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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 3870

02/15/2024 Authored by Olson, B.,
The bill was read for the first time and referred to the Committee on Veterans and Military Affairs Finance and Policy

1.1 A bill for an act

1.2 relating to the military; modifying provisions related to armories; amending
1.3 Minnesota Statutes 2022, sections 193.143; 193.29, subdivisions 1, 4; 193.36,
1.4 subdivisions 2, 3, by adding subdivisions.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2022, section 193.143, is amended to read:

193.143 STATE ARMORY BUILDING COMMISSION, POWERS.

Such corporation, subject to the conditions and limitations prescribed in sections 193.141 to 193.149, shall possess all the powers of a body corporate necessary and convenient to accomplish the objectives and perform the duties prescribed by sections 193.141 to 193.149, including the following, which shall not be construed as a limitation upon the general powers hereby conferred:

1.13 (1) To acquire by lease, purchase, gift, or condemnation proceedings all necessary right,
1.14 title, and interest in and to the lands required for a site for a new armory and all other real
1.15 or personal property required for the purposes contemplated by the Military Code and to
1.16 hold and dispose of the same, subject to the conditions and limitations herein prescribed;
1.17 provided that any such real or personal property or interest therein may be so acquired or
1.18 accepted subject to any condition which may be imposed thereon by the grantor or donor
1.19 and agreed to by such corporation not inconsistent with the proper use of such property by
1.20 the state for armory or military purposes as herein provided.

1.21 (2) To exercise the power of eminent domain in the manner provided by chapter 117,
1.22 for the purpose of acquiring any property which such corporation is herein authorized to
1.23 acquire by condemnation; provided, that the corporation may take possession of any such

2.1 property so to be acquired at any time after the filing of the petition describing the same in
2.2 condemnation proceedings; provided further, that this shall not preclude the corporation
2.3 from abandoning the condemnation of any such property in any case where possession
2.4 thereof has not been taken.

2.5 (3) To construct and equip new armories as authorized herein; to pay therefor out of the
2.6 funds obtained as hereinafter provided and to hold, manage, and dispose of such armory,
2.7 equipment, and site as hereinafter provided. The total amount of bonds issued on account
2.8 of such armories shall not exceed the amount of the cost thereof; provided also, that the
2.9 total bonded indebtedness of the commission shall not at any time exceed the aggregate
2.10 sum of \$15,000,000.

2.11 (4) To provide partnerships with federal and state governments and to match federal and
2.12 local funds, when available.

2.13 (5) To sue and be sued.

2.14 (6) To contract and be contracted with in any matter connected with any purpose or
2.15 activity within the powers of such corporations as herein specified; provided, that no officer
2.16 or member of such corporation shall be personally interested, directly or indirectly, in any
2.17 contract in which such corporation is interested.

2.18 (7) To employ any and all professional and nonprofessional services and all agents,
2.19 employees, workers, and servants necessary and proper for the purposes and activities of
2.20 such corporation as authorized or contemplated herein and to pay for the same out of any
2.21 portion of the income of the corporation available for such purposes or activities. The officers
2.22 and members of such corporation shall not receive any compensation therefrom, but may
2.23 receive their reasonable and necessary expenses incurred in connection with the performance
2.24 of their duties; provided however, that whenever the duties of any member of the commission
2.25 require full time and attention the commission may compensate the member therefor at such
2.26 rates as it may determine.

2.27 (8) To borrow money and issue bonds for the purposes and in the manner and within
2.28 the limitations herein specified, and to pledge any and all property and income of such
2.29 corporation acquired or received as herein provided to secure the payment of such bonds,
2.30 subject to the provisions and limitations herein prescribed, and to redeem any such bonds
2.31 if so provided therein or in the mortgage or trust deed accompanying the same.

2.32 (9) To use for the following purposes any available money received by such corporation
2.33 from any source as herein provided in excess of those required for the payment of the cost
2.34 of such armory and for the payment of any bonds issued by the corporation and interest

3.1 thereon according to the terms of such bonds or of any mortgage or trust deed accompanying
3.2 the same:

3.3 (a) to pay the necessary incidental expenses of carrying on the business and activities
3.4 of the corporation as herein authorized;

3.5 (b) to pay the cost of operating, maintaining, repairing, and improving such new armories;

3.6 (c) if any further excess money remains, to purchase upon the open market at or above
3.7 or below the face or par value thereof any bonds issued by the corporation as herein
3.8 authorized, provided that any bonds so purchased shall thereupon be canceled.

3.9 (10) To adopt and use a corporate seal.

3.10 (11) To adopt all needful bylaws and rules for the conduct of business and affairs of
3.11 such corporation and for the management and use of all armories while under the ownership
3.12 and control of such corporation as herein provided, not inconsistent with the use of such
3.13 armory for armory or military purposes.

3.14 (12) Such corporation shall issue no stock.

3.15 (13) No officer or member of such corporation shall have any personal share or interest
3.16 in any funds or property of the corporation or be subject to any personal liability by reason
3.17 of any liability of the corporation.

3.18 (14) The Minnesota State Armory Building Commission created under section 193.142
3.19 shall keep all money and credits received by it as a single fund, to be designated as the
3.20 "Minnesota State Armory Building Commission fund," with separate accounts for each
3.21 armory; and the commission may make transfers of money from funds appertaining to any
3.22 armory under its control for use for any other such armory; provided such transfers shall
3.23 be made only from money on hand, from time to time, in excess of the amounts required
3.24 to meet payments of interest or principal on bonds or other obligations appertaining to the
3.25 armory to which such funds pertain and only when necessary to pay expenses of construction,
3.26 operation, maintenance, and debt service, and other obligations reasonable and necessary,
3.27 of such other armory; provided further, no such transfer of any money paid for the support
3.28 of any armory by the municipality in which such armory is situated shall be made by the
3.29 commission.

3.30 (15) The corporation created under section 193.142 may designate one or more state or
3.31 national banks as depositories of its funds, and may provide, upon such conditions as the
3.32 corporation may determine, that the treasurer of the corporation shall be exempt from

4.1 personal liability for loss of funds deposited in any such depository due to the insolvency
4.2 or other acts or omissions of such depository.

4.3 (16) The governor is empowered to apply for grants of money, equipment, and materials
4.4 which may be made available to the states by the federal government for leasing, building,
4.5 and equipping armories for the use of the military forces of the state which are reserve
4.6 components of the armed forces of the United States, whenever the governor is satisfied
4.7 that the conditions under which such grants are offered by the federal government, are for
4.8 the best interests of the state and are not inconsistent with the laws of the state relating to
4.9 armories, and to accept such grants in the name of the state. The Minnesota State Armory
4.10 Building Commission is designated as the agency of the state to receive such grants and to
4.11 use them for armory purposes as prescribed in this chapter, and by federal laws, and
4.12 regulations not inconsistent therewith.

4.13 Sec. 2. Minnesota Statutes 2022, section 193.29, subdivision 1, is amended to read:

4.14 Subdivision 1. **Armory board.** The adjutant general may delegate authority for the
4.15 control, operation, and use of each armory building and grounds occupied by any of the
4.16 military forces of the state ~~shall be vested in~~ to an armory board consisting of officers,
4.17 warrant officers, or enlisted personnel representing the organization or organizations
4.18 quartered therein, as hereinafter provided, except that the commission-owned armories
4.19 which have been or may be constructed or acquired and operated under the provisions of
4.20 sections 193.139 to 193.149, and acts supplementary thereto shall be controlled and operated
4.21 as provided therein.

4.22 Sec. 3. Minnesota Statutes 2022, section 193.29, subdivision 4, is amended to read:

4.23 Subd. 4. **Rentals; proceeds.** The armory board may rent an armory to entities or
4.24 individuals under terms and conditions ~~the board determines as determined by the adjutant~~
4.25 general, but rentals may not conflict with the use of the armory for military purposes. The
4.26 proceeds of rentals and all other income accruing to each armory constitutes the armory
4.27 fund and must be applied by the armory board of each armory, as the adjutant general shall
4.28 direct, for its maintenance, extension, improvement, and equipment, but all armory funds
4.29 and all allowances from the state accruing to commission-owned armories must be paid to
4.30 the commission.

5.1 Sec. 4. Minnesota Statutes 2022, section 193.36, subdivision 2, is amended to read:

5.2 **Subd. 2. May sell and convey property in certain cases.** In any case when the adjutant
5.3 general finds it advantageous for military training, the adjutant general may sell and convey
5.4 property to the municipality or county in which the property is located at a price to be
5.5 determined by an appraiser to be selected by the adjutant general. The money received must
5.6 be credited to the general fund and is appropriated to the adjutant general to be used: (1) as
5.7 a contribution for the construction or acquisition of an armory, armories, or armory facilities
5.8 to replace the one sold; or (2) for the maintenance, operation, repair, rehabilitation, or
5.9 improvement of existing armory facilities. The money may also be transferred to the
5.10 Minnesota State Armory Commission: (1) for the replacement of an armory, armories, or
5.11 armory facilities constructed or acquired by the commission; or (2) for the maintenance,
5.12 operation, repair, rehabilitation, or improvement of facilities owned by the commission. If
5.13 the money received is not expended for the purposes stated in this subdivision within ten
5.14 years after the old armory has been sold, the appropriation to the adjutant general as provided
5.15 in this subdivision lapses. In the event that both the municipality and the county desire to
5.16 purchase the armory, the municipality must be given first priority to purchase the armory.
5.17 In addition to money, the adjutant general may consider local government contributions to
5.18 include the donation of land, provision of utilities to provide for a new armory, or other
5.19 expenditures by the municipality or county.

5.20 If the municipality or county does not purchase the property after a reasonable
5.21 opportunity, the adjutant general may sell and convey it to any person after a public sale of
5.22 the property by first advertising for bids or proposals for three consecutive weeks in a
5.23 newspaper of general circulation in the area that the property is located and accepting the
5.24 proposal most favorable to the department. The adjutant general may reject all proposals.
5.25 The proceeds of the sale must be credited as provided in this subdivision. The adjutant
5.26 general may lease any armory remaining unsold to the municipality for public purposes.

5.27 Sec. 5. Minnesota Statutes 2022, section 193.36, is amended by adding a subdivision to
5.28 read:

5.29 **Subd. 2a. May sell and convey property in certain cases to limited resource**
5.30 **municipalities.** In any case when the adjutant general finds it advantageous for military
5.31 training and intends to sell and convey property located in a municipality and the adjutant
5.32 general determines that the municipality in which the property is located lacks sufficient
5.33 property tax base or other resources to purchase the property at the appraised value, the
5.34 adjutant general may sell and convey the property to the municipality at a price to be

6.1 determined by the adjutant general with the condition that the property remain in public use
6.2 by the municipality for no less than 25 years.

6.3 Sec. 6. Minnesota Statutes 2022, section 193.36, is amended by adding a subdivision to
6.4 read:

6.5 Subd. 2b. Exchange of property. The adjutant general with the approval of the Land
6.6 Exchange Board may exchange any property for any publicly or privately held property
6.7 without regard for value when the adjutant general finds it advantageous for military training,
6.8 operations, or reduction of management costs.

6.9 Sec. 7. Minnesota Statutes 2022, section 193.36, subdivision 3, is amended to read:

6.10 Subd. 3. Disposition of unsuitable armory sites and buildings. The adjutant general
6.11 with the approval of the governor, may sell and convey on behalf of the state any state
6.12 armory sites and buildings which in the judgment of the adjutant general are unsuitable for
6.13 military purposes or which have been condemned by proper authority as unsafe. Money
6.14 received from the sale of such armories shall be paid into the state treasury and credited to
6.15 the general fund maintenance appropriation of the Department of Military Affairs or the
6.16 Minnesota State Armory Building Commission as determined by the adjutant general.

6.17 Sec. 8. Minnesota Statutes 2022, section 193.36, is amended by adding a subdivision to
6.18 read:

6.19 Subd. 4. Bond financed property. Notwithstanding anything to the contrary in this
6.20 section, all conveyances, sales, or exchanges under this section of state bond financed
6.21 property, as defined in section 16A.695, subdivision 1, are subject to section 16A.695,
6.22 subdivision 3.