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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. **635**

01/30/2017 Authored by Hamilton and Schomacker
The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance
03/09/2017 Adoption of Report: Amended and re-referred to the Committee on Capital Investment

1.1 A bill for an act
1.2 relating to capital investment; modifying provisions of the Lewis and Clark
1.3 Regional Water System project; authorizing additional issuance of housing
1.4 infrastructure bonds; amending Minnesota Statutes 2016, sections 16A.967,
1.5 subdivisions 7, 8, by adding a subdivision; 462A.37, subdivisions 2a, 2b.

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

1.7 Section 1. Minnesota Statutes 2016, section 16A.967, is amended by adding a subdivision
1.8 to read:

1.9 Subd. 2a. Unspent appropriation for Phase 3. (a) Upon completion of Phase 2 of the
1.10 Lewis and Clark Regional Water System project, which is the work described in subdivision
1.11 2, the remaining amount of the appropriation bond sale authorization in subdivision 2 may
1.12 be used to finance one or more of the following: land acquisition, design, engineering, and
1.13 construction of facilities and infrastructure necessary for Phase 3 of the Lewis and Clark
1.14 Regional Water System project. Phase 3 includes extension of the project from the
1.15 Lincoln-Pipestone Rural Water System connection near Adrian to Worthington, construction
1.16 of a reservoir in Nobles County and a meter building in Worthington, and acquisition and
1.17 installation of a supervisory control and data acquisition system. The provisions of
1.18 subdivision 2, paragraphs (d) to (g), apply to this subdivision.

1.19 (c) Proceeds of the appropriation bonds sold under the authorization in subdivision 2
1.20 may be used for the purposes of this subdivision only after the commissioner determines
1.21 that the construction and administration for work done on the project will comply with (1)
1.22 all federal requirements and regulations associated with the Lewis and Clark Rural Water
1.23 System Act of 2000, and (2) the cooperative agreement between the United States Department
1.24 of the Interior and the Lewis and Clark Regional Water System, Inc.

2.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.2 Sec. 2. Minnesota Statutes 2016, section 16A.967, subdivision 7, is amended to read:

2.3 Subd. 7. **Appropriation of proceeds.** The proceeds of appropriation bonds and interest
2.4 credited to the special appropriation Lewis and Clark bond proceeds fund are appropriated
2.5 to the commissioner ~~for payment of capital expenses~~ for the purposes provided by subdivision
2.6 2, paragraph (a), and to the Public Facilities Authority for the purposes of subdivision 2a,
2.7 for payment of capital expenses, debt service on the bonds including capitalized interest,
2.8 nonsalary costs of issuance of the bonds, costs of credit enhancement of the bonds and
2.9 payments under any agreements entered into under subdivision 2, paragraph (e), each as
2.10 permitted by state and federal law, and such proceeds may be granted, loaned, or otherwise
2.11 provided for the public purposes provided by subdivision 2, paragraph (a), and subdivision
2.12 2a.

2.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.14 Sec. 3. Minnesota Statutes 2016, section 16A.967, subdivision 8, is amended to read:

2.15 Subd. 8. **Appropriation for debt service and other purposes.** An amount, up to
2.16 \$1,351,000 needed to pay principal and interest on appropriation bonds issued under this
2.17 section for subdivisions 2 and 2a is appropriated each fiscal year from the general fund to
2.18 the commissioner, subject to repeal, unallotment under section 16A.152, or cancellation,
2.19 otherwise pursuant to subdivision 6, for deposit into the bond payments account established
2.20 for such purpose in the special Lewis and Clark appropriation bond proceeds fund. The
2.21 appropriation is available beginning in fiscal year 2017 and through fiscal year 2038.

2.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.23 Sec. 4. Minnesota Statutes 2016, section 462A.37, subdivision 2a, is amended to read:

2.24 Subd. 2a. **Additional authorization.** In addition to the amount authorized in subdivision
2.25 2, the agency may issue up to ~~\$80,000,000~~ \$97,000,000 of housing infrastructure bonds in
2.26 one or more series to which the payments made under this section may be pledged.

2.27 Sec. 5. Minnesota Statutes 2016, section 462A.37, subdivision 2b, is amended to read:

2.28 Subd. 2b. **Additional authorization.** In addition to the amount authorized in subdivisions
2.29 2 and 2a, the agency may issue up to ~~\$10,000,000~~ \$13,000,000 of housing infrastructure
2.30 bonds in one or more series to which the payments made under this section may be pledged.