure investment. An agreement was forged just three days before the legislature had to adjourn, which set into motion a strong bipartisan \$2.6 billion dollar capital investment bills. The two-and-a-half-year dry spell without a bonding bill was broken. The package provides for a \$1.5 billion general obligation bonding bill, \$1 billion cash capital investment bill, and \$300 million for nursing homes. Additionally, the final transportation budget bill released contained unprecedented levels of ongoing investments in roads, bridges, transit, airports, and other vital infrastructure. Other budget bills contained the highest level of funding ever in housing and water infrastructure.

Without a doubt, all employers in the state will need to draft new policies and change current policies and contracts with the many employment law changes on the horizon. AGC Government Affairs staff testified on dozens of provisions this session with both support and concerns, but with the overarching goal to educate legislators and the public about the construction industry. We are Your Trusted Resource. Please reach out to staff with any questions.

Following is an overview of legislation considered or passed as they relate to [AGC of MN's 2023 Legislative Policies](#). Effective dates have been provided in some cases in the summary. If no effective date is provided and is a policy provision, it goes into effect on August 1. If the law is making an appropriation and not specified, the funding will be appropriated on July 1, which is the start of the new fiscal year and biennium for the State. The next regular session of the Minnesota Legislature is scheduled to begin on February 12, 2024.



## Table of Contents

<b>Infrastructure</b>	4
Transportation Budget and Policy	4
IIJA Formula Match	8
Capital Investment (Bonding + Cash)	9
Overview of Allocations	9
Transportation	9
Housing and Economic Development	9
Environment	9
Public Facilities Authority	9
Higher Education Asset Preservation and Replacement	9
Metropolitan Council	10
Full List of Projects in Bonding and Cash Bills	10
Residential Lead Service Lines Replacement	10
Environment, Climate & Energy	10
Cumulative Impacts Analysis	11
Establishment of Infrastructure Resilience Advisory Task Force	11
<b>Worker Safety and Underground Utility Locating</b>	12
<b>Liability for Contractors/Wage Theft</b>	12
<b>State Historic Tax Credit</b>	12
<b>Employment</b>	13
Paid Family and Medical Leave	13
Earned Sick and Safe Time	14
Legalization of Adult-Use Cannabis	14
Prohibition of Non-Compete Agreements	14
Protection for Nursing Mothers and Lactating Employees	14
State Holidays	14
<b>Drivers Licenses for Undocumented Immigrants</b>	15
<b>Prevailing Wage</b>	15
<b>Procurement</b>	15
Authorization of Construction Manager at Risk for Citics and Hennepin County	15
Increase in Small Targeted Group and Veteran-Owned Businesses Cap	16
Sales Tax Exemptions for Construction Materials	16
“Buy Clean” Task Force	16
<b>Contracts</b>	18
Duty to Defend/Indemnification	18
<b>Miscellaneous</b>	18
Digital Fair Repair Act/Right to Repair	18
Commercial Energy Code	18
<b>Appendix A (List of Bonding and Cash Infrastructure Projects)</b>	19



# Infrastructure

## TRANSPORTATION BUDGET & POLICY

[Chapter 68](#) contains the transportation finance and policy provisions and will be talked about for years to come.

Total Investment: Additional \$500-\$700 million/year for next four years

- 100% dedication of auto parts sales tax - \$200 million/year
- License tab fees - \$200 million/year
- Motor vehicle sales tax - \$50 million/year
- Gas tax indexing - \$40 million/year (resulting in a five-cent increase over the current rate of 28.5 cents a gallon by fiscal year 2027)
- Retail delivery fee - \$40-60 million/year
- 0.75% metro sales tax for transit systems - \$100 million/year for roads and bridges

+ Investment and Infrastructure Jobs Act federal authorization and match dollars.

**Article 1** allocates funding to the trunk highway fund and other named transportation funds.

The figures “2024” and “2025” used in this summary mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. “Each year” is each of fiscal years 2024 and 2025. “The biennium” is fiscal years 2024 and 2025.

“CSAH” is the county state-aid highway fund.

“MSAS” is the municipal state-aid street fund.

“HUTD” is the highway user tax distribution fund



## 2023 Legislative Session Summary

A Comprehensive Overview for the Minnesota Construction Industry

Page 5

	Article 1 of Chapter 68																		
Total Appropriation	<div>\$4.175B in FY 24</div> <div>\$3.673B in FY 25</div> <div>Appropriations by Fund (available July 1)</div> <table><tr><th></th><th>2024</th><th>2025</th></tr><tr><td>General</td><td>634.359m</td><td>46.45m</td></tr><tr><td>Airports</td><td>40.3680m</td><td>25.368m</td></tr><tr><td>CSAH</td><td>917.782m</td><td>991.615B</td></tr><tr><td>MSAS</td><td>236.360m</td><td>351.748m</td></tr><tr><td>Trunk Hwy</td><td>2.346B</td><td>2.357B</td></tr></table>		2024	2025	General	634.359m	46.45m	Airports	40.3680m	25.368m	CSAH	917.782m	991.615B	MSAS	236.360m	351.748m	Trunk Hwy	2.346B	2.357B
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Trunk Hwy	2.346B	2.357B																	
State Road Construction	<div>\$1.207B in FY 24</div> <div>\$1.174B in FY 25</div>																		
Corridors of Commerce	<div>\$25m in FY 24</div> <div>\$25m in FY 25</div> <div>Plus bonds</div>																		
Minneapolis-Duluth Norther Lights Express Passenger Rail Project	\$194.7m																		
Work Zone Safety	<div><div></div><div><div>\$300,000 from State Road Construction for additions and modifications to work zone design or layout to reduce vehicle speeds in a work zone, following a determination by the commissioner that the initial work zone design or layout insufficiently provides for reduced vehicle speeds</div><div>Establishes Advisory Council on Traffice Safety with contractor membership</div><div>Legislative Report on speed safety enforcement cameras</div></div></div>																		
Metropolitan Council Total Appropriation	<div>\$141.630m in FY 24</div> <div>\$88.63m in FY25</div>																		

- **Federal Funds Coordinator.** A new Federal Funds Coordinator within Minnesota Management and Budget will be tasked with maximizing federal formula and discretionary grant funds to recipients in the state, including but not limited to funds under: the Infrastructure Investment and Jobs Act (IIJA), the Inflation Reduction Act of 2022, the CHIPS and Science Act of 2022, and subsequent federal appropriations acts associated with a spending authorization or appropriation from these laws.
- **Earmarks.** Section 17 designates 18 priority transportation projects.



## 2023 Legislative Session Summary

A Comprehensive Overview for the Minnesota Construction Industry

Page 6

**Article 2** issues trunk highway bonds.

<b>Trunk Highway Bonds</b>	\$599.200m with \$153m to Corridors of Commerce, 200m to state road construction, \$87.440m to MNDOT Capital Improvements, with remaining to six specified projects.
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### Article 3 (Taxation)

- **Larger Cities Assistance Account.** Section 2 creates a new special revenue fund and establishes an allocation formula.
- **Motor Vehicle Registration Tax.** Section 5 amends Minn. Stat. 2022 § 168.013, subd. 1a by increasing the Motor Vehicle Registration Tax and altering the depreciation schedule.
- **Retail Delivery Fee.** Sections 8 through 12 enacts a 50 cent “retail delivery fee” for certain purchases over \$100 to be deposited in a special revenue account for transportation purposes. There are several exempt products such as food, medical devices, and baby products. The fee does not apply to small businesses defined as a retailer that made retail sales totaling less than \$1,000,000 in the previous calendar year; and a marketplace provider that made retail sales totaling less than \$100,000 in the previous calendar.
- **License Fees.** Section 14 amends Minn. Stat. 2022 § 171.06, subd. 2 by increasing identification cards and drivers license fees between \$6 and \$6.75. Effective July 1, 2023.
- **Transportation Advancement Account.** Section 17 creates a new special revenue fund with funds from the retail delivery fee and metropolitan area sales tax with various formulas for distribution to metropolitan counties, C.S.A.H, larger cities, small cities, townships, and a food delivery support account.
- **Gas Tax tied to Inflation.** Section 22 amends Minn. Stat. 2022 § 296A.07, subd. 3, to index the gas tax to the Minnesota Highway Construction Cost Index, not to exceed three percent, resulting in a five-cent increase over the current rate of 28.5 cents a gallon by fiscal year 2027. Effective July 1, 2023, and applies for taxes imposed on or after January 1, 2024.
- **Motor Vehicle Sales Tax on Auto Parts Distribution.** Section 27 amends Minn. Stat. 2022 § 297A.94 by phasing in the sales tax on auto parts from monthly flat transfer from the state’s General Fund to 100% dedication to transportation by 2033. 43.5 percent is dedicated to H.U.D.F. with an increasing percentage of remaining funds over time to the Transportation Advancement Account.
- **Regional Transportation Sales and Use Tax.**
  - Section 29 imposes a metropolitan regional transportation sales tax of 0.75% on retail sales to be deposited to the Metropolitan Council for transit and other specified purposes, as well as the Transportation Advancement Account. *This section is effective the day following final enactment for sales and purchases made on or after*



## 2023 Legislative Session Summary

A Comprehensive Overview for the Minnesota Construction Industry

Page 7

*October 1, 2023, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.*

- Section 34 outlines eligible transit uses for the funds. *This section is effective October 1, 2023, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.*
- **Motor Vehicle Sales Tax.** Section 30 amends Minn. Stat. 2022 § 297B.02, subd. 1 by increasing the motor vehicle sales tax from 6.5 to 6.875 percent. *Effective for sales and purchases made on or after July 1, 2023.*

### Article 4 (Transportation Finance and Policy)

- **Advisory Council on Traffic Safety.** Section 2 establishes the Advisory Council on Traffic Safety to advise, consult with, assist in planning coordination, and make program recommendations to the commissioners of public safety, transportation, and health on the development and implementation of projects and programs intended to improve traffic safety on all Minnesota road systems. Membership will include representatives from state agencies, local governments, numerous organizations, and contractors engaged in construction and maintenance of highways and other infrastructure.
- **Highways for Habitat.** Section 14 establishes a highways for habitat program to enhance roadsides with pollinator and other wildlife habitat and vegetative buffers.
- **Transportation Greenhouse Gas Emissions Impact Assessment.**
  - Section 28 requires MNDOT Commissioner to perform highway capacity expansion impact assessments and provide for impact mitigation on environment and greenhouse gas emissions *Effective February 1, 2025. This section does not apply to a capacity expansion project that was either included in the state transportation improvement program or has been submitted for approval of the geometric layout before February 1, 2025.*
  - Section 64 amends Minn. Stat. 2022 § 174.01 by adding a subdivision requiring the commissioner of transportation to establish targets for the statewide greenhouse gas emissions reduction goal. *Effective February 1, 2025.*
  - Section 65 amends Minn. Stat. 2022 § 174.03, subdivision 1c, to incorporate the procedures and guidance for capacity expansion project development for the greenhouse gas emissions assessment into the State Highway Investment Plan. *Effective February 1, 2025, and applies to plan revisions adopted on or after that date.*
  - Section 125 establishes a working group to assist the MNDOT Commissioner with the development of a process for impact assessment, development of an impact mitigation plan, consideration of options related to funding greenhouse gas emissions



## 2023 Legislative Session Summary

A Comprehensive Overview for the Minnesota Construction Industry

Page 8

mitigation activities in conjunction with transportation capacity expansion projects; and consideration of options for alternative mitigation options. The working group expires on the earlier of February 15, 2025, or upon submission of the report required under subdivision 4.

- **Light Rail Projects.** Section 91 amends Minn. Stat. 2022 § 473.3999 to require MNDOT to provide staff assistance to the Metropolitan Council for the construction of light rail transit.
- **IIJA Discretionary Grants/Funds.** Sections 110 and 111 provide technical assistance for federal transportation grants and a process for allocated discretionary match dollars for the Infrastructure Investment and Jobs Act.
- **Metropolitan Governance Task Force.** Section 123 establishes a task force to study and makes recommendations to the legislature on reform and governance of the Metropolitan Council.
- **Speed Safety Cameras.** Section 126 requires the commissioner of public safety to submit a report that identifies a process and associated policies for issuance of a mailed citation to the owner or lessee of a motor vehicle that a speed safety camera system detects is operated in violation of a speed limit. *Effective May 25<sup>th</sup>, with report due by November 1, 2024.*

### Article 5 (Supplemental Transportation Policy)

- **Indian Employment Preference.** Section 8 states “as authorized by United States Code, title 23, section 140, paragraph (d), the commissioner may implement an Indian employment preference for members of federally recognized Tribes on projects carried out under United States Code, title 23, on or near an Indian reservation. For purposes of this section, a project is near an Indian reservation if the project is within the distance a person seeking employment could reasonably be expected to commute to and from each workday. The commissioner, in consultation with federally recognized Minnesota Tribes, may determine when a project is near an Indian reservation.”

### IIJA FORMULA MATCH

One piece of unfinished business from last session landed on the Governor’s desk on February 6<sup>th</sup> and signed into law. [Chapter 6](#) appropriates \$315.5 million from the trunk highway fund in FY 2023 to MnDOT for state road construction work on the trunk highway system. This amount reflects federal funds currently accessible under the Infrastructure Investment and Jobs Act for the state’s roads. AGC, along with labor and business partners as part of the Transportation Advocacy Coalition, strongly supported this bill and [a letter was distributed to all House and Senate members](#). The bill passed unanimously, 128-0 in the House and 67-0 in the Senate.





## 2023 Legislative Session Summary

A Comprehensive Overview for the Minnesota Construction Industry

Page 9

### CAPITAL INVESTMENT (BONDING + CASH)

Passage of a robust capital investment package is a priority of AGC and our [Building Jobs Coalition](#) partners. The Legislature had not passed a public works bill in the form of general obligation bonds since October of 2020. The two chapters of law included in the total package agreement, [Chapter 72](#) (H.F. 669) and [Chapter 71](#) (H.F. 670) have three main components:

- \$1.5 billion in general obligation bonds,
- \$1.1 billion in cash, and;
- \$300 million in general fund spending for nursing homes.

*The nursing home funding issue was key to securing support from the Senate Republicans in order to gain the necessary supermajority votes for a bonding bill.*

### Overview of Allocations

#### Transportation

- \$79 million for the Local Road Improvement Program
- \$67 million for the Local Bridge Replacement Program
- \$12 million for the Local Road Wetlands Replacement Program

~\$400 million for these programs and specified projects

#### Housing and Economic Development

- \$41.8 million in general obligation bond resources and \$30.132 million in general fund appropriations to finance the costs of rehabilitation to preserve public housing
- \$3 million for Greater MN Housing Program Infrastructure
- \$10 million for the Business Development Public Infrastructure Grant Program + specified projects = approximately \$443 million in economic development projects

#### Environment

- \$49.7 million for Flood Hazard Mitigation

#### Public Facilities Authority

- \$293 million in earmarked local and regional water and wastewater projects
- \$87.2 million for Water Infrastructure Grants
- \$80 million for Point Source Implementation Grants
- \$41 million in matching funds for federal revolving loan programs

~\$500 million for water infrastructure

#### Higher Education Asset Preservation and Replacement

- University of MN - \$135 million
- Minnesota State - \$181 million



## 2023 Legislative Session Summary

A Comprehensive Overview for the Minnesota Construction Industry

Page 10

### Metropolitan Council

- \$12 million for inflow and infiltration grants
- \$72 million for bus rapid transit

~\$156 million

### [Full List of Projects](#) in Bonding and Cash Bills

### RESIDENTIAL LEAD SERVICE LINES REPLACEMENT

[Chapter 39](#) invests in replacing residential lead service lines with \$240 million dollars and allow cities and public water suppliers to apply for grants through the Public Facilities Authority to replace lines. The funding is available until June 30, 2033.

### ENVIRONMENT, CLIMATE & ENERGY

[Chapter 60](#), the environment, natural resources, climate, and energy finance and policy bill, contains hundreds of provisions related to climate change, environmental justice, remediation, permitting coordination, clean water, PFAS elimination, pollution control, wetland restoration, and more. Some provisions as they relate to contractors are below. The law:

- Allocates \$50.266 million in FY 2024 and \$50.27 million FY 2025 are to establish and implement a local government climate resiliency and water infrastructure grant program for local governmental units and Tribal governments.
  - At least 40 percent of the money granted under this paragraph must be for projects in areas that meet environmental justice criteria. This appropriation is available until June 30, 2027.
- Allocates \$620,000 in FY 2024 and \$140,000 FY 2025 to the Environmental Quality Board to develop a Minnesota-based greenhouse gas sector and source-specific guidance, including climate information, a greenhouse gas calculator, and technical assistance for users.
- Investigates environment-friendly decarbonizing of steel production with hydrogen plasma by funding \$739,000 to the Board of Regents of the University of Minnesota to investigate the use of microwave hydrogen plasma to reduce fossil fuel use, carbon dioxide emissions, and waste and enable the use of alternative iron resources, including lower quality iron ores, tailings, and iron ore waste piles, in the iron-making industry.
- Establishes “Lawns to Legumes Program” to protect a diversity of pollinators with declining populations and provide additional benefits for water management, carbon sequestration, and landscape and climate resiliency through the administration of grants by the Board of Water and Soil Resources. The board may collaborate with and enter into agreements with federal, state, and local agencies; Tribal Nations; nonprofit organizations; and contractors to implement and promote the program.



## 2023 Legislative Session Summary

A Comprehensive Overview for the Minnesota Construction Industry

Page 11

- Establishes the “Habitat-Friendly Utilities Program” to protect habitat and water resources as part of utility projects, including solar and wind projects, pipelines, and electrical transmission corridors. The Board of Water and Soil Resources may collaborate with and enter into agreements with federal, state, and local agencies; Tribal Nations; utility companies; nonprofit organizations; and contractors to implement and promote the program.
- Establishes the “Habitat Enhancement Landscape Program” to support declining populations of bees, butterflies, dragonflies, birds, and other wildlife species that are essential for ecosystems and food production across conservation lands, open spaces, and natural areas; and provide additional benefits for water management, carbon sequestration, and landscape and climate resiliency. The Board of Water and Soil Resources may collaborate with and enter into agreements with federal, state, and local agencies; Tribal Nations; nonprofit organizations; and contractors to implement and promote the program.

### Cumulative Impacts Analysis

Cumulative Impacts Analysis for permitting in Environmental Justice areas in Section 3 of Article 8 (Environmental Justice) requires the impacts analysis of aggregated levels of past and current air, water, and land pollution within one mile of environmental justice areas for air permit applications for new construction, facility expansion, or the reissuance of an existing permit. Environmental justice areas are defined based on race, household income levels, and English language proficiency. It also included areas within Indian Country. The new system applies to the seven-county (counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington) metro area and first-class cities.

The Minnesota Pollution Control Agency (MPCA) determines whether a cumulative impacts analysis is required based on benchmarks to be established through rulemaking and must consider the analysis in permitting decisions. The MPCA Commissioner determines that issuance of the permit may substantially impact the environment or health of the residents of an environmental justice area.

An analysis must also be conducted if there is a petition requesting one that is signed by at least 100 individuals who reside or own property in the environmental justice area impacted by the facility and is supported by material evidence that demonstrates a potential adverse cumulative impact to the impacted environmental justice area if the permit is issued. *Effective May 25, 2023.*

### ESTABLISHMENT OF INFRASTRUCTURE RESILIENCE ADVISORY TASK FORCE

[Chapter 62](#) creates the Infrastructure Resilience Advisory Task Force to evaluate issues related to coordination, sustainability, resiliency, and federal funding on state, local, and private infrastructure in the state. Task force membership includes numerous state agency commissioners, legislators, Tribal government, local governments, AGC of MN, and public utilities. The task force expires June 30, 2024.



## Worker Safety and Underground Utility Locating

The MN Office of Pipeline Safety's [agency bill](#) was partly adopted in Chapter 68, the transportation finance and policy bill. Sections 83 and 84 in Article 4 conforms with federal civil penalties for pipeline operators. Provisions to increase data collection of hits was not included in the final version.

AGC's legislation on Worker Safety and Utility Damage Prevention, [HF2717/SF2723](#), was introduced and discussed as part of the conversations around MNOPS's bill.

## Liability for Contractors/Wage Theft

Article 10 of [Chapter 53](#) (Labor) amends Minn. Stat. § 177.27 and creates a new section of law that makes construction contractors civilly liable when workers make a claim unpaid wages or fringe benefits. "Contractor" means any person, firm, partnership, corporation, association, company, organization, or other entity, including a construction manager, general or prime contractor, joint venture, or any combination thereof, along with their successors, heirs, and assigns, which enters into a construction contract with an owner. An owner is also deemed a contractor and liable as such under the bill if the owner has entered into a construction contract with more than one contractor or subcontractor on any construction site.

A contractor can request payroll records of subcontractors. The new law requires a subcontractor to provide the information within 15 days of the request but is silent on consequences if records are not produced in that timeframe. If a contractor satisfies a claim for unpaid wages, the contractor may then pursue damages from a subcontractor who did not pay or caused the damages to the claimant.

The law has intended exemptions for contractors signatory to a collective bargaining agreement with a building and construction trade, and prevailing wage projects.

*Effective on August 1, 2023, and would apply to contracts signed, renewed, amended, or modified after that date.*

## State Historic Tax Credit

[Chapter 64](#), the tax bill, renewed the Historic Tax Credit for eight years. Minnesota's Historic Structure Rehabilitation Tax Credit had previously sunset, but has been a successful economic development tool for revitalizing distressed, vacant, and underutilized historic properties.





# Employment

## PAID FAMILY AND MEDICAL LEAVE

[Chapter 59](#) creates a paid family and medical benefit insurance program funded by a payroll tax of 0.7% premium that can be evenly split between employers and employees and would begin in 2026. Similar to unemployment insurance, employees meeting the eligibility criteria can apply to the state for a tiered wage replacement. An application for family or medical leave benefits is not considered a claim against an employer but is considered a request for benefits from the family and medical benefit insurance account that will be administered through the state-run Family and Medical Benefit Insurance Division.

The new program does not cover self-employed individuals, an independent contractor, or employment by a seasonal employee (hospitality industry) as defined in subd. 35 in this statute. There is an exclusion for small businesses, which is fewer than 30 employees under this law, that reduces the premium based on the number of employees. There are various effective dates for different provisions. The program will be effective on **January 1, 2026**.

*Specific to the construction contractors and their employees signed to a building trades agreement:*

Section 18 provides for a waiver for employees who are working in the construction industry under a bona fide collective bargaining agreement that requires employer contributions to a multiemployer health plan pursuant to United States Code, title 29, section 186(c)(5), but only if the waiver is set forth in clear and unambiguous terms in the collective bargaining agreement and explicitly cites this subdivision.

Subd. 5 (a) states “During any leave for which an employee is entitled to benefits or leave, the employer must maintain coverage under any group insurance policy, group subscriber contract, or health care plan for the employee and any dependents as if the employee was not on leave, provided, however, that the employee must continue to pay any employee share of the cost of such benefits.”

Subd. 6 outlines the requirements to reinstate employees to same employment or equivalent position as defined upon return to work after leave. Subd. 7 outlines various limitations on an employee’s right to reinstatement. These subdivisions may be waived for employees who are working in the construction industry under a bona fide collective bargaining agreement with a construction trade union that maintains a referral-to-work procedure for employees to obtain employment with multiple signatory employers, but only if the waiver is set forth in clear and unambiguous terms in the collective bargaining agreement and explicitly cites these subdivisions.



### EARNED SICK AND SAFE TIME

Article 12 of [Chapter 53](#) requires employers to provide one hour of earned sick and safe time for every 30 hours worked by employee, with a maximum accrual of 48 hours a year. Total accrued but unused ESST cannot exceed 80 hours at any time unless agreed to by the employer. The accrual of ESST begins when a qualified employee begins employment and may be used as it is accrued. Salaried employees, who are exempt from the provisions of federal overtime laws, are considered to work 40 hours per week for purposes of ESS accrual. There are many eligible uses of ESST. Nothing prohibits an employer or collective bargaining agreement from adopting more generous leave policies than the minimum required. It permits collective bargaining agreements or paid time off policies that provide the same or better leave. Employers are not required to provide additional ESST if they are already providing the same or better leave. The provision allows construction unions the option of waiving the requirement for signatory contractors. *Effective January 1, 2024.*

### LEGALIZATION OF ADULT-USE CANNABIS

[Chapter 63](#) establishes a regulatory framework for adult-use cannabis and lower potency hemp edibles, moves the medical cannabis program under the newly created Office of Cannabis Management, establishes taxes on regulated products, creates grants to assist individuals entering into the legal cannabis market, amends criminal penalties, provides for expungement and resentencing of certain convictions, and more. Minnesota residents who are 21 years and older will be able to possess up to two ounces of marijuana flower in public and two pounds at home starting August 1, 2023. The law provides for certain testing for safety-sensitive positions, meaning a job, including in which an impairment caused by drug or, alcohol, or cannabis usage would threaten the health or safety of any person and allow for testing.

### PROHIBITION OF NON-COMPETE AGREEMENTS

Article 6 of [Chapter 53](#) restricts non-compete clauses or agreements with an employee or independent contractor, with some exceptions. *Effective July 1, 2023, and applies to contracts and agreements entered into on or after that date.*

### PROTECTION FOR NURSING MOTHERS AND LACTATING EMPLOYEES

Section 27 of Article 11 in [Chapter 53](#) amends Minn. Stat. § 181.939 to expand protections for nursing mother and lactating employees. It eliminates the previous 12-month timeframe in which the employee is entitled to take breaks to express milk, as well as the exemption for employers with 15 or fewer employees. The new law also removes previous employer exemptions if the breaks would “unduly disrupt operations.” *Effective July 1, 2023.*

### STATE HOLIDAYS

[Chapter 62](#) renames Christopher Columbus Day to Indigenous Peoples Day. Juneteenth is a new state holiday on June 19<sup>th</sup>. *These new designations became effective on May 24<sup>th</sup>, 2023.*



## Driver's Licenses for Undocumented Immigrants

Governor Walz signed the “Drivers Licenses for All” proposal into law, [Chapter 13](#), on March 7. The new law will allow an estimated 81,000 undocumented immigrants to obtain a driver's license without providing documentation of citizenship, the standard prior to 2003.

## Prevailing Wage

- **Public Works Project Requirement.** Section 2 of Article 1 (Labor Policy) in Chapter 53 amends Minn. Stat. § 116J.871, subd. 2 requires prevailing wage for any state public works project funded by cash (both capital investment and Department of Employment and Economic Development; also applies to lottery projects in another bill).
- **Renewable Development Account.** Section 5 of Article 12 (Energy Policy) in Chapter 60 amends Minn. Stat. §116C.779 subd. 1 to require payment of the prevailing wage rate, as defined in section 177.42 and the requirements and enforcement provisions in sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45 to construction projects funded by the Renewable Development Account. *Effective the May 25, 2023, and applies to construction contracts entered into on or after that date.*
- **Community Solar Garden.** Section 14 of Article 12 (Energy Policy) in Chapter 60 amends Minn. Stat. § 216B.1641 to require a contractor or subcontractor that constructs or installs a community solar garden that has a capacity of at least 1 megawatt: (1) must pay no less than the prevailing wage rate, as defined in section 177.42; and (2) is subject to the requirements and enforcement provisions under sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45. *Effective May 25, 2023.*
- **Solar Grant Program.** Section 37 of Article 12 (Energy Policy) in Chapter 60 establishes a new Solar Grant Program to provide grants to stimulate the installation of solar energy generating systems on public buildings. A contractor or subcontractor performing construction work on a project supported by a grant awarded under this section: must pay employees working on the project no less than the prevailing wage rate, as defined in section 177.42; and is subject to the requirements and enforcement provisions of sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45. *Effective May 25, 2023.*

## Procurement

### AUTHORIZATION OF CONSTRUCTION MANAGER AT RISK FOR CITIES AND HENNEPIN COUNTY

[Chapter 62](#) authorizes Construction Manager at Risk delivery model for municipalities as an alternative delivery method for contracts exceeding \$175,000. Section 15 in the Local Government Article outlines the solicitation of qualifications, selection criteria, and process.



The State Government Finance law authorizes Hennepin County to use construction manager at risk method of project delivery. It also adds a provision to the Hennepin County competitive bidding statute that allows a contract of \$500,000 or less to be made through sealed bids or by direct negotiation and without advertising for bids provided that a business that is directly solicited is certified as either a small business enterprise or a small business that is majority owned and operated by a veteran or a service-disabled veteran. This provision is notwithstanding the uniform municipal contracting law threshold, which states that sealed bids and direct negotiation may occur on contracts exceeding \$25,000 but not \$175,000.

### **INCREASE IN SMALL TARGETED GROUP AND VETERAN-OWNED BUSINESSES CAP**

Section 77 and 78 in Chapter 62 (State Government) amends Minn. Stat. § 16C.16, subds. 6, and 6a. The commissioner of administration may award up to a 12 percent preference for specified goods or services to small targeted group businesses. This is up from 6 percent. The commissioner may award a contract for goods, services, or construction directly to a small business or small targeted group business without going through a competitive solicitation process up to a total contract award value, including extension options, of \$100,000. This was increased from \$25,000.

### **SALES TAX EXEMPTIONS FOR CONSTRUCTION MATERIALS**

[Chapter 64](#), the tax bill, contains construction materials sales tax exemptions for specified projects. [SF 1519](#) would have streamline the process local units of government must follow to receive the sales tax exemption on materials used in construction projects when a contractor initially purchases the project materials, but was not ultimately included in a final bill.

### **“BUY CLEAN” TASK FORCE**

Section 1 of Article 12 (Energy Policy) in [Chapter 60](#) requires environmental analysis on certain construction materials, creates a pilot program through the state, considers the development of Environmental Product Declarations and integration into procurement, and creates the Environmental Standards Procurement Task Force. AGC worked with stakeholders to craft a workable construct and includes building and transportation representation on the task force. The task force will examine issues surrounding implementation of a program requiring vendors of certain construction materials purchased to:

- submit environmental product declarations that assess the lifecycle environmental impacts; and
- meet greenhouse gas emission reduction standards established by the commissioner of administration.





## 2023 Legislative Session Summary

A Comprehensive Overview for the Minnesota Construction Industry

Page 17

The task force will also examine:

- which construction materials should be subjected to program requirements;
- what factors should be considered for greenhouse gas emission reduction targets in material production and manufacturing processes;
- a schedule for the development of standards for specific materials and to include those standards into the purchasing process;
- financial incentives for vendors developing products;
- the provision of grants to defer vendor costs;
- how to coordinate with federal programs; and
- how the issues set forth in this subdivision interact with other state agencies and policies.

Subd. 2 requires the Commissioner of Administration to reviewing the recommendations from the Environmental Standards Procurement Task Force and establish and publish a maximum acceptable global warming potential for each eligible material used in an eligible project, and, specifically for concrete used in buildings, no later than January 15, 2026; and for carbon steel rebar and structural steel and for asphalt paving mixtures and concrete pavement, no later than January 15, 2028, in consultation with the Commissioner of the Department of Transportation.

Subd. 3 requires the Department of Administration and the Department of Transportation to review the recommendations of the Environmental Standards Procurement Task Force and establish processes for incorporating the maximum allowable global warming potential of eligible materials into bidding processes by the effective dates listed in subdivision 2. The Department of Administration and Department of Transportation must also incorporate into the bidding process a preference for materials mined, made, or assembled in Minnesota.

Subd. 4 requires the Department of Administration to establish a pilot program no later than July 1, 2024, that seeks to obtain from vendors an estimate of the material production life cycle greenhouse gas emissions of products selected by the departments from among those procured.

Section 9 of Article 10 in Chapter 60 allocates \$310,000 to the Department of Transportation to assist manufacturers to obtain environmental product declarations for certain construction materials used to build roads and other transportation infrastructure. This appropriation is available until June 30, 2027.



## Contracts

### DUTY TO DEFEND/INDEMNIFICATION

Article 7 of [Chapter 53](#) amends Minn. Stat. §§ 15.71 and 337.05, which applies to public and private building and construction contracts. It adds “defend” to the definition of “indemnification agreement” and limits the application of indemnity agreements in construction contracts to negligent or intentional actions, or for the purposes of strict liability imposed by environmental regulations. It does not affect the validity of a provision that requires a party to provide or obtain workers’ compensation insurance, construction performance or payment bonds, builder’s risk policies, owner or contractor-controlled insurance programs or policies, or project-specific insurance for claims arising out of the promisor’s negligent acts or omissions or the negligent acts or omissions of the promisor’s independent contractors, agents, employees, or delegates.

*Effective May 25, 2023, and applies to agreements entered into on or after that date.*

## Miscellaneous

### DIGITAL FAIR REPAIR ACT/RIGHT TO REPAIR

Section 11 of Article 4 in [Chapter 57](#), the commerce budget and policy bill, contains the Digital Fair Repair Act. It applies to electronic devices sold and in use after January 1, 2024, to require original equipment manufacturers to make tools, parts, and documentation to diagnose, maintain, and repair electronic equipment to be made available to independent repair providers and owners. It was amended from an earlier version and does not apply to construction or agricultural equipment.

### COMMERCIAL ENERGY CODE

Section 29 of Article 1 of [Chapter 53](#) amends Minn. Stat. § 326B.106, subd. 1 by adopting a new model commercial energy code by adopting each new published edition of ASHRAE 90.1 or a more efficient standard.

**Questions? Contact your AGC Government Affairs team:**

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*This document is a summary of new laws impacting the construction industry  
but is not intended to be comprehensive legal advice.*



## 2023 Legislative Session Summary

A Comprehensive Overview for the Minnesota Construction Industry

Page 19

### APPENDIX A

#### List of Bonding and Cash Infrastructure Projects

# 2023 Capital Budget

HF669 / HF670

All figures in thousands 000's

	Fund	HF669	HF670
1 <b>University of Minnesota</b>			
2			
3 Higher Education Asset Preservation and Replacement (HEAPR)	GO	43,350	
5 Fraser Hall Chemistry Undergrad Teaching	GO	92,600	
6			
7 <b>Agency Total</b>		<b>135,950</b>	<b>-</b>
8 <b>Minnesota State</b>			
9			
10 Higher Education Asset Preservation and Replacement (HEAPR)	GO	44,733	
12 MSU Moorhead - Weld Hall	GO/UF	23,099	
14 Inver Hills CC - Technology and Business Center	GO/UF	22,025	
16 Minneapolis College - Management Education Center	GO/UF	20,457	
18 Pine Technical and CC - Technical Trade Labs Renovation	GO/UF	21,468	
19 Saint Paul College - Academic Excellence Renovation Design	GO/UF	1,671	
21 Vermilion CC - Classroom Building Design and Renovation	GO/UF	3,633	
23 Central Lakes College - Classroom Building Design and Renovation	GO/UF	11,591	
24 Northland CTC - Effective Teaching and Learning Labs	GO/UF	3,282	
25 MSU Mankato Armstrong Hall Replacement	GO/UF	8,460	
27 Winona State University - Center for Interdisciplinary Collab.	GO/UF	4,866	
28 Lake Superior College - Integrated Manufacturing Labs	GO/UF	8,316	
30 Metropolitan State University - Cyber Security Lab	GO/UF	5,196	
32 Alexandria TCC - Transportation Repositioning Design	GO/UF	955	
39 Rochester CTC - Heintz Center Design	GF	1,347	
43			
44	GO	<b>134,746</b>	<b>-</b>
45	UF	<b>45,006</b>	<b>-</b>
47 <b>Agency Total</b>		<b>181,099</b>	<b>-</b>



# 2023 Capital Budget

HF669 / HF670

All figures in thousands 000's

	Fund	HF669	HF670
48 <b>Department of Education</b>			
49			
50 Library Construction Grants	GO	4,000	
52			
53 <b>Agency Total</b>		<b>4,000</b>	<b>-</b>
54 <b>Minnesota State Academies</b>			
55			
56 Asset Preservation	GO	1,200	
58 Dorm Renovations & Predesign	GO	7,837	
62			
63 <b>Agency Total</b>		<b>9,037</b>	<b>-</b>
64 <b>Perpich Center for Arts Education</b>			
65			
66 Asset Preservation	GO	900	
68			
69 <b>Agency Total</b>		<b>900</b>	<b>-</b>
70 <b>Department of Natural Resources</b>			
71 Natural Resources Asset Preservation	GO	36,000	
73 Natural Resources Betterment of Buildings	GO	20,000	
75 Badoura State Forest Nursery	GO	10,000	
77 Natural Resources Acquisition and Betterment of Public Lands	GF	2,500	
82 Wildfire Aviation Infrastructure	GO	6,360	
84 Improving Accessibility to State Parks, Rec Areas, WMAs	GO	1,200	
86 Dam Safety Repair and Reconstruction	GO	4,000	
89 <b>Flood Hazard Total (roll up row)</b>		<b>55,415</b>	<b>-</b>
90 Flood Hazard Program - Undesignated	GO	15,000	
92 Flood Hazard - Browns Valley: Toelle Coulee	GO	3,300	
94 Flood Hazard - Forest Lake	GF	5,700	
95 Flood Hazard - Kasson	GF	5,000	
97 City of Carver - Levee Restoration	GF	6,000	
98 Flood Hazard - Red River Valley	GO	5,000	
99 Flood Hazard - Roseau	GF	1,915	
100 Flood Hazard - Moorhead	GO	11,000	
105 Flood Hazard - Sartell	GF	2,500	
106 Lake Vermilion Soudan Underground Mine State Park	GO	11,000	
107 Local Recreation Matching Grants	GO	2,000	
108 Community Tree Planting Grants	GO	8,400	
109 Community Tree Planting Grants	GF		1,663
110 Canisteo Open Pit Mine Complex	GF		8,875
111 St. James Open Pit Mine	GO	2,500	
113 State Forest Reforestation	GO	6,000	
121 <b>DNR Grant Administration</b>	<b>GF</b>		<b>209</b>

# 2023 Capital Budget

HF669 / HF670

All figures in thousands 000's

	Fund	HF669	HF670
I22 <b>DNR State Trails</b>			
I23 State Trail Maintenance	GO	1,200	
I25 Casey Jones State Trail	GO	1,320	
I26 Glacial Lakes Trail	GO	3,000	
I27 Gitchi Gami State Trail	GO	4,000	
I28 Heartland State Trail - Detroit Lakes to Frazee	GO	550	
I29 Heartland State Trail - Itasca State Park	GO	2,400	
I31 Maplewood State Park Trail Segment	GF	939	
I32 Mill Towns State Trail - Riverside Park to Waterford Historic Bridge	GO	8,190	
I34 Root River State Trail	GO	2,000	
I36 Glendalough State Park	GO	900	
I37 Glendalough State Park	GF		200
I38 Upper Sioux Agency State Park Bond Defeasance	GF	250	
I41 Blufflands Trail System	GF	4,000	
I42 All-Terrain Vehicle Trail Systems in St. Louis County	GF		1,294
I43 <b>Grants to Political Subdivisions</b>			
I45 City of Crosslake - National Loon Center	GF	2,500	
I46 City of Gaylord - Lake Titlow Dam	GF	500	
I48 City of Mora - High Water Mitigation	GO	1,800	
I49 Lower MN River Watershed Dist. - Area 3 - Eden Prairie	GO	2,750	
I51 City of Ranier - Safe Harbor Boat Dock	GO	3,500	
I56 City of Rochester - Willow Creek Trail	GF	1,750	1,875
I57 Scott County - Merriam Junction Trail and Riverbank Stabilization	GF	4,000	
I58 Scott County - Public Water Access Improvement	GF	500	
I59 City of Shakopee - Riverbank Stabilization	GO	8,260	
I61 Lake Shamineau Lake Improvement District - High Water Project	GF	3,000	
I62 Sauk River Watershed District - Gravity Outlet Conveyance System	GF	1,400	
I63 Shell Rock River Watershed Dist. Fountain Lake Cleanup	GO	9,000	
I66			
I67 <b>Agency Total</b>		<b>233,084</b>	<b>14,116</b>

## 2023 Capital Budget

HF669 / HF670

All figures in thousands 000's

	Fund	HF669	HF670
168 <b>Pollution Control Agency</b>			
169			
171 Capital Assistance Program - Pope Douglas Solid Waste Management	GF		12,833
180			
181 <b>Grants to Political Subdivisions</b>			
182 City of Andover - Contaminant Mitigation Red Oaks	GF		6,100
187 Dodge County - Solid Waste Transfer Station	GF	2,100	
188 Hennepin County - Anaerobic Digester	GF		26,000
190 Olmsted County - Capital Assistance	GO	10,000	
194 Todd County - Transfer Station	GF		2,795
195			
196 <b>Agency Total</b>		<b>12,100</b>	<b>47,728</b>
197 <b>Board of Water and Soil Resources</b>			
198			
199 Local Road Wetlands Replacement Program	GO	12,000	
202 Reinvest in Minnesota - CREP	GO	10,700	
205 <b>Grants to Political Subdivisions</b>			
206 MN River Basin Project Flood Hazard Mitigation Area II	GF		1,500
207 City of Beardsley - Dry Lake System Repairs	GF	2,000	
208			
209 <b>Agency Total</b>		<b>24,700</b>	<b>1,500</b>
210 <b>Department of Agriculture</b>			
211			
212 MDA East Grand Forks Building Repair	GO	384	
213 MDA East Grand Forks Building Repair	GF		73
215			
216 <b>Agency Total</b>		<b>384</b>	<b>73</b>
217 <b>Zoological Gardens</b>			
218			
219 Asset Preservation	GO	16,800	
221 Animal Hospital	GO	1,225	
223			
224 <b>Agency Total</b>		<b>18,025</b>	<b>-</b>

## 2023 Capital Budget

HF669 / HF670

All figures in thousands 000's

	Fund	HF669	HF670
225 <b>Administration</b>			
226			
227 CAPRA (Capital Asset Preservation and Replacement Account)	GO	9,000	
233 Capitol Complex Security Upgrades Phase II	GO	8,796	
234 Capitol Complex Security Upgrades Phase II	GF		297
236 Ford Building Demolition	GF		4,542
239 Sustainable Building Guidelines Report	GF		304
240			
241 <b>Agency Total</b>		<b>17,796</b>	<b>5,143</b>
242 <b>Amateur Sports Commission</b>			
243			
244 Amateur Sports Commission - Asset Preservation	GO	9,600	
249 Skate Park Grants	GF		4,000
250 National Sports Center Conveyance	GF		433
251			
252 <b>Agency Total</b>		<b>9,600</b>	<b>4,433</b>
253 <b>Military Affairs</b>			
254			
255 Rosemount Readiness Center (combined)	GO	24,720	
256 Rosemount Readiness Center - 2020 Deficiency (combined)	GO	360	
259 Fergus Falls Readiness Center	GO	800	
261 Moorhead Readiness Center	GO	855	
263 Marshall Readiness Center	GO	4,752	
266 Minnesota Military Museum at Camp Ripley	GF		5,700
267			
268 <b>Agency Total</b>		<b>31,487</b>	<b>5,700</b>



# 2023 Capital Budget

HF669 / HF670

All figures in thousands 000's

	Fund	HF669	HF670
269 <b>Department of Public Safety</b>			
270			
271 State Emergency Operations Center Increased Costs	GO	11,392	
274 BCA Southern Minnesota Regional Office and Laboratory	GF		4,500
275 BCA Maryland Building Improvements	GO	6,033	
277 DPS Grant Administration	GF		266
279			
280 <b>Grants to Political Subdivisions</b>			
281 City of Brooklyn Park - Fire Station and Emergency Ops Center	GF		1,150
284 City of Chisholm - Public Safety Addition	GF		3,000
286 City of Dilworth - Fire Station	GF		4,378
288 City of Edina - Community Health & Safety Center	GF		1,300
290 City of Edina - South Metro Public Safety 2020 Deficiency	GF		1,000
292 City of Golden Valley - Remote Fire Station	GF		3,172
293 City of Lakeville - Regional Public Safety Training Center	GF	7,170	
296 City of Hibbing - Regional Public Safety and Training Center	GF		10,000
297 City of Maplewood - East Metro Public Safety Training Facility	GF		75
299 City of Marshall - Merit Center	GF		2,250
301 City of Minneapolis - Emergency Operations Center	GF		1,700
303 City of Shoreview - Lake Johanna Fire Station Headquarters	GF		6,370
305 City of Virginia - Regional Public Safety Center	GF		2,000
307 City of Winona - Public Safety Center	GF		7,500
308			
309 <b>Agency Total</b>		<b>24,595</b>	<b>48,661</b>
310 <b>Department of Transportation</b>			
311			
312 Local Road Improvement Fund Grants - Undesignated (combined)	GO/TF	78,954	
314 Local Road Improvement Fund Grants - Townships (combined)	GO/TF	6,000	
315 Local Bridge Replacement Program - Undesignated	GO/TF	67,000	
317 Highway Railroad Grade Crossings Replacement	GO	3,600	
319 Port Development Assistance Program	GO	18,097	
321 Safe Routes to School Infrastructure Program	GO	2,400	
322 Active Transportation Program	GO	1,200	
324 Minnesota Rail Service Improvement Program	GO	9,600	
325 Greater Minnesota Transit Capital Program	GO	3,000	
329 Tyler Wohlers Memorial	GF	55	
330 <b>Grants to Political Subdivisions</b>			
331 Anoka County - Trunk Highway 65 Improvements	GF	25,000	9,000
332 City of Barnesville - I 3th Street Reconstruction	GF		185
333 Baytown, Township of - Lake Elmo Airport	GF	150	
334 City of Biwabik - Road Improvements	GF		1,400
335 City of Burnsville - Nicollet Ave Bridge	GF		3,900
336 Carver County - CSAH 18	GO/TF	3,760	
337 Carver County - CSAH 18	GF	6,240	
338 Chisago County - U.S. Highway 8 Reconstruction	GF	8,000	
339 City of Coon Rapids - Pedestrian Bridge	GF		3,500
341 Douglas County - Box Culvert under U.S. Highway 29	GF		2,000
342 City of Dundas - Trail Segments	GF	370	

## 2023 Capital Budget

HF669 / HF670

All figures in thousands 000's

		Fund	HF669	HF670
343	City of East Gull Lake - East Gull Lake Trail	GF		353
344	City of Forest Lake - State Highway 97 to County Highway 32 Improvements	GF	4,500	
345	City of Fridley - Northtown Rail Yard Overpass	GO/TF	4,000	
347	City of Greenfield - Greenfield Road Improvements	GF	3,000	
348	Hennepin County - Hennepin Ave. Bridge	GO/TF	3,500	
350	Hennepin County - Medina Railroad Crossing	GF		450
351	City of Hutchinson - Civil Air Patrol Training Center	GF		3,700
352	City of Inver Grove Heights - I17th St. Reconstruction	GO/TF	5,000	
354	City of Karlstad - Airport Runway	GF		3,900
355	City of Lakeville - Freight Rail Car Storage Facility	GF		7,000
358	Minnesota River Valley Regional Railroad - Rail Rehabilitation	GF		2,000
363	City of Madelia - Road Improvements	GF		12,800
365	Murray County - CSAH 13	GF	4,200	
366	Olmsted County - US Highway 14 and CSAH 44	GF	5,000	
367	City of Plymouth - CSAH 47 Chankahda Tr.	GO/TF	6,200	
368	City of Plymouth - CSAH 47 Chankahda Tr.	GF		800
371	City of Rochester - Park and Ride Design	GF		800
372	City of Savage - Road and Bridge Improvements	GO/TF	800	
374	Sherburne County - US Highway 169 CSAH 4	GO/TF	2,000	
375	Sherburne County - US Highway 169 CSAH 4	GF	9,700	
378	Sibley County - CSAH 6 Reconstruction	GF		3,200
379	Stearns County - Town Line Road Improvements	GF		7,500
381	City of St. Cloud - Regional Airport	GF		3,900
382	City of St. Louis Park - Cedar Lake Road and Louisiana Ave	GF		5,000
385	City of St. Paul - 3rd Street Bridge	GO/TF	25,000	
389	City of St. Paul Park - 3rd Street Collector Roadway	GO/TF	7,000	
391	Thief River Falls Regional Airport Authority	GF	3,000	
392	Washington County - TH 36 & Lake Elmo Ave. Interchange	GO/TF	10,000	
393	Washington County - TH 36 & Lake Elmo Ave. Interchange	GF		5,000
394				
395	<b>Agency Total</b>		<b>326,326</b>	<b>76,388</b>

## 2023 Capital Budget

HF669 / HF670

All figures in thousands 000's

	Fund	HF669	HF670
396 <b>Metropolitan Council</b>			
397			
398 Inflow and Infiltration Grant Program - Public Infrastructure	GO	12,000	
400 Metropolitan Regional Parks	GO	16,620	
402 Bus Rapid Transit	GO	72,000	
404 Apple Valley Transit Station	GF		7,000
405 METC - Grant Administration	GF		247
407 <b>Grants to Political Subdivisions</b>			
408 City of Champlin - Mississippi Crossings	GF		1,000
409 City of Champlin - Park Land	GF		1,250
411 City of Dellwood - Lake Links Trail	GF		2,000
412 City of St. Paul - Mississippi River Learning Center	GO	8,000	
417 Dakota County - MN River Regional Greenway	GF		5,000
419 Dakota County - Thompson Park	GF		2,000
420 Dakota County - Veterans Memorial Greenway	GF		5,000
422 Minneapolis Park Board - Grand Rounds Missing Link	GF		5,500
425 Minneapolis Park Board - Cedar Riverside Rec. Center	GF		3,500
426 Ramsey County - Bruce Vento Regional Trail	GF		5,000
427 Ramsey County - Park at RiversEdge	GF		6,220
428 Ramsey County - Rice Street Revitalization	GF		1,000
430 Anoka County - Rice Creek Trail	GF		200
431 Three Rivers Park District - Mississippi Gateway Regional Park	GF		3,000
432			
433 <b>Agency Total</b>		<b>108,620</b>	<b>47,917</b>

# 2023 Capital Budget

HF669 / HF670

All figures in thousands 000's

	Fund	HF669	HF670
434 <b>Department of Human Services</b>			
435			
436 Asset Preservation	GO	7,200	
437 Asset Preservation	GF		2,000
438 St. Peter - Sunrise & Tomlinson Building Renovation	GF		21,568
441 St. Peter Water and Sewer Upgrades	GO	1,050	
448 Early Childhood Learning and Child Protection Facilities	GO	900	
449 Early Childhood Learning and Child Protection Facilities GF	GF		1,125
450 <b>Behavioral Health Crisis Facilities Grants Roll Up</b>	<b>GO</b>	<b>10,000</b>	
451 Dakota County Behavioral Health		6,000	
452 Duluth Behavioral Health		2,500	
453 Behavioral Health Crisis Facilities Grants Administration	GF		760
454 <b>Grants to Political Subdivisions</b>			
457 Harriet Tubman Center Non-profit East Renovation	GF		3,388
458			
459 <b>Agency Total</b>		<b>19,150</b>	<b>28,841</b>
460 <b>Veterans Affairs</b>			
461			
462 Asset Preservation	GO	12,360	
464 Hastings Veterans Home Campus Upgrade	GO	77,765	
466			
467 <b>Agency Total</b>		<b>90,125</b>	<b>-</b>
468 <b>Department of Corrections</b>			
469			
470 Asset Preservation	GO	33,800	
471 Asset Preservation	GF		3,822
474 Shakopee Programming Space Addition and Interior Renovation	GF		18,432
475 Lino Lakes Building E Renovation and Repurposing	GO	492	
478 <b>Grants to Political Subdivisions</b>			
479 Carlton County - Female Offender and Judicial Facility	GF	10,000	
480			
481 <b>Agency Total</b>		<b>44,292</b>	<b>22,254</b>

# 2023 Capital Budget

HF669 / HF670

All figures in thousands 000's

	Fund	HF669	HF670
482 <b>Department of Employment and Economic Development</b>			
483			
484 Business Development Public Infrastructure Grant Program	GO	10,000	
486 Innovative Business Development Public Infrastructure Grants	GO	1,500	
488 Transportation Economic Development Infrastructure	GO	1,500	
492 Greater Minnesota Child Care Facilities	GO	900	
494 Agency Grant Administration Funding	GF		2,204
495 Explore MN Transfer - MN Sports & Events	GF		13,000
496 <b>Grants To Political Subdivisions</b>			
498 Aitkin County - Health and Human Services Building	GF	2,000	
499 City of Apple Valley - Inclusive Playground	GO	1,410	
501 City of Aurora - Community Center	GF		630
502 City of Belle Plaine - Public Infrastructure	GO	3,000	
504 City of Bigfork - Community Center Enhancement	GF		1,500
505 City of Bloomington - Ice Garden	GF		2,272
506 City of Bloomington - Public Health Facility Design	GF		1,800
508 City of Bloomington - Veterans Memorial	GF		350
510 City of Brooklyn Center - Health, Culture, and Rec. Facility	GF		5,100
512 City of Brooklyn Park - Community Activity Center	GF		5,000
516 City of Cannon Falls - John Burch Park	GF		469
517 City of Chaska - City Square West	GF	5,425	
518 City of Chisholm - Ice Arena and Curling	GF		3,000
519 City of Chisholm - Film Facility	GF		2,040
521 City of Crystal - Aquatic Center	GF		2,350
524 City of Duluth - Entertainment and Convention Center	GF		5,000
525 City of Duluth - Spirit Mountain	GF		13,000
526 City of Embarrass Regional Fair Association - Timber Hall	GF		1,500
527 City of Fergus Falls - Riverfront Corridor	GF	4,000	
528 City of Forest Lake - Veterans Memorial in Forest Lake	GF	250	
529 City of Fridley - Inclusive Playground	GF		500
533 City of Hermantown - Ice Arena	GF		7,475
535 City of Hoyt Lakes - Community Rec and Wellness Center Improvements	GF		1,750
536 City of International Falls - Regional Health and Wellness	GO	1,000	
538 City of Inver Grove Heights - Heritage Village Park	GF		2,000
541 City of Litchfield - Wellness Center	GF		1,000
542 City of Litchfield - Historic Building Façades	GF		2,025
545 City of Maple Grove - Community Center Renovation	GF		6,000
546 City of Mendota Heights - Pilot Knob	GF		1,850
548 City of Minneapolis - Central City Storm Tunnel	GF		9,900
550 City of Minnetonka - Hopkins Crossroads Trail Improvements	GF		1,635
551 City of Minnetonka - Opus Public Space	GF		725
554 ISD No. 2149 Minnewaska - Central Square in Glenwood	GF		4,000
556 City of North St. Paul - Community Center	GF		4,500
557 City of Oak Park Heights - Redevelopment	GO	2,190	
559 Olmsted County - Graham Park Redevelopment	GF		8,000
560 City of Parkers Prairie - Veterans Memorial Park	GF	50	
562 City of Pelican Rapids - Aquatic Facility	GF		1,500
564 City of Richfield - Wood Lake Nature Center	GF		12,000



# 2023 Capital Budget

HF669 / HF670

All figures in thousands 000's

		Fund	HF669	HF670
565	City of Rochester - Regional Parks Forestry Ops Center	GF		14,000
569	City of Savage - Sports Center	GF		600
570	City of Scandia - Regional Arts and Heritage Center	GF	2,200	
572	City of St. Paul - Inclusive Playground	GF		2,500
574	City of St. Paul - North End Community Center	GF		6,000
576	City of St. Paul Conway Community Rec Center	GF		2,500
578	St. Paul Port Authority Hillcrest The Heights	GF		11,000
581	St. Louis County - Heritage and Arts Center	GF	385	
584	City of Stillwater - Downtown Improvements	GF	6,000	
586	City of Waite Park - Quarry Redevelopment Phase Two	GF		2,500
588	City of Winona - Mississippi Riverfront Trail	GF	5,000	
590	City of Woodbury - Central Park Remodel	GF		7,500
593				
594	<b>Grants</b>			
595	30,000 Feet - Black Arts and Tech Center in St. Paul	GF		3,500
596	Accessible Space Inc. - Accessible Housing Units in St. Paul	GF		1,150
597	African Economic Development Solutions - Building in St. Paul	GF		1,500
598	African Career and Education Resource in Brooklyn Center	GF		3,000
599	Agate Housing - Shelter Facility in Minneapolis	GF		5,000
600	Ain Dah Yung Center - Emergency Shelter and Youth Lodge in St. Paul	GF		2,200
601	Anoka Area Ice Arena Association	GF		487
603	Appetite for Change - Building in Minneapolis	GF		1,500
604	ArtSpace - Northrup King Renovation in Minneapolis	GF		1,720
605	Avenues for Youth - Emergency Shelter Expansion In Minneapolis	GF		6,000
607	CAPI - Immigrant Opportunity Center Expansion in Brooklyn Center	GF		3,000
608	CentraCare Health System Campus Design in St. Cloud	GF		5,000
609	Childrens Museum of Rochester	GF	200	
610	Comunidades Latinas Unidas en Servicio - Latino Outreach Facility in Minneapolis	GF		3,500
612	CornerHouse - New Facility in Hennepin County	GF		2,750
613	Cultural Wellness Center - Dreamland on 38th in Minneapolis	GF		3,000
614	Division of Indian Work - Expansion of Existing Facility in Minneapolis	GF		500
616	Duluth Historic Armory Arts and Music Renovation	GF		4,500
617	East Side Neighborhood Services in Minneapolis	GF		300
618	Every Meal Grant in Roseville	GF		4,000

# 2023 Capital Budget

HF669 / HF670

All figures in thousands 000's

		Fund	HF669	HF670
619	FilmNorth Renovation in St. Paul	GF		2,000
620	Firefighters for Healing - New Facility in Minneapolis	GF		1,500
621	Great River Children's Museum - Renovations in St. Cloud	GF		7,000
622	Hmong 18 Council, Inc. - Hmong MN Community Center in St. Paul	GF		3,000
623	Hope 4 Youth - Youth Homeless Center in Anoka	GF		8,000
624	Indian Health Board - Medical Facility in Minneapolis	GF		4,000
625	Indigenous Peoples Taskforce - Mikwanedun Audisookon Center Minneapolis	GF		4,000
626	Irreducible Grace Foundation - Black Youth Healing Arts Center in St. Paul	GF		1,500
627	Isuroon - Renovation in Minneapolis	GF		3,000
628	Keystone Community Services - Food Bank in Ramsey County	GF		2,600
629	Latino Economic Development Center - Renovation in St. Paul	GF		3,548
630	Leech Lake Wellness Center - Health and Wellness Center in Cass Lake	GF		24,000
631	Listening House - Shelter in St. Paul	GF		2,950
632	Little Earth Neighborhood Early Learning Center - Upgrades in Minneapolis	GF		1,250
633	Little Earth Residents Association - Innovation Hub in Minneapolis	GF		3,500
634	Lower Phalen Creek Project: Wakan Tipi Center	GF		2,500
635	MNI Sota Fund - Facility in Minneapolis	GF		1,000
636	Native American Community Clinic - Expansion in Minneapolis	GF		4,500
638	New Native Theater - Theater Space in Minneapolis	GF		300
639	Northside Economic Opportunity Network - Food Business Incubator in Minneapolis	GF		6,000
640	Norway House - Conference and Event Center in Minneapolis	GF		5,000
641	Open Arms - Kitchen and Counseling Center in Ramsey County	GF		500
642	Pangea World Theater - Community Arts Center in Minneapolis	GF		300
643	Parents in Community Action - Existing Facility in Minneapolis	GF		4,000
644	Phyllis Wheatley Community Center - Camp Katherine Parsons in Carver County	GF		550
645	Playwrights' Center - Renovation in St. Paul	GF		4,000
646	PROCEED - Community Center in St. Paul	GF		5,000
647	Public Functionary - Community and Arts Center in Minneapolis	GF		450
648	ReConnect Rondo Innovation Campus in St. Paul	GF		1,000
649	Red Lake Band of Chippewa - Red Lake Tribal College in Minneapolis	GF		3,000
650	Sanneh Foundation - Renovation, Facility, and Improvements in St. Paul	GF		1,820
651	Simpson Housing Services - Shelter Facility in Minneapolis	GF		5,000
652	Somali Museum - Facility in Minneapolis	GF		3,900
653	Southern Anoka Community Assistance - Food Bank in Columbia Heights	GF		2,500
654	Special Guerilla Unit Hmong Veterans - Museum in St. Paul	GF		2,000
655	St. Paul Urban Tennis	GF		750
657	Tending the Soil MN - Rise Up Center in Minneapolis	GF		1,500
658	The Link - Multiuse Facility in North Minneapolis	GF		5,000
659	True Friends - Camp Courage in Wright County	GF		10,000
660	Turning Point - Facility in Minneapolis	GF		1,000
662	Ukrainian Center - Capital Improvements in Minneapolis	GF		1,800
663	V3 Sports Inc - Event Center in Minneapolis	GF		15,000
664	Walker   West - Music Academy in St. Paul	GF		4,100
665	Washington County Heritage Society - Heritage Center in Stillwater	GF	700	
666	Wellstone Center - Renovation in St. Paul	GF		2,150
667	We Win Institute Inc. - Capital Improvements in Minneapolis	GF		3,500
668	YWCA St. Paul	GF		2,317
682				

# 2023 Capital Budget

HF669 / HF670

All figures in thousands 000's

	Fund	HF669	HF670
683	<b>Agency Total</b>	<b>47,710</b>	<b>395,567</b>
684	<b>Iron Range Resources and Rehabilitation Board</b>		
685			
686	Giants Ridge Water and Electrical	12,229	
688			
689	<b>Agency Total</b>	<b>12,229</b>	<b>-</b>
690	<b>Public Facilities Authority</b>		
691			
692	State Match for Federal Grants to State Revolving Loan Programs	41,000	
694	<b>Water Infrastructure Funding Program Roll up</b>	<b>87,200</b>	<b>-</b>
696	Drinking Water Grants	35,200	
697	Clean Water Grants (Waste Water)	52,000	
698	Point Source Implementation Grants	80,000	
702	Lewis and Clark Regional Water System Expansion Project	GF	22,000
703	<b>Grants to Political Subdivisions</b>		
704	City of Albert Lea - Wastewater Treatment Facility	GO	2,000
705	City of Arden Hills - Water and Sewer Improvements	GO	510
708	City of Austin - Wastewater Treatment Improvements	GF	14,500
709	City of Babbitt - Water, Sewer, and Utility Improvements	GO	2,000
711	City of Bagley - Drinking Water and Sanitary Improvements	GO	7,200
712	City of Belview - Water Infrastructure	GF	1,750
713	City of Braham - Wastewater and Drinking Water	GF	10,227
714	City of Brainerd - Water Treatment Facility Improvements	GO	5,000
716	City of Buhl - Water System	GF	2,000
717	City of Clearbrook - Water Infrastructure Improvements	GO	5,500
718	City of Cloquet - Water Infrastructure	GO	5,000
719	City of Cologne - Wastewater Treatment Facility	GF	1,060
720	City of Corcoran - Water Infrastructure	GF	10,000
723	City of Dayton - Wellhead Treatment Plants	GF	1,750
725	City of East Gull Lake - Wastewater Treatment Improvements	GO	2,900
726	City of Elk River - Sewer Improvements	GO	1,100
727	City of Elysian - Water Treatment Plant	GF	3,500
730	First District - Wastewater Treatment Plant in Litchfield	GF	5,000
731	City of Floodwood - Water and Sewer Infrastructure	GF	1,500
732	City of Gilbert - Water Treatment Plant	GF	1,365
733	City of Grand Rapids - Water Treatment Plant Renovation	GO	2,500
734	City of Hackensack - Water Main Infrastructure	GF	1,400
735	City of Lake Lillian - Water Infrastructure and Street Reconstruction	GF	3,999
737	Lincoln-Pipestone Rural Water - Treatment and Storage	GF	11,500
738	City of Lino Lakes - Water Treatment	GO	13,500
740	City of Mankato - Water Treatment	GO	25,000
741	City of Mankato - Water Treatment	GF	10,000
742	City of Medicine Lake - Infrastructure	GO	3,500
744	City of Minneapolis - Water Distribution Facility	GF	4,500
745	City of Monticello - Water Treatment Plant and System	GO	11,000
747	City of Mound - Clean Water Improvements	GF	10,300
748	City of Morristown - Water and Sewer Infrastructure	GO	1,500
750	North Zumbro Sanitary District	GF	10,000

# 2023 Capital Budget

HF669 / HF670

All figures in thousands 000's

		Fund	HF669	HF670
751	City of Osseo - Lift Stations	GO	1,600	
753	City of Owatonna - Wastewater Treatment Improvements	GO	11,000	
754	City of Owatonna/City of Medford - Wastewater Treatment Improvements	GF	15,500	
756	City of Ramsey - Water Treatment Facility	GF	3,200	
758	Red Rock Rural Water System - Treatment Plant	GF	1,252	748
759	City of Rice Lake - Water, Sewer and Utilities Extensions	GO	1,800	
761	City of Rockville - Lift Station Rehabilitation	GF	1,201	
762	City of South Haven - Drinking Water Improvements	GO	3,500	
764	City of St. Michael - Wastewater Treatment Improvements	GO	5,000	
765	City of Swanville - Water System Improvements	GF	3,052	
766	City of Tyler - Sanitary Sewer	GF		3,792
768	City of Watertown - Watertower	GF	3,000	
769	Western Lake Superior Sanitary District	GF		17,500
770	City of West St. Paul - Wastewater Infrastructure	GF		1,700
772				
773	<b>Agency Total</b>		<b>381,089</b>	<b>120,402</b>
774	<b>Housing Finance Authority</b>			
775				
776	Public Housing Rehabilitation	GO	41,868	
777	Public Housing Rehabilitation	GF		30,132
778	Greater MN Housing Program Infrastructure	GO	3,000	
779	<b>Grants to Political Subdivisions</b>			
780	City of Minneapolis - Satori Village	GF		1,000
781				
782	<b>Agency Total</b>		<b>44,868</b>	<b>31,132</b>
783	<b>Historical Society</b>			
784				
785	Historic Sites Asset Preservation	GO	5,000	
788	Lower Sioux Bond Defeasance	GF	25	
789	County and Local History Preservation Grants	GO	1,000	
792	Minnesota Transportation Museum	GF		100
794	<b>Grants to Political Subdivisions</b>			
795	Dodge County - Wasioja Civil Seminary	GF	2,100	
796	Morrison County Weyerhaeuser Museum	GF		700
797				
798	<b>Agency Total</b>		<b>8,125</b>	<b>800</b>
799				

# 2023 Capital Budget

HF669 / HF670

All figures in thousands 000's

	Fund	HF669	HF670
805 <b>Department of Revenue</b>			
806			
807 River Place Arts, Culture, and Event Center - Sales Tax Exemption for Construction Materials ***	GF	500	-
808			
809 <b>Agency Total</b>		<b>500</b>	<b>-</b>
810 <b>MINNESOTA MANAGEMENT AND BUDGET</b>			
811			
812 Estimated GO Bond Sale Expenses	GO	1,564	-
813			
814 <b>Agency Total</b>		<b>1,564</b>	<b>-</b>
839 <b>TOTALS</b>			
840 Total - General Obligation (Excludes TF, Max Effort)	GO	1,298,235	-
841 Total - GO / TF (Transportation Fund is GO Debt)	GO/TF	219,214	-
842 Total - User Financing	UF	45,006	-
843 Total - General Fund	GF	224,900	850,655
847 <b>Total</b>		<b>1,787,355</b>	<b>850,655</b>
848 General Fund Supported GO Debt (GO + TF + MAX)		1,517,449	-
849			
850 GO Cancellations		(17,315)	
851			
852 <b>Net GO Impact</b>		<b>1,500,134</b>	<b>-</b>
853			
854 Total - General Fund Cancellations			(1,169)
855 Lewis and Clark Joint Powers Board State Payment Offset			(39,003)
856 General Fund Expenditure Savings; Amateur Sports Commission, National Sports Center Conveyance			(433)
857 <b>Net Total General Fund</b>		<b>224,900</b>	<b>810,050</b>
938 Total Cash both bills			<b>1,034,950</b>
940			



# 2023 Capital Budget

HF669 / HF670

All figures in thousands 000's

	Fund	HF669	HF670
941	<b>Debt Service Schedule (amounts compared to Feb 23 Forecasted Base)</b>		
942	<u>General Obligation Debt Service</u>		
943	FY 2024	9,527	
944	FY 2025	30,282	
945	FY 24/25 Biennium	<b>39,809</b>	
946	FY 2026	46,923	
947	FY 2027	51,095	
948	FY 26/27 Biennium	<b>98,018</b>	
949			
950	<b>Net General Fund Impact</b>		
951	<u>General Obligation Debt Service</u>		
952	FY 2024	234,427	810,050
953	FY 2025	30,282	
954	FY 24/25 Biennium	<b>264,709</b>	<b>810,050</b>
955	FY 2026	46,923	
956	FY 2027	51,095	
957	FY 26/27 Biennium	<b>98,018</b>	
958	Net Total Cash both bills FY24-25		<b>1,074,759</b>
959	Net Total Cash both bills FY26-27		<b>98,018</b>

960 \*\*\* In addition to the General Fund refunds, there is a loss of \$30,000 to Legacy Fund revenue in FY24-25.