

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 132

DATE: February 16, 2007

Version: First Engrossment

Authors: Mahoney and others

Subject: Minnesota Biomedical Sciences Research Facilities Authority

Analyst: Anita Neumann, 651-296-5056

Mark Shepard, 651-296-5051

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

Overview

This bill establishes a process to expend \$279 million of state general obligation bond funds to pay 90 percent of the costs of constructing and furnishing biomedical science research facilities to be owned and operated by the University of Minnesota. The University of Minnesota will provide a match of 10 percent of the costs. Section 3 establishes a Minnesota Biomedical Science Research Facilities Authority, which may approve grants that meet the purposes and criteria set in law.

Section

- 1 **Purpose.** Provides a description of the bill's purpose, which is to establish a framework and a program for investing in biomedical science research facilities in Minnesota to benefit the economy, advance the biomedical technology industry, benefit health, and facilitate research between the University of Minnesota and other Minnesota institutions.
- 2 **Definitions.** Defines the following terms:

Subd. 2. "Authority" means the Minnesota Biomedical Science Research Facilities Authority.

Subd. 3. "Biomedical science research facility" is a Minnesota facility with biomedical science and technology research facilities and laboratories.

Subd. 4. "Commissioner" is the commissioner of employment and economic development.

Subd. 5. "Costs" are the total project costs for design, construction, and completion of the project, including purchase and installation of furniture, fixtures, and equipment.

Subd. 6. "Program" means the Biomedical Science Research Facilities Funding Program authorized in section 5 of the bill.

Subd. 7. "Project" is the acquisition, construction, improvement, expansion, repair, or rehabilitation of any structure, infrastructure, or equipment for a biomedical science research facility.

3 Minnesota Biomedical Science Research Facilities Authority. Establishes a 13-member authority consisting of the commissioner of employment and economic development, four former legislators (one each appointed by the leaders of the four legislative caucuses), four members appointed by the governor who are not legislators or executive branch employees, and four current legislators appointed by the four caucus leaders. The four current legislators are non-voting members and serve at the pleasure of the appointing authority. A quorum is required to conduct business.

Authorizes the authority to use telephone or electronic methods to conduct meetings if specified conditions are met. The authority must provide notice, according to law, of the regular meeting location and the participation of some members by electronic methods.

The commissioner provides administrative services.

4 Powers; duties. Authorizes the authority to adopt bylaws and rules, sue and be sued, enter into contracts, and retain or contract for professional and consulting services. Requires a report by July 1 of each odd-numbered year on implementation of projects since the last report and plans for the upcoming year.

5 Biomedical Science Research Facilities Funding Program.

Subd. 1. Program established. Authorizes the authority to establish a program to provide grants to the University of Minnesota Board of Regents to fund 90 percent of the costs of projects approved by the authority.

Subd. 2. Grant applications. Requires the Board of Regents to apply to the authority for grants for projects that meet the following criteria:

(1) the University, alone or in collaboration with another institution, must pay 10 percent of the project costs and be responsible for all ongoing facility costs. The University may meet its required share through costs associated with prior purchases of equipment and materials;

(2) any institution the University collaborates with must annually generate at least \$75 million in competitive federal funds;

(3) the facility resulting from the project must be owned by the Board of Regents;
and

(4) the governing body must pass a resolution that the required match is available

and include: a detailed estimate of the cost of the project; an assessment of potential to attract new research grants; a detailed operating financial analysis; a timeline indicating major milestones and their anticipated completion dates; and an assessment of likely public benefits from the project.

Subd. 3. Grant approvals. Requires the authority to determine if the project in the University application conforms to the purposes and criteria in the bill and authorizes the approval of grants that meet the purpose and the criteria. Authorizes the authority to approve grants for 90 percent of the costs up to the percentage of the amount of bonds proceeds authorized, according to a specified schedule.

Subd. 4. Disbursements. Requires approved grants to be disbursed for eligible project costs according to the grant agreement and state law.

6 Authorization of bonds. Authorizes the commissioner of finance to sell \$279 million of state general obligation bonds for the biomedical science research facilities program. Before bonds are issued, the authority must determine that the proceeds are needed for disbursements of approved grants. The reporting and cancellation requirements of the state do not apply to these bonds.

7 Effective date. Sections 1 to 6 are effective the day following final enactment.