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S.F. No. 3782 – Political Subdivision Capital Project Improvement Savings Requirements

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Section 1 [Capital Project Replacement Accounts] creates a requirement for a political subdivision that receives state funds for a capital project to save money to use toward replacement, major rehabilitation, or expansion of the capital project.

Subdivision 1 [Replacement account establishment] requires a political subdivision that receives a grant of state money for a capital improvement project to deposit money into an account for major rehabilitation, expansion, or replacement of that capital project. Requires that the deposited amount remain in the account for the term of the grant agreement, unless an expenditure from the fund is approved by the commissioner of management and budget.

Subd. 2 [Minimum deposits] requires the commissioner of management and budget to determine the required amount for the deposit in subdivision 1, taking into account the type of the project, account depreciation, construction cost inflation, and other factors.

Subd. 3. [Account auditing] requires the state auditor to audit capital project replacement accounts as part of regular audits of political subdivisions.

Subd. 4. [Exceptions] exempts projects already subject to a saving requirement under other law, if the amount in the account is at least as great as the amount required under subdivision 2.