

## S.F. No. 2156 – Buy Clean and Buy Fair Minnesota Act (Second Engrossment)

**Author:** Senator Erin Murphy

**Prepared by:** Stephanie James, Senate Counsel (651/296-0103)

**Date:** March 9, 2023

---

**Section 1 [Construction Materials; Environmental Analysis; §16B.312]** establishes requirements certain materials and products used in the construction of buildings funded in whole or in part with state bond proceeds. This section establishes a grant program for Minnesota manufacturers of eligible products to obtain environmental product declarations.

**Subd. 1 [Title]** titles the act the “Buy Clean and Buy Fair Minnesota Act.”

**Subd. 2 [Definitions]** defines terms.

**Subd. 3 [Standard; maximum global warming potential]** requires the commissioner of administration to gather input from task forces and other stakeholders to establish and public a maximum acceptable global warming potential for each eligible material used in an eligible project by specified dates, depending on the material. Requires the commissioner to establish a maximum acceptable global warming potential for each eligible material, after considering specified information. The commissioner must set maximum global warming potentials for specific products that serve as examples of the same eligible material. Three years after establishing the maximum global warming potential for an eligible material, the commissioner may lower the maximum global warming potential of eligible materials and specific products if the commissioner determines that the industry average has declined.

**Subd. 4. [Procurement process]** provides that the commissioners of administration and transportation:

- (1) must require in a specification for bids for eligible projects that the global warming potential reported by the bidder, in an environmental product declaration, for eligible materials not exceed maximum acceptable global warming potential for materials or products for that category of materials or products established in the previous subdivision; and

(2) may require in a specification for bids for an eligible project a global warming potential for any eligible material that is lower than the maximum acceptable global warming potential for that material established in the previous subdivision.

This subdivision precludes a successful bidder from using eligible materials until the commissioner of administration or transportation has notified the bidder that an environmental product declaration submitted by the bidder for that material meets requirements.

The commissioners of administration and transportation are authorized to award higher scores on proposals with products with a global warming potential below the established maximum. The commissioners may select a vendor whose product is below the established maximum if the price is not more than 5% higher than the next most preferred vendor. The commissioners may pay a vendor whose product is significantly below the maximum a premium amount, up to an additional 5 percent.

**Subd. 5 [Pilot program]** requires the commissioners of administration and transportation to establish a pilot program by July 1, 2024, to obtain estimates from vendors on the lifecycle greenhouse gas emissions of select products. The pilot program must encourage, but not require, a vendor to submit specified data for each selected product that represents 90 percent of the total cost of the materials or components that compose the selected product. The commissioners of administration and transportation must each post a database on their websites containing the data reported to them in a manner that does not identify the product manufacturer.

**Subd. 6 [Waiver process]** requires the commissioner of administration to establish a process and administrative procedures that allow manufacturers of eligible materials to petition the commissioner for a waiver from the procurement process requirements in subdivision 4 based on technical considerations or financial hardship. A waiver request must be supported by evidence. A waiver is for two years and can be renewed.

**Subd. 7 [Grants to manufacturers of eligible materials]** requires the commissioner of employment and economic development (DEED) to implement a program to award grants to assist manufacturers of eligible materials in Minnesota to obtain environmental product declarations for eligible materials. Authorizes the commissioner of DEED to establish criteria, forms, applications, and reporting requirements for the program. To be eligible for a grant, a manufacturer must have primary business operations in the state and must manufacture an eligible material. Grants will be awarded on a first-come, first-served basis. A grant may be for up to 30% of the cost of obtaining the declaration, with specified topics for the commissioner to consider when deciding the amount of a grant. A manufacturer may not receive more than one grant.

**Subd. 8 [Distribution of awards]** sets a minimum amount of grant funds that must be awarded to majority-owned and operated members of a targeted group small business under chapter 16C.

**Subd. 9 [Statewide program]** requires grants to be made in approximately equal amounts to manufacturers in the metropolitan area and outside the metropolitan area until June 30, 2024.

**Subd. 10 [Administration]** allows the commissioner of DEED to use up to 5% of the appropriation to administer grants.

**Subd. 11 [Environmental standards procurement task force]** requires the commissioners of administration and transportation to establish a task force by October 1, 2023 to examine issues around the implementation of a program requiring vendors of certain construction materials purchases in the state to take specified steps and meet specified standards. Specifies issues to be considered by the task force. Specifies membership for the task force. Requires the commissioner of administration to provide meeting space and to provide staff to support the task force. Requires the commissioner of administration to be the chair of the task force. Requires the task force to meet at least four times annually. Requires the task force to report to the legislature by December 1, 2025, with findings and recommendations. The task force expires two years after the effective date of this act.

**Subd. 12 [Reports]** specifies contents for the report.

This section is effective the day after enactment.

**Section 2. [Appropriation]** appropriates \$500,000 to DEED for grants for assistance to manufacturers of eligible products to prepare environmental product declarations.