

1.1 **Senator Murphy from the Committee on State and Local Government and Veterans,**  
1.2 **to which was re-referred**

1.3 **S.F. No. 2156:** A bill for an act relating to state purchasing; requiring the establishment  
1.4 of global warming impact standards for certain construction materials used in state buildings  
1.5 and roads; integrating those global warming standards into the procurement process;  
1.6 establishing pilot programs to report greenhouse gas emissions from the manufacture of  
1.7 certain products; establishing a grant program; establishing a technical advisory committee;  
1.8 requiring reports; proposing coding for new law in Minnesota Statutes, chapter 16B.

1.9 Reports the same back with the recommendation that the bill be amended as follows:

1.10 Page 1, after line 18, insert:

1.11 "(c) "Electric arc furnace" means a furnace that produces molten alloy metal and heats  
1.12 the charge materials with electric arcs from carbon electrodes."

1.13 Page 1, line 19, delete "(c)" and insert "(d)"

1.14 Page 2, line 1, delete "(d)" and insert "(e)"

1.15 Page 2, line 8, delete "(e)" and insert "(f)"

1.16 Page 2, line 16, delete "(f)" and insert "(g)"

1.17 Page 2, line 18, delete "(g)" and insert "(h)"

1.18 Page 2, after line 19, insert:

1.19 "(i) "Integrated steel manufacturing" means the production of iron and subsequently  
1.20 steel from primarily iron ore or iron ore pellets. An integrated steel manufacturing process  
1.21 can include a blast furnace, a basic oxygen furnace for refining molten iron into steel, but  
1.22 may also include furnaces that continuously feed direct-reduced iron ore pellets as the  
1.23 primary source of iron."

1.24 Page 2, line 20, delete "(h)" and insert "(j)"

1.25 Page 2, line 23, delete "(i)" and insert "(k)"

1.26 Page 2, after line 23, insert:

1.27 "(l) "Secondary steel manufacturing" means the production of steel where primarily  
1.28 ferrous scrap and other metallic inputs are recycled by melting and refining in electric arc  
1.29 furnaces."

1.30 Page 2, line 24, delete "(j)" and insert "(m)"

1.31 Page 2, line 26, delete "(k)" and insert "(n)"

1.32 Page 2, line 28, delete "(l)" and insert "(o)"

- 2.1 Page 3, line 5, delete "and structural steel" and delete "2025" and insert "2026"
- 2.2 Page 3, line 6, after "rebar" insert "and structural steel"
- 2.3 Page 3, line 7, delete "2027" and insert "2028"
- 2.4 Page 3, line 10, delete everything after "potential"
- 2.5 Page 3, line 11, delete "potential"
- 2.6 Page 3, line 13, after "products" insert "and sub product categories" and after "material"
- 2.7 insert "based on distinctions between eligible material production and manufacturing
- 2.8 processes such as integrated versus secondary steel production"
- 2.9 Page 3, line 28, delete "any"
- 2.10 Page 3, line 29, delete "material" and insert "materials" and delete "that"
- 2.11 Page 3, line 30, delete "material or product" and insert "materials or products" and after
- 2.12 "established" insert "of that category"
- 2.13 Page 4, lines 11 and 14, delete "..." and insert "five"
- 2.14 Page 4, line 28, after "accessible" insert "or agreed upon existing publicly accessible"
- 2.15 Page 5, delete subdivisions 7 and 8
- 2.16 Page 7, delete subdivision 9 and insert:
- 2.17 "Subd. 7. **Grants to manufacturers of eligible materials.** (a) The commissioner of
- 2.18 employment and economic development shall design and implement a program to award
- 2.19 grants to assist manufacturers of eligible materials located in Minnesota to obtain
- 2.20 environmental product declarations for eligible materials. The commissioner of employment
- 2.21 and economic development shall make grants to manufacturers of eligible materials using
- 2.22 criteria, forms, applications, and reporting requirements developed by the commissioner.
- 2.23 (b) To be eligible for a grant under this subdivision, a manufacturer must have primary
- 2.24 business operations located in the state of Minnesota and manufacture an eligible material.
- 2.25 (c) Grants under this subdivision shall be awarded on a first-come, first-served basis.
- 2.26 (d) A grant awarded under this subdivision may pay up to 30 percent of the cost of
- 2.27 obtaining an environmental product declaration. In determining the amount of a grant award,
- 2.28 the commissioner of employment and economic development shall consider the cost of
- 2.29 obtaining an environmental product declaration for the product, the size and financial strength
- 2.30 of the manufacturer, and other criteria deemed relevant by the commissioner.

3.1 (e) A manufacturer may not receive more than one grant award under this subdivision.

3.2 Subd. 8. **Distribution of awards.** Of grant funds awarded under this section, a minimum  
3.3 of \$..... must be awarded to manufacturers that are majority owned and operated by members  
3.4 of a targeted group as defined in section 16C.16, subdivision 5; majority owned and operated  
3.5 by a veteran as defined in section 16C.16, subdivision 6a; or are located in an economically  
3.6 disadvantaged area in Minnesota as defined in section 16C.16, subdivision 7.

3.7 Subd. 9. **Statewide program.** In proportion to eligible demand, grants under this section  
3.8 shall be made so that an approximately equal dollar amount of grants are made to  
3.9 manufacturers in the metropolitan area as in the nonmetropolitan area. After June 30, 2024,  
3.10 the department may allow grants to be made anywhere in the state without regard to  
3.11 geographic area.

3.12 Subd. 10. **Administration.** The commissioner of employment and economic development  
3.13 may use up to five percent of this appropriation to administer these grants.

3.14 Subd. 11. **Environmental standards procurement task force.** (a) No later than October  
3.15 1, 2023, the commissioners of administration and transportation must establish an  
3.16 environmental standards procurement task force to examine issues surrounding the  
3.17 implementation of a program requiring vendors of certain construction materials purchased  
3.18 by the state to:

3.19 (1) submit environmental product declarations that assess the lifecycle environmental  
3.20 impacts of those materials to state officials as part of the procurement process; and

3.21 (2) meet standards established by the commissioner of administration that limit  
3.22 greenhouse gas emissions impacts of those materials.

3.23 (b) The task force must examine, at a minimum, the following:

3.24 (1) which construction materials should be subject to the program requirements;

3.25 (2) what factors should be considered in establishing greenhouse gas emissions standards  
3.26 including distinctions between eligible material production and manufacturing processes  
3.27 such as integrated versus secondary steel production;

3.28 (3) a schedule for the development of standards for specific materials and for  
3.29 incorporating the standards into the purchasing process including distinctions between  
3.30 eligible material production and manufacturing processes;

3.31 (4) the development and use of financial incentives to reward vendors for developing  
3.32 products whose greenhouse gas emissions are below the standards;

4.1 (5) the provision of grants to defer a vendor's cost to obtain environmental product  
4.2 declarations;

4.3 (6) how the issues in clauses (1) to (5) are addressed by existing programs in other states  
4.4 and countries;

4.5 (7) coordinate with the federal Buy Clean Task Force established under Executive Order  
4.6 14057 and representatives of the United States Departments of Commerce, Energy, Housing  
4.7 and Urban Development, Transportation, Environmental Protection Agency, General Services  
4.8 Administration, White House Office of Management and Budget, and the White House  
4.9 Domestic Climate Policy Council; and

4.10 (8) any other issues the task force deems relevant.

4.11 (c) Members of the task force must include, but may not be limited to, representatives  
4.12 of:

4.13 (1) the Departments of Administration and Transportation;

4.14 (2) the Center for Sustainable Building Research at the University of Minnesota;

4.15 (3) manufacturers of eligible materials;

4.16 (4) industry associations from eligible sectors;

4.17 (5) industry representatives from eligible sectors;

4.18 (6) suppliers of eligible materials;

4.19 (7) building and transportation construction firms;

4.20 (8) organized labor in the construction trades;

4.21 (9) organized labor in the manufacturing or industrial sectors;

4.22 (10) environmental advocacy organizations; and

4.23 (11) environmental justice organizations.

4.24 (d) The Department of Administration shall provide meeting space and serve as staff to  
4.25 the task force.

4.26 (e) The commissioner of administration, or the commissioner's designee, shall serve as  
4.27 chair of the task force. The task force shall meet at least four times annually, and shall  
4.28 convene additional meetings at the call of the chair.

4.29 (f) The commissioner of administration shall summarize the findings and  
4.30 recommendations of the task force in a report submitted to the chairs and ranking minority

5.1 members of the senate and house of representatives committees with primary responsibility  
5.2 for state government, transportation, and energy no later than December 1, 2025.

5.3 (g) The task force is subject to section 15.059, subdivision 6.

5.4 Subd. 12. **Reports.** (a) No later than February 1, 2024, the task force will submit a  
5.5 written report about membership of the task force, incorporating related studies from the  
5.6 Department of Transportation, the Department of Administration, and any other additions  
5.7 for the written report due no later than February 1, 2026, to the chairs and ranking minority  
5.8 members of the senate and house of representatives committees with primary jurisdiction  
5.9 over climate policy and state government.

5.10 (b) No later than February 1, 2026, the commissioner of administration, after consulting  
5.11 with the commissioner of transportation, shall submit a written report to the chairs and  
5.12 ranking minority members of the senate and house of representatives committees with  
5.13 primary jurisdiction over climate policy and state government that contains, at a minimum,  
5.14 the following information:

5.15 (1) the maximum global warming potential values established for each eligible material  
5.16 under subdivision 3;

5.17 (2) the experience of vendors in obtaining environmental product declarations for eligible  
5.18 materials, including the cost of and time required to obtain environmental product  
5.19 declarations;

5.20 (3) impacts of the requirement to submit environmental product declarations on the  
5.21 procurement process, including but not limited to the number of bids received for eligible  
5.22 materials and the length of the bidding process;

5.23 (4) estimates of greenhouse gas emissions reductions resulting from operation of the  
5.24 program required under this section;

5.25 (5) estimates of increases in the cost of eligible materials, if any, resulting from  
5.26 implementation of the program required under this section; and

5.27 (6) results of the pilot program required under subdivision 5, and any recommendations  
5.28 to change or expand the program."

5.29 Page 7, after line 20, insert:

5.30 "Sec. 2. **APPROPRIATION.**

5.31 \$500,000 is appropriated to the Department of Employment and Economic Development  
5.32 to give grants as described in section 1, subdivision 8."

6.1 Amend the title accordingly

6.2 And when so amended the bill do pass and be re-referred to the Committee on

6.3 Transportation. Amendments adopted. Report adopted.



6.4 .....  
6.5 (Committee Chair)

6.6 March 9, 2023.....  
6.7 (Date of Committee recommendation)