

Statewide Operating Policy

Owner: Minnesota Management and Budget, Debt Management

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Moving and Relocation Expense for Capital Projects

Objective

To formally establish the Minnesota Management and Budget (MMB) policy regarding agencies' use of bond proceeds to pay for moving and relocation expenses in the context of capital projects. This policy is established in accordance with [Article XI, Section 5\(a\) of the state of Minnesota Constitution](https://www.revisor.leg.state.mn.us/constitution/#article_11) (https://www.revisor.leg.state.mn.us/constitution/#article_11), which states (in part) that public debt may be used for "...other public improvements of a capital nature..."

Policy

Expenses for moving and relocation of property associated with capital projects are not to be paid from bond proceeds and must instead be paid for from other funding sources. This policy shall apply to any unspent funds, even if they have already been encumbered.

In particular and without limitation, bond proceeds may not be used for the following expenses:

- labor and transportation costs of relocating property within a state agency location or from one state agency location to another;
- labor and transportation costs of moving property to and from a storage facility or any other location; or
- costs of renting storage facilities.

Bond proceeds may continue to be used for the following expenses:

- costs of transporting newly acquired property from the location of the seller of that property to the buyer agency's facility, when such costs would otherwise be treated as part of the capital cost of acquiring the property and the cost of property itself.

See Also

[Article XI, Section 5\(a\) of the state of Minnesota Constitution](https://www.revisor.leg.state.mn.us/constitution/#article_11)

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