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State of Minnesota

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HOUSE OF REPRESENTATIVES

Unofficial Engrossment

House Engrossment of a Senate File

NINETY-THIRD SESSION

S. F. No. 4225

- 04/08/2024 Companion to House File No. 4323. (Authors:Vang)
Read First Time and Sent for Comparison
- 04/09/2024 Substituted for H. F. No. 4323
Read for the Second Time
- 05/19/2024 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments

1.1 A bill for an act

1.2 relating to state government; authorizing spending to acquire and better land and

1.3 buildings and for other improvements of a capital nature with certain conditions;

1.4 establishing and modifying programs; modifying and canceling prior appropriations;

1.5 appropriating money; providing for transfers and distributions of proceeds and

1.6 other modifications to minerals tax provisions; providing for issuance of revenue

1.7 bonds; making changes to employee compensation plans; requesting the Joint

1.8 Committee on the Library of Congress of the United States Congress to approve

1.9 replacement of the statue of Henry Mower Rice now on display in National Statuary

1.10 Hall in the Capitol of the United States; amending Minnesota Statutes 2022, sections

1.11 16A.86, subdivisions 3a, 4; 16B.325, as amended; 16B.335, subdivision 4; 16B.97,

1.12 subdivision 1; 16B.98, subdivision 1; 43A.05, subdivision 3; 43A.18, subdivisions

1.13 2, 3, 9; 123B.53, subdivision 1; 193.143, as amended; 273.135, subdivision 2;

1.14 275.065, by adding a subdivision; 276.04, by adding a subdivision; 276A.01,

1.15 subdivision 17; 276A.06, subdivision 8; 298.17; 298.2215, subdivision 1; 298.28,

1.16 subdivision 8; 298.282, subdivision 1; 298.292, subdivision 2; 446A.07, subdivision

1.17 8; 446A.072, subdivision 5a; 446A.073, subdivision 1; Minnesota Statutes 2023

1.18 Supplement, sections 3.855, subdivisions 2, 3, 6; 10A.01, subdivision 30; 256E.37,

1.19 subdivision 1; 298.018, subdivision 1; 298.28, subdivisions 7a, 16; 446A.081,

1.20 subdivision 9; 462A.395; 473.5491, subdivisions 1, 2, 4; Laws 2020, Fifth Special

1.21 Session chapter 3, article 3, section 3; Laws 2023, chapter 71, article 1, sections

1.22 3, subdivision 4; 6, subdivision 4; 14, subdivision 21; 15, subdivision 4; proposing

1.23 coding for new law in Minnesota Statutes, chapters 16A; 16B; 84; 116J; 446A;

1.24 473; repealing Minnesota Statutes 2022, sections 16A.662; 116J.417, subdivision

1.25 9; 240A.20, subdivisions 2, 4, 5; Minnesota Statutes 2023 Supplement, sections

1.26 3.855, subdivision 5; 240A.20, subdivisions 1, 3, 6, 7; Laws 2023, chapter 53,

1.27 article 17, section 2.

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

1.29 **ARTICLE 1**

1.30 **STATE AGENCY APPROPRIATIONS**

1.31 Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

1.32 (a) The sums shown in the column under "Appropriations" are appropriated from the

1.33 general fund in fiscal year 2025 to the state agencies or officials indicated, to be spent for

2.1 public purposes. These are onetime appropriations. Money appropriated in this act is available
2.2 until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

2.3 (b) For any project funded in whole or in part by this act, workers on the project must
2.4 be paid at least the prevailing wage rate as defined in Minnesota Statutes, section 177.42,
2.5 subdivision 6, and the project is subject to the requirements and enforcement provisions in
2.6 Minnesota Statutes, sections 177.27, 177.30, 177.32, and 177.41 to 177.45. For the purposes
2.7 of this act, "project" means demolition, erection, construction, remodeling, or repairing of
2.8 a public building, facility, or other public work financed in whole or part by state funds.
2.9 Project also includes demolition, erection, construction, remodeling, or repairing of a
2.10 building, facility, or public work when the acquisition of property, predesign, design, or
2.11 demolition is financed in whole or in part by state funds.

2.12 (c) Money appropriated in this act: (1) is available for a grant after the commissioner of
2.13 management and budget determines that an amount sufficient to complete the project as
2.14 described in this act has been committed to the project, as required by Minnesota Statutes,
2.15 section 16A.502; (2) may be used to pay state agency staff costs that are attributed directly
2.16 to the capital program or project for capitalizable staff costs; and (3) is subject to the policies
2.17 and procedures adopted by the commissioner of management and budget or otherwise
2.18 specified in applicable law.

2.19 (d) Recipients of grants from money appropriated in this act must demonstrate to the
2.20 commissioner of the agency making the grant that the recipient has the ability and a plan
2.21 to fund the program intended for the facility. This paragraph does not apply to state agencies.

2.22 **APPROPRIATIONS**

2.23 **Sec. 2. NATURAL RESOURCES**

2.24 **Subdivision 1. Total Appropriation** **\$ 8,561,000**

2.25 (a) To the commissioner of natural resources
2.26 for the purposes specified in this section.

2.27 (b) The appropriations in this section are
2.28 subject to the requirements of the natural
2.29 resources capital improvement program under
2.30 Minnesota Statutes, section 86A.12, unless
2.31 this section or the statutes referred to in this
2.32 section provide more specific standards,
2.33 criteria, or priorities for projects than
2.34 Minnesota Statutes, section 86A.12.

3.1	<u>Subd. 2. Natural Resources Asset Preservation</u>	<u>3,500,000</u>
3.2	<u>For the preservation and replacement of</u>	
3.3	<u>state-owned facilities and recreational assets</u>	
3.4	<u>operated by the commissioner of natural</u>	
3.5	<u>resources to be spent in accordance with</u>	
3.6	<u>Minnesota Statutes, section 84.946.</u>	
3.7	<u>Subd. 3. Community Tree Planting</u>	<u>5,061,000</u>
3.8	<u>(a) For grants under Minnesota Statutes,</u>	
3.9	<u>section 84.705. This appropriation must be</u>	
3.10	<u>used for qualified capital projects.</u>	
3.11	<u>(b) On July 1, 2024, any unencumbered</u>	
3.12	<u>amount of the appropriations under Laws</u>	
3.13	<u>2020, Fifth Special Session chapter 3, article</u>	
3.14	<u>1, section 7, subdivision 8; Laws 2023, chapter</u>	
3.15	<u>71, article 1, section 2, subdivision 2; and</u>	
3.16	<u>Laws 2023, chapter 72, article 1, section 7,</u>	
3.17	<u>subdivision 11, shall be issued as grants</u>	
3.18	<u>through the community tree planting grant</u>	
3.19	<u>program under Minnesota Statutes, section</u>	
3.20	<u>84.705.</u>	
3.21	<u>Subd. 4. Unspent Appropriations</u>	
3.22	<u>The unspent portion of an appropriation for a</u>	
3.23	<u>project in this section that is complete, upon</u>	
3.24	<u>written notice to the commissioner of</u>	
3.25	<u>management and budget, is available for asset</u>	
3.26	<u>preservation under Minnesota Statutes, section</u>	
3.27	<u>84.946. Minnesota Statutes, section 16A.642,</u>	
3.28	<u>applies from the date of the original</u>	
3.29	<u>appropriation to the unspent amount</u>	
3.30	<u>transferred.</u>	
3.31	<u>Sec. 3. ADMINISTRATION</u>	
3.32	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 18,800,000</u>

4.1 To the commissioner of administration for the
4.2 purposes specified in this section.

4.3 **Subd. 2. Capitol Tunnel** 8,500,000

4.4 To design, construct, and equip improvements
4.5 to bring a portion of the tunnel under Rev. Dr.
4.6 Martin Luther King Jr. Boulevard and to the
4.7 east to the State Capitol into compliance with
4.8 the Americans with Disabilities Act.

4.9 **Subd. 3. Administration Building** 255,000

4.10 To paint the Department of Administration
4.11 building parking ramp and install new grates.

4.12 **Subd. 4. Sustainable Building Guidelines** 4,300,000

4.13 To develop, oversee, and administer
4.14 sustainable building guidelines under
4.15 Minnesota Statutes, section 16B.325, in
4.16 consultation with the commissioner of
4.17 commerce and the Center for Sustainable
4.18 Building Research at the University of
4.19 Minnesota. This appropriation includes money
4.20 for the commissioner of administration to
4.21 contract with the Center for Sustainable
4.22 Building Research to administer the
4.23 guidelines.

4.24 **Subd. 5. Hubert H. Humphrey Statue** 300,000

4.25 To replace the statue of Henry Mower Rice in
4.26 the Statuary Hall in the United States Capitol
4.27 with a statue of Hubert H. Humphrey. This
4.28 appropriation includes money for the removal
4.29 and transportation of the Henry Mower Rice
4.30 statue to the Minnesota State Historical
4.31 Society, to contract with the Koh-Varilla
4.32 Guild, Inc., to replicate, with any
4.33 modifications needed to meet requirements
4.34 for placement, the Hubert H. Humphrey statue

5.1 that currently stands on the mall of the
5.2 Minnesota State Capitol, and the erection of
5.3 the new Hubert H. Humphrey statue in the
5.4 Statuary Hall in the United States Capitol,
5.5 including the necessary base.

5.6 **Subd. 6. Parking Lot C Improvements** **445,000**

5.7 To design, construct, and equip additional
5.8 green space, along with capital improvements
5.9 needed to facilitate circulation and to add
5.10 accessible parking stalls, on the site of Parking
5.11 Lot C on the State Capitol complex. The
5.12 commissioner may use any money remaining
5.13 from the appropriation made by Laws 2023,
5.14 chapter 71, section 6, subdivision 3, for the
5.15 purpose of this subdivision after the project
5.16 authorized by Laws 2023, chapter 71, section
5.17 6, subdivision 3, is complete.

5.18 **Subd. 7. St. Paul; Planning and Economic**
5.19 **Development** **5,000,000**

5.20 (a) For a grant to the city of St. Paul
5.21 Department of Planning and Economic
5.22 Development to improve the livability,
5.23 economic health, and safety of communities
5.24 within the Capitol Area. The city of St. Paul
5.25 must consult with the Capitol Area
5.26 Architectural and Planning Board prior to the
5.27 expenditure of these funds.

5.28 (b) On or before October 1, 2025, the city of
5.29 St. Paul and the Capitol Area Architectural
5.30 and Planning Board must jointly report to the
5.31 speaker of the house, the majority leader of
5.32 the senate, the house minority leader, and the
5.33 senate minority leader on the expenditure of
5.34 the funds appropriated under this section.

5.35 **Sec. 4. METROPOLITAN COUNCIL** **\$ 6,000,000**

6.1 To the Metropolitan Council for a grant to the
6.2 Minneapolis Park and Recreation Board to
6.3 design, construct, and equip improvements to
6.4 North Commons Park in the city of
6.5 Minneapolis to implement elements of the
6.6 North Commons Improvement Project,
6.7 including the renovation of the community
6.8 building with indoor sports, gathering, and
6.9 arts spaces, sports fields, and renovation and
6.10 relocation of the water park. This
6.11 appropriation is in addition to the
6.12 appropriation in Laws 2020, Fifth Special
6.13 Session chapter 3, article 3, section 3.

6.14 Sec. 5. **MILITARY AFFAIRS** **\$** **3,000,000**

6.15 To the adjutant general to predesign and
6.16 design the construction of a new hangar to
6.17 hold aircraft at the Duluth International
6.18 Airport in support of the 148th Fighter Wing
6.19 of the Minnesota Air National Guard to
6.20 replace existing hangars.

6.21 Sec. 6. **HUMAN SERVICES** **\$** **2,500,000**

6.22 To the commissioner of administration for
6.23 asset preservation improvements and
6.24 betterments of a capital nature at Department
6.25 of Human Services facilities statewide, to be
6.26 spent in accordance with Minnesota Statutes,
6.27 section 16B.307. The commissioner of
6.28 administration may use this appropriation for
6.29 improvements and betterments of a capital
6.30 nature to be spent in accordance with
6.31 Minnesota Statutes, section 16B.307, at
6.32 facilities operated by the Department of Direct
6.33 Care and Treatment following the department's
6.34 separation from the Department of Human
6.35 Services.

7.1	Sec. 7. <u>VETERANS AFFAIRS</u>	<u>\$</u>	<u>2,000,000</u>
7.2	<u>To the commissioner of administration for</u>		
7.3	<u>asset preservation improvements and</u>		
7.4	<u>betterments of a capital nature at the veterans</u>		
7.5	<u>homes in Minneapolis, Hastings, Fergus Falls,</u>		
7.6	<u>Silver Bay, and Luverne, and the state veterans</u>		
7.7	<u>cemeteries at Little Falls, Preston, and Duluth,</u>		
7.8	<u>to be spent in accordance with Minnesota</u>		
7.9	<u>Statutes, section 16B.307.</u>		
7.10	Sec. 8. <u>CORRECTIONS</u>		
7.11	Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>12,600,000</u>
7.12	<u>To the commissioner of administration for the</u>		
7.13	<u>purposes specified in this section.</u>		
7.14	Subd. 2. <u>Asset Preservation</u>		<u>5,161,000</u>
7.15	<u>For asset preservation improvement and</u>		
7.16	<u>betterments of a capital nature at the</u>		
7.17	<u>Minnesota correctional facilities statewide to</u>		
7.18	<u>be spent in accordance with Minnesota</u>		
7.19	<u>Statutes, section 16B.307.</u>		
7.20	Subd. 3. <u>Minnesota Correctional Facility - Lino</u>		
7.21	<u>Lakes</u>		<u>7,439,000</u>
7.22	<u>To construct, renovate, furnish, and equip an</u>		
7.23	<u>existing building and complete associated site</u>		
7.24	<u>work at the Minnesota Correctional Facility -</u>		
7.25	<u>Lino Lakes to construct an incarcerated</u>		
7.26	<u>persons programming and support space. The</u>		
7.27	<u>renovation of the existing building includes</u>		
7.28	<u>but is not limited to the removal of hazardous</u>		
7.29	<u>materials, upgrades to comply with current</u>		
7.30	<u>codes, interior demolition, and the construction</u>		
7.31	<u>of spaces appropriate for programming</u>		
7.32	<u>functions. This appropriation is in addition to</u>		
7.33	<u>the appropriation for the same purpose in Laws</u>		

8.1 2023, chapter 72, article 1, section 20,
8.2 subdivision 3.

8.3 **Subd. 4. Unspent Appropriations**

8.4 The unspent portion of an appropriation for a
8.5 Department of Corrections project in this
8.6 section that is complete, upon written notice
8.7 to the commissioner of management and
8.8 budget, is available for asset preservation
8.9 under Minnesota Statutes, section 16B.307.
8.10 Minnesota Statutes, section 16A.642, applies
8.11 from the date of the original appropriation to
8.12 the unspent amount transferred.

8.13 **Sec. 9. EMPLOYMENT AND ECONOMIC**
8.14 **DEVELOPMENT**

8.15 **Subdivision 1. Total Appropriation**

\$ 19,000,000

8.16 To the commissioner of employment and
8.17 economic development for the purposes
8.18 specified in this section.

8.19 **Subd. 2. Public Skate Parks**

4,000,000

8.20 (a) For grants to cities, towns, counties, park
8.21 boards, and school districts to plan, predesign,
8.22 design, and construct public skate parks under
8.23 Minnesota Statutes, section 116J.9927.

8.24 (b) Five percent of this appropriation is to be
8.25 used to hire City of Skate, as the nonprofit
8.26 organization identified in Minnesota Statutes,
8.27 section 116J.9927, subdivision 2, paragraph

8.28 (c), for their expertise in public skate park
8.29 development to assist the commissioner in
8.30 community outreach and developing and
8.31 applying the criteria for awarding grants under
8.32 Minnesota Statutes, section 116J.9927, as the
8.33 community reviewer in the grant selection
8.34 process. This five percent counts toward the

9.1 ten percent the commission may use for
9.2 administrative purposes under Minnesota
9.3 Statutes, section 116J.9927, subdivision 2,
9.4 paragraph (c).

9.5 **Subd. 3. Hennepin County; Avivo Center** **5,000,000**

9.6 For a grant to Hennepin County for demolition
9.7 and site preparation at 1904 and 1906 Chicago
9.8 Avenue South in the city of Minneapolis in
9.9 preparation for construction and renovation
9.10 of one or more buildings on the Avivo
9.11 campus. This appropriation is in addition to
9.12 the appropriation under Laws 2020, Fifth
9.13 Special Session chapter 3, article 1, section
9.14 21, subdivision 23, for the Minneapolis
9.15 campus.

9.16 **Subd. 4. Capitol Mall** **1,000,000**

9.17 To the commissioner of employment and
9.18 economic development for a grant to the Saint
9.19 Paul and Minnesota Foundation for promotion,
9.20 fundraising, and other supporting efforts to
9.21 raise at least \$5,000,000 in nonstate funds
9.22 toward capital improvements consistent with
9.23 the Capitol Mall Design Framework update.
9.24 This grant shall be managed in compliance
9.25 with the grantmaking requirements in
9.26 Minnesota Statutes, sections 16B.97 to
9.27 16B.991.

9.28 **Subd. 5. Minneapolis; Foundation for Business**
9.29 **Support** **8,000,000**

9.30 For a grant to the city of Minneapolis to be
9.31 awarded to a foundation that supports business
9.32 advising, branding and marketing, and real
9.33 estate consulting to businesses located in
9.34 Minneapolis between 28th and 32nd Street
9.35 and between 30th Avenue South and Blaisdell

10.1 Avenue. The foundation must use this
10.2 appropriation for direct business support or
10.3 direct corridor support, including assistance
10.4 with marketing, place making, redevelopment,
10.5 real estate acquisition, and public relations
10.6 services. The foundation may subcontract with
10.7 other organizations to deliver these services.
10.8 This appropriation is available until June 30,
10.9 2028.

10.10 **Subd. 6. Youthprise** 1,000,000

10.11 For a grant to Youthprise to acquire property
10.12 for a multipurpose community facility in North
10.13 Minneapolis that will provide young adult
10.14 cooperative housing and space for community
10.15 programming, including early education,
10.16 workforce training, health care navigation,
10.17 nutrition and wellness, and recreational
10.18 activities.

10.19 **Sec. 10. PUBLIC FACILITIES AUTHORITY**

10.20 **Subdivision 1. Total Appropriation** \$ 17,700,000

10.21 To the Public Facilities Authority for the
10.22 purposes specified in this section.

10.23 **Subd. 2. First District Association; Wastewater**
10.24 **Industrial Pretreatment** 10,000,000

10.25 For a grant to the First District Association, a
10.26 dairy cooperative in the city of Litchfield, to
10.27 design, engineer, construct, equip, and furnish
10.28 a wastewater industrial pretreatment facility
10.29 in the city of Litchfield. This appropriation is
10.30 in addition to the appropriation under Laws
10.31 2023, chapter 71, article 1, section 15,
10.32 subdivision 7, and is for the same purpose.

10.33 **Subd. 3. Minneapolis; Water Distribution**
10.34 **Facility** 7,700,000

11.1 For a grant to the city of Minneapolis for
 11.2 predesign, design, engineering, environmental
 11.3 analysis, and construction of a water
 11.4 distribution facility to be located in Hennepin
 11.5 County or Anoka County. This appropriation
 11.6 and the appropriation in Laws 2023, chapter
 11.7 71, article 1, section 15, subdivision 11, is not
 11.8 available until the city sells real property
 11.9 located at 1860 28th Street East and 2717
 11.10 Longfellow Avenue in the city of Minneapolis
 11.11 and has notified the commissioner of
 11.12 management and budget that the sale is final.

11.13 **Sec. 11. MINNESOTA HISTORICAL**
 11.14 **SOCIETY**

\$ 1,000,000

11.15 To the Minnesota Historical Society for a grant
 11.16 to the Minnesota Transportation Museum to
 11.17 construct capital improvements to the
 11.18 Minnesota Transportation Museum including
 11.19 replacing the roof, stabilizing masonry,
 11.20 replacing the roundhouse doors, installing
 11.21 insulation, and making modifications for ADA
 11.22 compliance.

11.23 **Sec. 12. CITY OF MINNEAPOLIS; EMERALD ASH BORER FINANCIAL**
 11.24 **ASSISTANCE; APPROPRIATION.**

11.25 Subdivision 1. **Definitions.** For the purposes of this section, the following terms have
 11.26 the meanings given:

11.27 (1) "eligible costs" means costs incurred in 2020 or later for treating or removing a tree
 11.28 on owner-occupied residential property that has been required by state law or by municipal
 11.29 ordinance to be treated or removed due to infestation or possible infestation by the emerald
 11.30 ash borer, including but not limited to costs incurred by the city and assessed to a property
 11.31 owner;

11.32 (2) "eligible homeowner" means a homeowner who experienced eligible costs related
 11.33 to a tree on the homeowner's property in an eligible region, and whose income is below 200
 11.34 percent of the official federal poverty guideline;

12.1 (3) "eligible region" means a census block group in Minneapolis with a supplemental
12.2 demographic index score in the 70th percentile or higher within the state of Minnesota; and

12.3 (4) "supplemental demographic index" means an index in the Environmental Justice
12.4 Screening and Mapping Tool developed by the United States Environmental Protection
12.5 Agency that is based on socioeconomic indicators, including low income, unemployment,
12.6 less than high school education, limited English speaking, and low life expectancy.

12.7 Subd. 2. **Eligible uses; prioritization.** (a) The city of Minneapolis must use the full
12.8 amount of the aid under this section to pay eligible homeowners for their eligible costs.

12.9 (b) After receiving an application for a payment from an eligible homeowner, the city
12.10 must use funds received under this section to directly reduce the remaining balance of an
12.11 eligible homeowner's special assessment related to eligible costs. If the original balance of
12.12 the special assessment is greater than the remaining balance, the city must reimburse the
12.13 eligible homeowner for the difference.

12.14 (c) If the amount of funds available is insufficient to reimburse all eligible homeowners
12.15 for the full amount of their eligible costs, the city must prioritize reimbursing a subset of
12.16 eligible homeowners for the full amount of their eligible costs.

12.17 (d) After December 31, 2025, the city may use any remaining funds to reimburse other
12.18 eligible homeowners who incurred eligible costs but did not have a special assessment
12.19 applied to their properties.

12.20 (e) Notwithstanding paragraph (a), after June 30, 2026, the city may use any remaining
12.21 funds to offset the eligible costs of resident homeowners whose properties are not in an
12.22 eligible region, but who otherwise meet the definition of an eligible homeowner.

12.23 (f) The city must administer the funding under this section within existing city resources
12.24 and not with money appropriated in this section.

12.25 Subd. 3. **Outreach.** The city of Minneapolis must promote the availability of financial
12.26 assistance under this section in eligible regions. As part of its outreach efforts, the city
12.27 department administering the program under this section must consult with Hope Community,
12.28 Metro Blooms, Harrison Neighborhood Association, the Center for Urban and Regional
12.29 Affairs at the University of Minnesota, and the public health department of the city.

12.30 Subd. 4. **Reporting.** On July 1, 2025, and July 1, 2026, the city must report to the
12.31 commissioner of revenue on its use of money under this section. By income level and
12.32 neighborhood, the report must detail the number of eligible homeowners reimbursed and
12.33 the amount of money distributed.

13.1 Subd. 5. **Appropriation.** \$800,000 in fiscal year 2025 is appropriated from the general
13.2 fund to the commissioner of revenue for an aid to the city of Minneapolis. This is a onetime
13.3 appropriation. The aid must be paid on July 1, 2024. The aid under this section is not subject
13.4 to retention of administrative costs under Minnesota Statutes, section 16B.98, subdivision
13.5 14.

13.6 Sec. 13. **CANCELLATIONS.**

13.7 (a) The amounts of the general fund appropriations listed in the cancellation report
13.8 submitted to the legislature in January 2024, pursuant to Minnesota Statutes, section 16A.642,
13.9 are canceled on the effective date of this section. If an appropriation in this section is canceled
13.10 more than once, the cancellation must be given effect only once.

13.11 (b) The appropriation in Laws 2023, chapter 71, article 1, section 7, is canceled.

13.12 (c) The appropriation in Laws 2023, chapter 71, article 1, section 14, subdivision 81, is
13.13 canceled.

13.14 (d) Laws 2020, Fifth Special Session chapter 3, article 3, section 5, subdivision 7, is
13.15 canceled.

13.16 (e) The appropriation in Laws 2023, chapter 64, article 15, section 30, is canceled.

13.17 Sec. 14. **TRANSFER.**

13.18 On July 1, 2024, \$5,000,000 is transferred to the general fund from the capitol area
13.19 community vitality account in the special revenue fund established in Laws 2023, chapter
13.20 53, article 17, section 2.

13.21 Sec. 15. **APPROPRIATIONS GIVEN EFFECT ONCE.**

13.22 If an appropriation or transfer in this act is enacted more than once during the 2024
13.23 regular session, the appropriation or transfer must be given effect only once.

13.24 Sec. 16. **REPEALER.**

13.25 (a) Minnesota Statutes 2022, section 240A.20, subdivisions 2, 4, and 5, are repealed.

13.26 (b) Minnesota Statutes 2023 Supplement, section 240A.20, subdivisions 1, 3, 6, and 7,
13.27 are repealed.

13.28 (c) Laws 2023, chapter 53, article 17, section 2, is repealed.

13.29 (d) Minnesota Statutes 2022, section 16A.662, is repealed.

14.1 (e) Minnesota Statutes 2022, section 116J.417, subdivision 9, is repealed.

14.2 **EFFECTIVE DATE.** Paragraph (c) is effective July 2, 2024. Paragraph (d) is effective
14.3 the day following final enactment. Paragraph (e) is effective retroactively from June 2, 2023.

14.4 Sec. 17. **EFFECTIVE DATE.**

14.5 Except as otherwise provided, this article is effective the day following final enactment.

14.6 **ARTICLE 2**

14.7 **MISCELLANEOUS**

14.8 Section 1. Minnesota Statutes 2023 Supplement, section 10A.01, subdivision 30, is
14.9 amended to read:

14.10 Subd. 30. **Political party unit or party unit.** "Political party unit" or "party unit" means:

14.11 (1) the state committee; or

14.12 (2) the party organization of the largest and second-largest member caucuses within a
14.13 house of the legislature; ~~or.~~

14.14 In addition to clauses (1) and (2), "political party unit" or "party unit" also includes any
14.15 other party organization designated by the chair of the political party in an annual certification
14.16 of party units provided to the board.

14.17 Sec. 2. Minnesota Statutes 2022, section 16A.86, subdivision 3a, is amended to read:

14.18 Subd. 3a. **Information provided.** All requests for state assistance under this section
14.19 must include the following information:

14.20 (1) the name of the political subdivision that will own the capital project for which state
14.21 assistance is being requested;

14.22 (2) the public purpose of the project;

14.23 (3) the extent to which the political subdivision has or expects to provide local, private,
14.24 user financing, or other nonstate funding for the project;

14.25 (4) a list of the bondable activities that the project encompasses; examples of bondable
14.26 activities are public improvements of a capital nature for land acquisition, predesign, design,
14.27 construction, and furnishing and equipping for occupancy;

14.28 (5) whether the project will require new or additional state operating subsidies;

15.1 (6) whether the governing body of the political subdivision requesting the project has
15.2 passed a resolution in support of the project and has established priorities for all projects
15.3 within its jurisdiction for which bonding appropriations are requested when submitting
15.4 multiple requests;

15.5 (7) if the project requires a predesign under section 16B.335, whether the predesign has
15.6 been completed at the time the capital project request is submitted, and whether the political
15.7 subdivision has submitted the project predesign to the commissioner of administration for
15.8 review and approval; ~~and~~

15.9 (8) the debt capacity of the political subdivision, calculated as the difference between
15.10 the maximum net debt that the political subdivision may incur under chapter 475 or other
15.11 applicable law and the debt the political subdivision has outstanding as of the date of the
15.12 submission of information under this subdivision;

15.13 (9) whether the political subdivision has a capital improvement plan process that meets
15.14 the criteria for exemption under section 16B.336, subdivision 5, paragraph (b); and

15.15 ~~(8)~~ (10) if applicable, the information required under section 473.4485, subdivision 1a.

15.16 Sec. 3. Minnesota Statutes 2022, section 16A.86, subdivision 4, is amended to read:

15.17 Subd. 4. **Funding.** (a) The state share of a project covered by this section and any capital
15.18 project grant to a nonprofit organization subject to section 16A.642 must be no more than
15.19 half the total cost of the project, including predesign, design, construction, furnishings, and
15.20 equipment, except as provided in paragraph (b) or (c). This subdivision does not apply to
15.21 a project proposed by a school district or other school organization. The state share of a
15.22 project includes any manner of state assistance other than loans, including but not limited
15.23 to a direct appropriation, a grant awarded through a grant program administered by a state
15.24 entity, or a combination of state assistance appropriated and granted by multiple state entities.
15.25 The nonstate share of a project may be funded by federal, local, private, or other funds, or
15.26 a combination thereof, from nonstate sources.

15.27 (b) The state share may be more than half the total cost of a project if the project is
15.28 deemed needed as a result of a disaster or to prevent a disaster or is located in a political
15.29 subdivision with a very low average net tax capacity. Nothing in this subdivision affects
15.30 another state program of assistance to political subdivisions that is authorized to fund more
15.31 than half of a project's cost.

15.32 (c) Nothing in this section prevents the governor from recommending, or the legislature
15.33 from considering or funding, projects that do not meet the deadline in subdivision 2 or a

16.1 state share that is greater than half the total cost of the project when the governor or the
16.2 legislature determines that there is a compelling reason for the recommendation or funding.

16.3 **Sec. 4. [16A.865] NOTICE OF STATE CONTRIBUTION.**

16.4 **Subdivision 1. Notice required.** When practicable, a recipient of a grant of state bond
16.5 proceeds for a capital project or a direct recipient of an appropriation from any state funds
16.6 for a capital project must prominently display a notice on the property stating that the project
16.7 was funded with state taxes collected statewide. This section does not apply to projects
16.8 funded through a state asset preservation program, including section 16A.632, 16B.307,
16.9 84.946, or 135A.046.

16.10 **Subd. 2. Content of notice.** The notice must display the logo provided by the
16.11 commissioner under subdivision 5, and identify the project as "funded with a grant of state
16.12 money from taxes collected statewide." The notice may include a brief name for the project
16.13 and may specify the proportion of the funding from state money compared to money from
16.14 nonstate sources. The notice may include logos, seals, or marks of other contributors to the
16.15 cost of the project.

16.16 **Subd. 3. Water infrastructure project.** For a drinking water or wastewater infrastructure
16.17 project, the notice required under this section must be included on city utility billing
16.18 statements in all formats that the city provides billing statements to customers.

16.19 **Subd. 4. Performance venues.** For performance venue projects, the notice must be
16.20 included in programs and on the venue's website where performances are advertised, in
16.21 addition to on a sign posted at the venue.

16.22 **Subd. 5. Logo.** The commissioner must develop a logo for use on signs required under
16.23 subdivision 1.

16.24 **Subd. 6. Sign templates.** The commissioner must post on its website downloadable,
16.25 print-ready PDF files of sign templates that meet the requirements of subdivision 1.

16.26 **EFFECTIVE DATE.** This section is effective the day following final enactment and
16.27 applies to projects receiving a grant from an appropriation enacted after January 1, 2024.

16.28 **Sec. 5. [16B.308] ACCESSIBILITY ACCOUNT.**

16.29 **Subdivision 1. Establishment.** An accessibility account is established in the state bond
16.30 proceeds fund to receive state bond proceeds appropriated to the commissioner of
16.31 administration to be expended for the purpose and in accordance with the standards and
16.32 criteria in this section.

17.1 Subd. 2. **Standards.** (a) An expenditure may be made from the account only when it is
17.2 a capital expenditure on a capital asset owned by the state, within the meaning of accepted
17.3 accounting principles as applied to public expenditures. The commissioner of administration
17.4 must consult with the commissioner of management and budget to the extent necessary to
17.5 ensure that an expenditure meets the criteria of the Minnesota Constitution, article XI,
17.6 section 5, clause (a).

17.7 (b) An expenditure may be made from the account to predesign, design, construct,
17.8 renovate, furnish, and equip accessibility improvements on state-owned property. For
17.9 purposes of this section, "state-owned property" does not include property controlled or
17.10 managed by the University of Minnesota.

17.11 (c) Categories of projects considered likely to be most needed and appropriate for
17.12 financing are:

17.13 (1) removal of architectural barriers from a building or site; and

17.14 (2) improvements to meet state and federal requirements for accessibility for people
17.15 with disabilities.

17.16 Subd. 3. **Applications; project selection.** (a) The commissioner of administration must:

17.17 (1) provide instructions to state agencies to apply for funding of capital expenditures
17.18 from the accessibility account;

17.19 (2) review applications for funding;

17.20 (3) make initial allocations among eligible projects;

17.21 (4) determine priorities for funding in collaboration with the Minnesota Council on
17.22 Disability; and

17.23 (5) allocate money in priority order until the available appropriation has been committed.

17.24 Subd. 4. **Report.** On or before January 15 annually the commissioner of administration
17.25 must submit to the commissioner of management and budget and the chairs and ranking
17.26 minority members of the committees in the senate and the house of representatives with
17.27 jurisdiction over capital investment a list of the projects that were funded with money from
17.28 the accessibility account during the preceding calendar year, as well as a list of priority
17.29 projects for which accessibility appropriations will be requested in that year's legislative
17.30 session.

18.1 Sec. 6. Minnesota Statutes 2022, section 16B.325, as amended by Laws 2023, chapter 60,
18.2 article 12, section 2, is amended to read:

18.3 **16B.325 SUSTAINABLE BUILDING GUIDELINES.**

18.4 Subdivision 1. ~~Development of Sustainable building guidelines.~~ The Department of
18.5 Administration and the Department of Commerce, with the assistance of other agencies,
18.6 shall develop and maintain sustainable building design guidelines for all new state buildings
18.7 ~~by January 15, 2003, and for all major renovations of state buildings by February 1, 2009.~~
18.8 ~~The primary objectives of these guidelines are to ensure that all new state buildings, and~~
18.9 ~~major renovations of state buildings, initially exceed the state energy code, as established~~
18.10 ~~in Minnesota Rules, chapter 7676, by at least 30 percent.~~

18.11 Subd. 1a. Definitions. (a) For the purposes of this section, the following terms have the
18.12 meanings given.

18.13 (b) "CSBR" means the Center for Sustainable Building Research at the University of
18.14 Minnesota.

18.15 (c) "Guidelines" means the sustainable building design guidelines developed under this
18.16 section.

18.17 (d) "Major renovation" means a project that:

18.18 (1) has a renovated conditioned area that is at least 10,000 square feet; and

18.19 (2) includes, at a minimum, the replacement of the mechanical, ventilation, or cooling
18.20 system of a building or a section of a building, whether or not the building is served by an
18.21 adjacent building or district system impacted by the scope of the project.

18.22 (e) "New building" means a newly constructed structure and additions to existing
18.23 buildings that include spaces that meet the following criteria:

18.24 (1) the space is conditioned, whether or not its source of energy is from an adjacent
18.25 building or district system; and

18.26 (2) the project size is at least 10,000 gross square feet of conditioned space.

18.27 (f) "Project" means major renovation of a building or construction of a new building
18.28 that meets the requirements under this section.

18.29 ~~Subd. 2. Lowest possible cost; energy conservation.~~ The guidelines must:

18.30 ~~(1) focus on achieving the lowest possible lifetime cost, considering both construction~~
18.31 ~~and operating costs, for new buildings and major renovations;~~

19.1 ~~(2) allow for revisions that encourage continual energy conservation improvements in~~
19.2 ~~new buildings and major renovations;~~

19.3 ~~(3) define "major renovations" for purposes of this section to encompass not less than~~
19.4 ~~10,000 square feet or not less than the replacement of the mechanical, ventilation, or cooling~~
19.5 ~~system of a building or a building section;~~

19.6 ~~(4) establish sustainability guidelines that include air quality and lighting standards and~~
19.7 ~~that create and maintain a healthy environment and facilitate productivity improvements;~~

19.8 ~~(5) establish resiliency guidelines to encourage design that allows buildings to adapt to~~
19.9 ~~and accommodate projected climate-related changes that are reflected in both acute events~~
19.10 ~~and chronic trends, including but not limited to changes in temperature and precipitation~~
19.11 ~~levels;~~

19.12 ~~(6) specify ways to reduce material costs; and~~

19.13 ~~(7) consider the long-term operating costs of the building, including the use of renewable~~
19.14 ~~energy sources and distributed electric energy generation that uses a renewable source or~~
19.15 ~~natural gas or a fuel that is as clean or cleaner than natural gas.~~

19.16 Subd. 2a. **Guidelines; purpose.** (a) The primary objectives of the guidelines are to:

19.17 (1) reduce greenhouse gas emissions across the project's life cycle by promoting the
19.18 design and operation of energy-efficient buildings and the development of renewable energy
19.19 sources;

19.20 (2) provide high-quality indoor environmental conditions to promote occupant health,
19.21 well-being, comfort, and productivity;

19.22 (3) develop processes that ensure that projects are designed and operating as intended
19.23 and that project impact can be measured;

19.24 (4) reduce water use and impacts on water resources;

19.25 (5) restore soil and water quality, enhance biodiversity, and provide sites supportive of
19.26 native species;

19.27 (6) reduce the embodied environmental impact of building materials; and

19.28 (7) encourage design that allows building resilience to adapt to and accommodate
19.29 projected changes that are reflected in both acute events and chronic trends, including but
19.30 not limited to climate-related changes to temperature and precipitation levels.

20.1 (b) In establishing the guidelines, the commissioners of administration and commerce
20.2 must consider the following to meet the objectives in paragraph (a):

20.3 (1) the health and well-being of occupants;

20.4 (2) material impacts and sustainability;

20.5 (3) construction and operating costs;

20.6 (4) the use of renewable energy sources;

20.7 (5) diversion of waste from landfills;

20.8 (6) the impact of climate change;

20.9 (7) biodiversity and ecological impacts;

20.10 (8) resilience and adaptability; and

20.11 (9) any other factors the commissioner deems relevant.

20.12 Subd. 3. ~~**Development of guidelines; Applicability.** In developing the guidelines, the~~
20.13 ~~departments shall use an open process, including providing the opportunity for public~~
20.14 ~~comment. Compliance with the guidelines established under this section are is mandatory~~
20.15 ~~for all new buildings and for all major renovations receiving funding an appropriation or a~~
20.16 ~~grant from an appropriation from the bond proceeds fund after January 1, 2004, and for all~~
20.17 ~~major renovations receiving funding from the bond proceeds fund after January 1, 2009.~~

20.18 Subd. 4. **Commissioner of administration; guideline administration, oversight, and**
20.19 **revisions.** The commissioners of administration and commerce shall review the guidelines
20.20 periodically and as soon as practicable revise the guidelines to incorporate performance
20.21 standards developed under section 216B.241, subdivision 9. (a) The commissioner of
20.22 administration must review and amend the guidelines periodically to better meet the goals
20.23 under subdivision 6. Each guideline section must be reviewed and updated no less than once
20.24 every five years. The review must be conducted with the commissioner of commerce and
20.25 in consultation with other stakeholders. The commissioner of administration and the
20.26 commissioner of commerce must use an open process, including providing the opportunity
20.27 for public comment, when reviewing and amending the guidelines.

20.28 (b) The commissioner of administration is responsible for the following:

20.29 (1) making applicability determinations on which projects are required by state law to
20.30 follow the guidelines upon receipt of an applicability determination request from a project;

20.31 (2) approving or denying waiver requests for specific guidelines;

21.1 (3) approving or denying applicability requests for specific guidelines;

21.2 (4) updating the legislature regarding program outcomes;

21.3 (5) coordinating with the commissioner of commerce on the energy and atmosphere
21.4 guidelines, including coordination with the Sustainable Building 2030 Energy Standards
21.5 under section 216B.241, subdivision 9; and

21.6 (6) contracting with CSBR for assistance with the items in this subdivision and
21.7 subdivisions 5 to 9.

21.8 Subd. 5. CSBR; guideline administration and oversight. (a) The commissioner of
21.9 administration, in consultation with the commissioner of commerce, shall contract with
21.10 CSBR to implement the guidelines. At a minimum, CSBR must:

21.11 (1) maintain and update the guidelines in coordination with the commissioner of
21.12 administration and the commissioner of commerce;

21.13 (2) offer training on an annual basis to state agencies, project team members, and other
21.14 entities involved in the design of projects subject to the guidelines on how projects may
21.15 meet the guideline requirements;

21.16 (3) develop procedures for compliance with the guidelines, in accordance with the criteria
21.17 under subdivision 7;

21.18 (4) periodically conduct post-construction performance evaluations on projects to evaluate
21.19 the effectiveness of the guidelines in meeting the goals under subdivision 6;

21.20 (5) determine compliance of project designs with the guidelines;

21.21 (6) administer a tracking system for all projects subject to the guidelines and for projects
21.22 that received state funding for predesign or design that may seek further state funding for
21.23 additional project phases subject to the guidelines;

21.24 (7) develop and track measurable goals for the guidelines in accordance with subdivision
21.25 6;

21.26 (8) offer outreach, training, and technical assistance to state agencies, project team
21.27 members, and other entities with responsibility for managing, designing, and overseeing
21.28 projects subject to the guidelines;

21.29 (9) evaluate waiver requests and determinations on project scope and make
21.30 recommendations to the commissioner of administration;

22.1 (10) provide a report on or before December 1 annually to the commissioner of
22.2 administration on the following:

22.3 (i) the current compliance status of all projects subject to the guidelines;

22.4 (ii) an analysis of the effects of the guidelines on the goals under subdivision 6; and

22.5 (iii) waivers approved for projects, including both waivers from all of the guidelines
22.6 and waivers of individual guidelines; and

22.7 (11) perform any other duties required by the commissioner of administration to
22.8 administer the guidelines.

22.9 (b) State agencies, project team members, and other entities that are responsible for
22.10 managing or designing projects subject to the guidelines must provide any compliance data
22.11 requested by CSBR and the commissioner of administration that CSBR and the commissioner
22.12 deem necessary to fulfill the duties described under this subdivision.

22.13 Subd. 6. **Measurable goals.** CSBR, in collaboration with the commissioner of
22.14 administration and the commissioner of commerce, must develop measurable goals for the
22.15 guidelines based on the objectives and considerations described in subdivision 2a. The
22.16 commissioner of administration must provide final approval of the goals under this
22.17 subdivision.

22.18 Subd. 7. **Procedures.** The commissioner of administration must develop procedures for
22.19 the administration of the guidelines. The commissioner of administration may delegate
22.20 guideline administration responsibilities to state agencies. The procedures under this
22.21 subdivision must specify the administrative activities for which state agencies are responsible.
22.22 The procedures must include:

22.23 (1) criteria to identify whether a project is subject to the guidelines;

22.24 (2) information on project team member roles and guideline administration requirements
22.25 for each role;

22.26 (3) a process to notify projects subject to the guidelines of the guideline requirements;

22.27 (4) a guideline-related data submission process; and

22.28 (5) activities and a timeline to monitor project compliance with the guidelines.

22.29 Subd. 8. **Guidelines waivers and scope determination.** (a) The commissioner of
22.30 administration, in consultation with the commissioner of commerce and other stakeholders,
22.31 must develop a process for reviewing and approving waivers and scope determinations to
22.32 the guidelines.

23.1 (b) A waiver may apply to all of the guidelines or individual guidelines and may identify
23.2 an alternative path of meeting the intent of the guidelines.

23.3 (c) A waiver under this subdivision is only permitted due to technological limitations
23.4 or when the intended use of the project conflicts with the guidelines.

23.5 (d) A waiver request for a project owned by a state agency must be reviewed and
23.6 approved by the commissioner of administration. If the waiver request is for a project owned
23.7 by the Department of Administration, the waiver request must be approved by the
23.8 commissioner of commerce.

23.9 Subd. 9. **Report.** The commissioner of administration must report to the chairs and
23.10 ranking minority members of the house of representatives and senate committees with
23.11 jurisdiction over capital investment and climate and energy by February 1 of each
23.12 odd-numbered year. The report must include:

23.13 (1) information on the current status of all projects subject to the guidelines from the
23.14 previous five years and the projects' compliance with the guidelines;

23.15 (2) an analysis of the effects of the guidelines on the measurable goals under subdivision
23.16 6;

23.17 (3) progress made toward the recommendations in the report required under Laws 2023,
23.18 chapter 71, article 1, section 6, subdivision 4; and

23.19 (4) any other information the commissioner of administration deems relevant.

23.20 **EFFECTIVE DATE.** This section is effective July 1, 2024.

23.21 Sec. 7. Minnesota Statutes 2022, section 16B.335, subdivision 4, is amended to read:

23.22 Subd. 4. **Sustainable buildings; energy conservation.** A recipient to whom a direct
23.23 appropriation is made for a capital improvement project shall ensure that the project complies
23.24 with the applicable sustainable building guidelines and energy conservation standards
23.25 contained in law, including sections 16B.325 and 216C.19 to 216C.20, and rules adopted
23.26 thereunder. The recipient may obtain information and technical assistance from the
23.27 commissioner of administration on the sustainable building guidelines and the State Energy
23.28 Office in the Department of Commerce on energy conservation and alternative energy
23.29 development relating to the planning and construction of the capital improvement project.

23.30 **EFFECTIVE DATE.** This section is effective July 1, 2024.

24.1 Sec. 8. 16B.336 CAPITAL PROJECT PRESERVATION FUNDS.

24.2 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
24.3 the meanings given.

24.4 (b) "Adjusted net tax capacity" means, as of any date, the net tax capacity of all taxable
24.5 property most recently determined by the commissioner of revenue in accordance with
24.6 section 273.1325.

24.7 (c) "Adjusted net tax capacity per capita" means a political subdivision's adjusted net
24.8 tax capacity divided by the political subdivision's population.

24.9 (d) "Capital project grant agreement" means a grant agreement for a capital project
24.10 subject to section 16A.642, 16A.695, or 16A.86, and funded in whole or in part by an
24.11 appropriation of state money.

24.12 (e) "Commissioner" means the commissioner of administration.

24.13 (f) "Grantee" means a recipient of a grant for a capital project subject to section 16A.642,
24.14 16A.695, or 16A.86 from an appropriation that names the grantee. Grantee does not include
24.15 a state agency, state official, the Board of Regents of the University of Minnesota, or the
24.16 Board of Trustees of the Minnesota State Colleges and Universities.

24.17 (g) "Population" has the meaning in section 477A.011, subdivision 3.

24.18 (h) "Preservation" means improvements and betterments of a capital nature consistent
24.19 with those described in section 16B.307, subdivision 1, paragraph (d).

24.20 Subd. 2. Preservation fund establishment. (a) A grantee must establish a capital project
24.21 preservation fund for major rehabilitation, expansion, replacement, or preservation of the
24.22 capital project once the project has reached its useful life, or another use as permitted under
24.23 this section. Money must remain in the fund for the useful life of the capital project, as
24.24 determined by the grant agreement with the granting state agency, unless use of the fund is
24.25 approved in writing by the granting state agency for major rehabilitation, expansion,
24.26 replacement, or preservation of the capital project funded with state money, or to address
24.27 a capital project for a different capital asset owned by the grantee.

24.28 (b) A grantee must adopt a capital project preservation policy that specifies the following
24.29 for the capital project preservation fund:

24.30 (1) the risks to be mitigated or managed by the preservation fund;

25.1 (2) the intended use of the preservation fund, including but not limited to how the
25.2 preservation fund is used for major rehabilitation, expansion, replacement, or preservation
25.3 of the capital project; and

25.4 (3) criteria for the use of the preservation fund to address other capital improvement
25.5 needs of the grantee, including safety and security, maintenance and utility costs, availability
25.6 of repair parts and materials, sustainability, and any other criteria the grantee deems relevant.

25.7 Subd. 3. **Minimum deposits; preservation fund balance.** (a) The commissioner must
25.8 determine the annual minimum deposit amounts into capital project preservation funds by
25.9 capital project type. The commissioner must consider depreciation, construction cost inflation,
25.10 the useful life of the capital project, and other relevant factors when determining the minimum
25.11 deposit amounts.

25.12 (b) A grantee must not be required to maintain a capital project preservation fund balance
25.13 greater than the amount of the grant for the capital project.

25.14 Subd. 4. **Preservation fund auditing.** The state auditor may audit capital project
25.15 preservation funds as part of the regular audits of local governments.

25.16 Subd. 5. **Exceptions.** (a) Capital projects that already require a preservation fund under
25.17 any other law, rule, or ordinance, are exempt from the requirements under this section, so
25.18 long as the deposits into the preservation fund are at least as large as the minimum deposits
25.19 established by the commissioner under subdivision 3. A capital project subject to and
25.20 compliant with the system replacement fund requirement under section 446A.072, subdivision
25.21 12, is exempt from the requirements of this section.

25.22 (b) This section does not apply to a grantee that assesses the condition and replacement
25.23 value of its capital assets and future capital projects, including those subject to section
25.24 16A.642, 16A.695, or 16A.86, through an annual capital improvement plan process and
25.25 publishes an annual capital improvement plan document that forecasts at least ten years of
25.26 known capital projects for use in budget forecasting to enhance long-term financial stability.

25.27 (c) This section does not apply to a political subdivision grantee that, in the year the
25.28 capital project grant agreement is entered into, has an adjusted net tax capacity per capita
25.29 that is less than the median adjusted net tax capacity per capita of all political subdivisions
25.30 that are the same type of political subdivision as the grantee.

25.31 (d) The commissioner shall publish guidance on the Department of Administration's
25.32 website to be used by a grantee to determine whether the grantee qualifies for an exception
25.33 under this subdivision.

26.1 Subd. 6. **Penalty.** Failure of a grantee to comply with the requirements of this section
26.2 shall result in the granting state agency assessing a penalty fee to the grantee equal to one
26.3 percent of the grant of state money for the capital project for each year of noncompliance.
26.4 Penalty fees shall be remitted by the granting state agency to the commissioner of
26.5 management and budget for deposit in the general fund. Failure of a grantee to comply with
26.6 the requirements of this section shall not constitute an event of default under a capital project
26.7 grant agreement.

26.8 Subd. 7. **Enforcement.** A granting state agency is responsible for enforcement of this
26.9 section for each capital project grant agreement to which this section applies and the granting
26.10 state agency is a party.

26.11 **EFFECTIVE DATE.** This section is effective for capital projects funded through state
26.12 capital project grant agreements entered into on or after July 1, 2024.

26.13 Sec. 9. **[16B.851] STATE BUILDING RENEWABLE ENERGY; STORAGE;**
26.14 **ELECTRIC VEHICLE ACCOUNT.**

26.15 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
26.16 the meanings given.

26.17 (b) "Energy storage" means the predesign, design, acquisition, construction, or installation
26.18 of technology that stores and delivers electric or thermal energy.

26.19 (c) "EVSE" means electric vehicle service equipment, including charging equipment
26.20 and associated infrastructure and site upgrades.

26.21 (d) "Renewable energy" has the meaning given in section 216B.2422, subdivision 1,
26.22 paragraph (c), and the same sources in thermal energy.

26.23 (e) "Renewable energy improvement" means the predesign, design, acquisition,
26.24 construction, or installation of a renewable energy production system or energy storage
26.25 equipment or system and associated infrastructure and facilities that are designed to result
26.26 in a demand-side net reduction in energy use by the state building's electrical, heating,
26.27 ventilating, air-conditioning, and hot water systems.

26.28 (f) "State agency" has the meaning given in section 13.02, subdivision 17, or designated
26.29 definition given in section 15.01 and includes the Office of Higher Education, Housing
26.30 Finance Agency, Pollution Control Agency, Metropolitan Council, and Bureau of Mediation
26.31 Services. State agency includes the agencies, boards, commissions, committees, councils,
26.32 and authorities designated in section 15.012.

27.1 (g) "State building" means a building or facility owned by the state of Minnesota.

27.2 Subd. 2. **Account established.** A state building renewable energy, storage, and electric
27.3 vehicle account is established in the special revenue fund to provide funds to state agencies
27.4 to:

27.5 (1) design, construct, and equip renewable energy improvement and renewable energy
27.6 storage projects at state buildings;

27.7 (2) purchase state fleet electric vehicles in accordance with section 16C.135;

27.8 (3) purchase and install EVSE and related infrastructure; and

27.9 (4) carry out management projects by the commissioner.

27.10 Subd. 3. **Account management.** The commissioner shall manage and administer the
27.11 state building renewable energy, storage, and electric vehicle account.

27.12 Subd. 4. **Accepting funds.** (a) The commissioner shall make an application to the federal
27.13 government on behalf of the state of Minnesota for all state projects eligible for elective
27.14 payments under sections 6417 and 6418 of the Internal Revenue Code, as added by Public
27.15 Law 117-169, 136 Statute 1818, the Inflation Reduction Act of 2022.

27.16 (b) The commissioner may apply for, receive, and expend money made available from
27.17 federal, state, or other sources for the purposes of carrying out the duties in this section.

27.18 (c) Notwithstanding section 16A.72, all funds received under this subdivision are
27.19 deposited into the state building renewable energy, storage, and electric vehicle account
27.20 and appropriated to the commissioner for the purposes of subdivision 2 and as permitted
27.21 under this section.

27.22 (d) Money in the state building renewable energy, storage, and electric vehicle account
27.23 does not cancel and is available until expended.

27.24 Subd. 5. **Applications.** A state agency applying for state building renewable energy,
27.25 storage, EVSE, and electric fleet vehicle funds must submit an application to the
27.26 commissioner on a form, in the manner, and at the time prescribed by the commissioner.

27.27 Subd. 6. **Treatment of certain payments received from federal government.** (a)
27.28 Federal payments received for eligible renewable energy improvement and storage projects
27.29 and EVSE projects made with appropriations from general obligation bonds may be
27.30 transferred to the state bond fund if consistent with federal treasury regulations.

28.1 (b) Federal payments received for eligible electric fleet vehicle purchases by the
28.2 Department of Administration's fleet division must be transferred to the motor pool revolving
28.3 account established in section 16B.54, subdivision 8.

28.4 (c) Federal payments received for eligible electric fleet vehicle purchases made directly
28.5 by a state agency shall be transferred to the fund from which the purchase was made.

28.6 (d) When obligated to fulfill financing agreements, federal payments received for eligible
28.7 renewable energy improvements shall be transferred to the appropriate agency.

28.8 Subd. 7. **Expiration.** This section expires June 30, 2040.

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

28.10 Sec. 10. Minnesota Statutes 2022, section 16B.97, subdivision 1, is amended to read:

28.11 Subdivision 1. **Grant agreement.** (a) A grant agreement is a written instrument or
28.12 electronic document defining a legal relationship between a granting agency and a grantee
28.13 when the principal purpose of the relationship is to transfer cash or something of value to
28.14 the recipient to support a public purpose authorized by law instead of acquiring by
28.15 professional or technical contract, purchase, lease, or barter property or services for the
28.16 direct benefit or use of the granting agency.

28.17 (b) This section does not apply to general obligation grants as defined by section 16A.695
28.18 ~~and~~, capital project grants to political subdivisions as defined by section 16A.86, or capital
28.19 project grants otherwise subject to section 16A.642.

28.20 Sec. 11. Minnesota Statutes 2022, section 16B.98, subdivision 1, is amended to read:

28.21 Subdivision 1. **Limitation.** (a) As a condition of receiving a grant from an appropriation
28.22 of state funds, the recipient of the grant must agree to minimize administrative costs. The
28.23 granting agency is responsible for negotiating appropriate limits to these costs so that the
28.24 state derives the optimum benefit for grant funding.

28.25 (b) This section does not apply to general obligation grants as defined by section 16A.695
28.26 ~~and also~~, capital project grants to political subdivisions as defined by section 16A.86, or
28.27 capital project grants otherwise subject to section 16A.642.

28.28 Sec. 12. **[84.705] COMMUNITY TREE-PLANTING GRANTS.**

28.29 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
28.30 the meanings given them.

29.1 (b) "Shade tree" means a woody perennial grown primarily for aesthetic or environmental
29.2 purposes with minimal to residual timber value.

29.3 (c) "Supplemental demographic index" means an index in the Environmental Justice
29.4 Screening and Mapping Tool developed by the United States Environmental Protection
29.5 Agency that is based on socioeconomic indicators, including low income, unemployment,
29.6 less than high school education, limited English speaking, and low life expectancy.

29.7 Subd. 2. **Grants.** (a) The commissioner must establish a grant program to provide grants
29.8 to cities, counties, townships, Tribal governments, park and recreation boards in cities of
29.9 the first class, and owners of private property for the following purposes:

29.10 (1) removing and planting shade trees on public or Tribal land to provide environmental
29.11 benefits;

29.12 (2) replacing trees lost to forest pests, disease, or storms; and

29.13 (3) establishing a more diverse community forest better able to withstand disease and
29.14 forest pests.

29.15 (b) Any tree planted with money granted under this section must be a climate-adapted
29.16 species to Minnesota.

29.17 Subd. 3. **Priority.** (a) Priority for grants awarded under this section must be given to:

29.18 (1) projects removing and replacing ash trees that pose significant public safety concerns;
29.19 and

29.20 (2) projects located in a census block group with a supplemental demographic index
29.21 score in the 70th percentile or higher within the state of Minnesota.

29.22 (b) The commissioner may not prioritize projects based on criteria other than the criteria
29.23 established under paragraph (a).

29.24 Subd. 4. **Eligible projects.** (a) The proceeds of state general obligation bonds may only
29.25 be expended for grants to cities, counties, townships, and park and recreation boards in
29.26 cities of the first class.

29.27 (b) Appropriations from the general fund may be expended for grants to Tribal
29.28 governments, cities, counties, townships, park and recreation boards in cities of the first
29.29 class, and owners of private property.

30.1 Sec. 13. [116J.9927] PROMOTING CONSTRUCTION AND RENOVATION OF
30.2 PUBLIC SKATE PARKS THROUGHOUT THE STATE.

30.3 Subdivision 1. Definitions. For purposes of this section:

30.4 (1) "skate" or "skate sports" means wheeled nonmotorized recreation, including
30.5 skateboarding, roller blading, roller skating, and BMX biking; and

30.6 (2) "nonprofit organization" means a tax-exempt organization under section 501(c)(3)
30.7 of the Internal Revenue Code.

30.8 Subd. 2. Grants. (a) The commissioner must use money appropriated for this purpose
30.9 to make grants to political subdivisions to construct or renovate public skate parks throughout
30.10 the state. The grants must be made to political subdivisions for projects selected by the
30.11 commissioner, in consultation with a nonprofit organization with expertise in public skate
30.12 park development, for an amount determined by the commissioner. Grants may be for the
30.13 full cost of the project or may supplement local funding as necessary to complete funding
30.14 for a project.

30.15 (b) The commissioner must consult with a nonprofit organization with expertise in public
30.16 skate park development in the development of application materials and in the review of
30.17 applications submitted for funding.

30.18 (c) The commissioner may use up to ten percent of any money appropriated for this
30.19 section from the general fund for administrative purposes, including costs to enter into a
30.20 contract with a selected nonprofit organization.

30.21 Subd. 3. Application process. The commissioner must facilitate a process for soliciting
30.22 applications for grants from political subdivisions and share the completed applications
30.23 with the nonprofit organization with which it is consulting.

30.24 Subd. 4. Grant selection process. (a) The commissioner, in consultation with the
30.25 nonprofit organization, shall use the following criteria in selecting projects for funding:

30.26 (1) the demonstrated interest of the community in a skate park project, including the
30.27 commitment of local government money and private donations for the project;

30.28 (2) the accessibility of the proposed site to an arterial highway, transit, or pedestrian or
30.29 bike path;

30.30 (3) equitable geographic dispersion to maximize potential for full utilization;

30.31 (4) commitment to accommodate noncompetitive family and community skating for all
30.32 ages and to encourage use of skate parks by a diverse population; and

31.1 (5) whether the project is requested by more than one local government unit.

31.2 (b) The commissioner, with consultation from the nonprofit organization, must give
31.3 priority to applicants that propose projects designed by experts in the field of concrete skate
31.4 park design and are to be constructed by professionals with experience in the construction
31.5 of concrete skate parks.

31.6 Subd. 5. Skate park requirements. To be eligible for a grant under this section, a skate
31.7 park must be:

31.8 (1) accessible to the public without charge for personal use;

31.9 (2) constructed of concrete; and

31.10 (3) developed and programmed with input from youth during the planning, design, and
31.11 programming for the skate park.

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

31.13 Sec. 14. Minnesota Statutes 2022, section 193.143, as amended by Laws 2024, chapter
31.14 100, section 8, is amended to read:

31.15 **193.143 STATE ARMORY BUILDING COMMISSION, POWERS.**

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

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

31.29 (2) To exercise the power of eminent domain in the manner provided by chapter 117,
31.30 for the purpose of acquiring any property which such corporation is herein authorized to
31.31 acquire by condemnation; provided, that the corporation may take possession of any such
31.32 property so to be acquired at any time after the filing of the petition describing the same in

32.1 condemnation proceedings; provided further, that this shall not preclude the corporation
32.2 from abandoning the condemnation of any such property in any case where possession
32.3 thereof has not been taken.

32.4 (3) To construct and equip new armories as authorized herein; to pay therefor out of the
32.5 funds obtained as hereinafter provided and to hold, manage, and dispose of such armory,
32.6 equipment, and site as hereinafter provided. The total amount of bonds issued on account
32.7 of such armories shall not exceed the amount of the cost thereof; provided also, that the
32.8 total bonded indebtedness of the commission shall not at any time exceed the aggregate
32.9 sum of ~~\$15,000,000~~ \$45,000,000.

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

32.12 (5) To sue and be sued.

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

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

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

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

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

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

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

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

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

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

33.14 (12) Such corporation shall issue no stock.

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

33.18 (14) The Minnesota State Armory Building Commission created under section 193.142
33.19 shall keep all money and credits received by it as a single fund, to be designated as the
33.20 "Minnesota State Armory Building Commission fund," with separate accounts for each
33.21 armory; and the commission may make transfers of money from funds appertaining to any
33.22 armory under its control for use for any other such armory; provided such transfers shall
33.23 be made only from money on hand, from time to time, in excess of the amounts required
33.24 to meet payments of interest or principal on bonds or other obligations appertaining to the
33.25 armory to which such funds pertain and only when necessary to pay expenses of construction,
33.26 operation, maintenance, debt service, and other obligations reasonable and necessary, of
33.27 such other armory; provided further, no such transfer of any money paid for the support of
33.28 any armory by the municipality in which such armory is situated shall be made by the
33.29 commission.

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

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

34.3 (16) The governor is empowered to apply for grants of money, equipment, and materials
34.4 which may be made available to the states by the federal government for leasing, building,
34.5 and equipping armories for the use of the military forces of the state which are reserve
34.6 components of the armed forces of the United States, whenever the governor is satisfied
34.7 that the conditions under which such grants are offered by the federal government, are for
34.8 the best interests of the state and are not inconsistent with the laws of the state relating to
34.9 armories, and to accept such grants in the name of the state. The Minnesota State Armory
34.10 Building Commission is designated as the agency of the state to receive such grants and to
34.11 use them for armory purposes as prescribed in this chapter, and by federal laws, and
34.12 regulations not inconsistent therewith.

34.13 Sec. 15. Minnesota Statutes 2023 Supplement, section 256E.37, subdivision 1, is amended
34.14 to read:

34.15 Subdivision 1. **Grant authority.** The commissioner may make grants to state agencies
34.16 ~~and~~, political subdivisions, nonprofit organizations, Indian Tribal governments, or private
34.17 child care providers licensed as a child care center or to provide in-home family child care
34.18 to construct or rehabilitate facilities for early childhood programs, crisis nurseries, or
34.19 parenting time centers. The following requirements apply:

34.20 (1) For grants funded with general obligation bonds, the facilities must be owned by the
34.21 state or a political subdivision, but may be leased under section 16A.695 to organizations
34.22 that operate the programs. The commissioner must prescribe the terms and conditions of
34.23 the leases.

34.24 (2) For grants funded with general fund appropriations, the facilities may be owned by
34.25 a political subdivision, nonprofit organization, Tribal government, or private child care
34.26 provider licensed as a child care center or to provide in-home family child care.

34.27 ~~(2)~~ (3) A grant for an individual facility must not exceed \$500,000 for each program
34.28 that is housed in the facility, up to a maximum of \$2,000,000 for a facility that houses three
34.29 programs or more. Programs include Head Start, School Readiness, Early Childhood Family
34.30 Education, licensed child care, and other early childhood intervention programs.

34.31 ~~(3)~~ (4) State appropriations must be matched on a ~~50~~ 25 percent basis with nonstate
34.32 funds. The matching requirement must apply program wide and not to individual grants.

35.1 Sec. 16. Minnesota Statutes 2022, section 446A.07, subdivision 8, is amended to read:

35.2 Subd. 8. **Other uses of revolving fund.** (a) The clean water revolving fund may be used
35.3 as provided in title VI of the Federal Water Pollution Control Act, including the following
35.4 uses:

35.5 (1) to buy or refinance the debt obligation of governmental units for treatment works
35.6 where debt was incurred and construction begun after March 7, 1985, at or below market
35.7 rates;

35.8 (2) to guarantee or purchase insurance for local obligations to improve credit market
35.9 access or reduce interest rates;

35.10 (3) to provide a source of revenue or security for the payment of principal and interest
35.11 on revenue or general obligation bonds issued by the authority if the bond proceeds are
35.12 deposited in the fund;

35.13 (4) to provide loan guarantees, loans, or set-aside for similar revolving funds established
35.14 by a governmental unit other than state agencies, or state agencies under sections 17.117,
35.15 103F.725, subdivision 1a, and 116J.617;

35.16 (5) to earn interest on fund accounts; and

35.17 (6) to pay the reasonable costs incurred by the authority and the Pollution Control Agency
35.18 of administering the fund and conducting activities required under the Federal Water Pollution
35.19 Control Act, including water quality management planning under section 205(j) of the act
35.20 and water quality standards continuing planning under section 303(e) of the act;

35.21 (b) The clean water revolving fund may be used to provide additional subsidization as
35.22 permitted under the Federal Water Pollution Control Act and other federal law based on
35.23 affordability criteria and for projects that address specific needs as follows:

35.24 ~~(7)~~ (1) to provide principal forgiveness or grants ~~to the extent permitted under the Federal~~
35.25 ~~Water Pollution Control Act and other federal law,~~ based on the affordability criteria and
35.26 requirements established for the ~~wastewater~~ water infrastructure funding program under
35.27 section 446A.072; ~~and~~

35.28 ~~(8)~~ (2) to provide loans, principal forgiveness, or grants ~~to the extent permitted under~~
35.29 ~~the Federal Water Pollution Control Act and other federal law~~ for 25 percent of project costs
35.30 up to a maximum of \$1,000,000 for projects to address green infrastructure, water or energy
35.31 efficiency improvements, or other environmentally innovative activities; and

36.1 (3) to provide principal forgiveness or grants for 50 percent of project costs up to a
36.2 maximum of \$3,000,000 for projects that address emerging contaminants as defined by the
36.3 United States Environmental Protection Agency.

36.4 ~~(b) Amounts spent under paragraph (a), clause (6), may not exceed the amount allowed~~
36.5 ~~under the Federal Water Pollution Control Act.~~

36.6 ~~(c) Principal forgiveness or grants provided under paragraph (a), clause (8), may not~~
36.7 ~~exceed 25 percent of the eligible project costs as determined by the Pollution Control Agency~~
36.8 ~~for project components directly related to green infrastructure, water or energy efficiency~~
36.9 ~~improvements, or other environmentally innovative activities, up to a maximum of~~
36.10 ~~\$1,000,000.~~

36.11 Sec. 17. Minnesota Statutes 2022, section 446A.072, subdivision 5a, is amended to read:

36.12 Subd. 5a. **Type and amount of assistance.** (a) For a governmental unit receiving grant
36.13 funding from the USDA/RECD, the authority may provide assistance in the form of a grant
36.14 of up to 65 percent of the eligible grant need determined by USDA/RECD. A governmental
36.15 unit may not receive a grant under this paragraph for more than ~~\$5,000,000~~ \$10,000,000
36.16 per project or \$20,000 per existing connection, whichever is less, unless specifically approved
36.17 by law.

36.18 (b) For a governmental unit receiving a loan from the clean water revolving fund under
36.19 section 446A.07, the authority may provide assistance under this section in the form of a
36.20 grant if the average annual residential wastewater system cost after completion of the project
36.21 would otherwise exceed 1.4 percent of the median household income of the project service
36.22 area. In determining whether the average annual residential wastewater system cost would
36.23 exceed 1.4 percent, the authority must consider the total costs associated with building,
36.24 operating, and maintaining the wastewater system, including existing wastewater debt
36.25 service, debt service on the eligible project cost, and operation and maintenance costs. Debt
36.26 service costs for the proposed project are calculated based on the maximum loan term
36.27 permitted for the clean water revolving fund loan under section 446A.07, subdivision 7.
36.28 The amount of the grant is equal to 80 percent of the amount needed to reduce the average
36.29 annual residential wastewater system cost to 1.4 percent of median household income in
36.30 the project service area, to a maximum of ~~\$5,000,000~~ \$10,000,000 per project or \$20,000
36.31 per existing connection, whichever is less, unless specifically approved by law. The eligible
36.32 project cost is determined by multiplying the total project costs minus any other grants by
36.33 the essential project component percentage calculated under subdivision 3, paragraph (c),

37.1 clause (1). In no case may the amount of the grant exceed 80 percent of the eligible project
37.2 cost.

37.3 (c) For a governmental unit receiving a loan from the drinking water revolving fund
37.4 under section 446A.081, the authority may provide assistance under this section in the form
37.5 of a grant if the average annual residential drinking water system cost after completion of
37.6 the project would otherwise exceed 1.2 percent of the median household income of the
37.7 project service area. In determining whether the average annual residential drinking water
37.8 system cost would exceed 1.2 percent, the authority must consider the total costs associated
37.9 with building, operating, and maintaining the drinking water system, including existing
37.10 drinking water debt service, debt service on the eligible project cost, and operation and
37.11 maintenance costs. Debt service costs for the proposed project are calculated based on the
37.12 maximum loan term permitted for the drinking water revolving fund loan under section
37.13 446A.081, subdivision 8, paragraph (c). The amount of the grant is equal to 80 percent of
37.14 the amount needed to reduce the average annual residential drinking water system cost to
37.15 1.2 percent of median household income in the project service area, to a maximum of
37.16 ~~\$5,000,000~~ \$10,000,000 per project or \$20,000 per existing connection, whichever is less,
37.17 unless specifically approved by law. The eligible project cost is determined by multiplying
37.18 the total project costs minus any other grants by the essential project component percentage
37.19 calculated under subdivision 3, paragraph (c), clause (1). In no case may the amount of the
37.20 grant exceed 80 percent of the eligible project cost.

37.21 (d) Notwithstanding the limits in paragraphs (a), (b), and (c), for a governmental unit
37.22 receiving supplemental assistance under this section after January 1, 2002, if the authority
37.23 determines that the governmental unit's construction and installation costs are significantly
37.24 increased due to geological conditions of crystalline bedrock or karst areas and discharge
37.25 limits that are more stringent than secondary treatment, the maximum award under this
37.26 section shall not be more than \$25,000 per existing connection.

37.27 Sec. 18. Minnesota Statutes 2022, section 446A.073, subdivision 1, is amended to read:

37.28 Subdivision 1. **Program established.** When money is appropriated for grants under this
37.29 program, the authority shall award grants up to a maximum of ~~\$7,000,000~~ \$12,000,000 to
37.30 governmental units to cover 80 percent of the cost of water infrastructure projects made
37.31 necessary by:

37.32 (1) a wasteload reduction prescribed under a total maximum daily load plan required by
37.33 section 303(d) of the federal Clean Water Act, United States Code, title 33, section 1313(d);

38.1 (2) a phosphorus concentration or mass limit which requires discharging one milligram
38.2 per liter or less at permitted design flow which is incorporated into a permit issued by the
38.3 Pollution Control Agency;

38.4 (3) any other water quality-based effluent limit established under section 115.03,
38.5 subdivision 1, paragraph (e), clause (8), and incorporated into a permit issued by the Pollution
38.6 Control Agency that exceeds secondary treatment limits; or

38.7 (4) a total nitrogen concentration or mass limit that requires discharging ten milligrams
38.8 per liter or less at permitted design flow.

38.9 Sec. 19. Minnesota Statutes 2023 Supplement, section 446A.081, subdivision 9, is amended
38.10 to read:

38.11 Subd. 9. **Other uses of fund.** (a) The drinking water revolving loan fund may be used
38.12 as provided in the act, including the following uses:

38.13 (1) to buy or refinance the debt obligations, at or below market rates, of public water
38.14 systems for drinking water systems, where the debt was incurred after the date of enactment
38.15 of the act, for the purposes of construction of the necessary improvements to comply with
38.16 the national primary drinking water regulations under the federal Safe Drinking Water Act;

38.17 (2) to purchase or guarantee insurance for local obligations to improve credit market
38.18 access or reduce interest rates;

38.19 (3) to provide a source of revenue or security for the payment of principal and interest
38.20 on revenue or general obligation bonds issued by the authority if the bond proceeds are
38.21 deposited in the fund;

38.22 (4) to provide loans or loan guarantees for similar revolving funds established by a
38.23 governmental unit or state agency;

38.24 (5) to earn interest on fund accounts;

38.25 (6) to pay the reasonable costs incurred by the authority, the Department of Employment
38.26 and Economic Development, and the Department of Health for conducting activities as
38.27 authorized and required under the act up to the limits authorized under the act; and

38.28 (7) to develop and administer programs for water system supervision, source water
38.29 protection, and related programs required under the act; and

38.30 (b) The drinking water revolving fund may be used to provide additional subsidization
38.31 as permitted under the federal Safe Drinking Water Act and other federal law to
38.32 disadvantaged communities defined as follows:

39.1 ~~(8)~~ (1) to provide principal forgiveness or grants ~~to the extent permitted under the federal~~
39.2 ~~Safe Drinking Water Act and other federal law~~, based on the affordability criteria and
39.3 requirements established for drinking water projects under the water infrastructure funding
39.4 program under section 446A.072;

39.5 ~~(9) to provide loans, principal forgiveness or grants to the extent permitted under the~~
39.6 ~~federal Safe Drinking Water Act and other federal law to address green infrastructure, water~~
39.7 ~~or energy efficiency improvements, or other environmentally innovative activities;~~

39.8 ~~(10)~~ (2) to provide principal forgiveness, or grants for 80 percent of project costs up to
39.9 a maximum of \$100,000 for projects needed to comply with national primary drinking water
39.10 standards for an existing nonmunicipal community public water system;

39.11 ~~(11)~~ (3) to provide principal forgiveness or grants to the extent permitted under the
39.12 federal Safe Drinking Water Act and other federal laws for projects to replace the privately
39.13 owned portion of drinking water lead service lines; ~~and~~

39.14 ~~(12)~~ (4) to provide principal forgiveness or grants to the extent permitted under the
39.15 federal Safe Drinking Water Act and other federal laws for 50 percent of project costs up
39.16 to a maximum of \$3,000,000 for projects to address emerging contaminants in drinking
39.17 water as defined by the United States Environmental Protection Agency; and

39.18 (5) to provide principal forgiveness or grants for 50 percent of project costs up to a
39.19 maximum of \$3,000,000 for projects needed to comply with a maximum contaminant level
39.20 as defined by the federal Safe Drinking Water Act.

39.21 ~~(b) Principal forgiveness or grants provided under paragraph (a), clause (9), may not~~
39.22 ~~exceed 25 percent of the eligible project costs as determined by the Department of Health~~
39.23 ~~for project components directly related to green infrastructure, water or energy efficiency~~
39.24 ~~improvements, or other environmentally innovative activities, up to a maximum of~~
39.25 ~~\$1,000,000.~~

39.26 Sec. 20. [446A.082] EMERGING CONTAMINANTS GRANTS.

39.27 Subdivision 1. Definition. For the purposes of this section, "supplemental demographic
39.28 index" means an index in the Environmental Justice Screening and Mapping Tool developed
39.29 by the United States Environmental Protection Agency that is based on socioeconomic
39.30 indicators, including low income, unemployment, less than high school education, limited
39.31 English speaking, and low life expectancy.

39.32 Subd. 2. Program established. When money is appropriated under this program, the
39.33 authority shall award grants to a governmental unit for up to 80 percent of the cost of drinking

40.1 water infrastructure projects to address a confirmed exceedance of a health advisory level
40.2 for a drinking water emerging contaminant as defined by the Environmental Protection
40.3 Agency.

40.4 Subd. 3. **Eligibility.** An eligible project for this program must:

40.5 (1) be listed on the Drinking Water Revolving Fund Project Priority List per Minnesota
40.6 Rules, part 4720.9015;

40.7 (2) receive priority points under Minnesota Rules, part 4720.9020, subpart 4a; and

40.8 (3) be certified by the commissioner of health per Minnesota Rules, part 4720.9060.

40.9 Subd. 4. **Application and reservation of funds.** (a) Grant applications to the authority
40.10 may be made at any time on forms prescribed by the authority, including a project schedule
40.11 and cost estimate for the work necessary to comply with the purpose described in subdivision
40.12 2.

40.13 (b) The commissioner of health shall review and certify to the authority those projects
40.14 that have plans and specifications approved under Minnesota Rules, part 4720.9060. The
40.15 commissioner of health must also indicate in the certification the supplemental demographic
40.16 index scores of the projects.

40.17 (c) When a project is certified by the commissioner of health, the authority shall first
40.18 reserve grant funds for projects located in a census block group with a supplemental
40.19 demographic index score in the 70th percentile or higher within the state of Minnesota. Any
40.20 remaining funds shall be reserved for projects in the order listed on the commissioner of
40.21 health's project priority list and in an amount based on the cost estimate in the commissioner
40.22 of health certification or the as-bid costs, whichever is less.

40.23 Subd. 5. **Grant amount.** The grant amount for an eligible project under this program
40.24 shall be for an amount up to 80 percent of the eligible as-bid project cost up to \$12,000,000,
40.25 minus the amount of federal emerging contaminant funds the project receives under section
40.26 446A.081, subdivision 9, paragraph (a), clause (12), or other federal emerging contaminant
40.27 funds.

40.28 Subd. 6. **Grant approval.** The authority shall award a grant for an eligible project only
40.29 after:

40.30 (1) the applicant has submitted the as-bid project cost;

40.31 (2) the commissioner of health has certified the grant eligible portion of the project; and

41.1 (3) the authority has determined that the additional financing necessary to complete the
41.2 project has been committed from other sources.

41.3 Subd. 7. **Grant disbursement.** Grant funds shall be disbursed by the authority as eligible
41.4 project costs are incurred by the governmental unit and in accordance with a project financing
41.5 agreement and applicable state laws and rules governing the disbursements.

41.6 Subd. 8. **Recovering expenses.** Money granted to a grantee under this program may be
41.7 recovered in a civil action brought by the attorney general against any person who may be
41.8 liable under section 115B.04 or any other law. To be eligible for recovery, the expenses
41.9 must be reasonable and necessary expenses, including all response costs, and administrative
41.10 and legal expenses. The authority, Department of Health, and Pollution Control Agency's
41.11 certification of expenses shall be prima facie evidence that the expenses are reasonable and
41.12 necessary. Any money recovered in a civil action for a project financed with bonds under
41.13 this section shall be transferred to the commissioner of management and budget for deposit
41.14 in the state bond proceeds fund and applied toward principal interest on outstanding bonds.

41.15 Sec. 21. Minnesota Statutes 2023 Supplement, section 462A.395, is amended to read:

41.16 **462A.395 GREATER MINNESOTA HOUSING INFRASTRUCTURE GRANT**
41.17 **PROGRAM.**

41.18 Subdivision 1. **Grant program established.** The commissioner of the Minnesota Housing
41.19 Finance Agency may make grants to counties and cities to provide up to 50 percent of the
41.20 capital costs of public infrastructure necessary for an eligible workforce housing development
41.21 project. The commissioner may make a grant award only after determining that nonstate
41.22 resources are committed to complete the project. The nonstate contribution may be cash,
41.23 other committed grant funds, or in kind. In-kind contributions may include the value of the
41.24 site, whether the site is prepared before or after the law appropriating money for the grant
41.25 is enacted.

41.26 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the
41.27 meanings given.

41.28 (b) "City" means a statutory or home rule charter city located outside the metropolitan
41.29 area, as defined in section 473.121, subdivision 2.

41.30 (c) "Housing infrastructure" means publicly owned physical infrastructure necessary to
41.31 support housing development projects, including but not limited to sewers, water supply
41.32 systems, utility extensions, streets, wastewater treatment systems, stormwater management
41.33 systems, and facilities for pretreatment of wastewater to remove phosphorus.

42.1 Subd. 3. **Eligible projects.** Housing projects eligible for a grant under this section may
42.2 be (1) a single-family or multifamily housing development, and either owner-occupied or
42.3 rental-; or (2) a manufactured home development qualifying for homestead treatment under
42.4 section 273.124, subdivision 3a.

42.5 Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for
42.6 soliciting and reviewing applications for grants under this section. At a minimum, a city or
42.7 county must include in its application a resolution of the county board or city council
42.8 certifying that the required nonstate match is available. The commissioner must evaluate
42.9 complete applications for funding for eligible projects to determine that:

42.10 (1) the project is necessary to increase sites available for housing development that will
42.11 provide adequate housing stock for the current or future workforce; and

42.12 (2) the increase in workforce housing will result in substantial public and private capital
42.13 investment in the county or city in which the project would be located.

42.14 (b) The determination of whether to make a grant for a site is within the discretion of
42.15 the commissioner, subject to this section. The commissioner's decisions and application of
42.16 the criteria are not subject to judicial review, except for abuse of discretion.

42.17 Subd. 5. **Maximum grant amount.** A county or city may receive no more than \$30,000
42.18 \$40,000 per lot for single-family, duplex, triplex, or fourplex housing developed, no more
42.19 than \$60,000 per manufactured housing lot, and no more than \$180,000 per lot for
42.20 multifamily housing with more than four units per building. A county or city may receive
42.21 no more than \$500,000 in two years for one or more housing developments. The \$500,000
42.22 limitation does not apply to use on manufactured housing developments.

42.23 Sec. 22. **[473.355] COMMUNITY TREE-PLANTING GRANTS.**

42.24 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
42.25 the meanings given them.

42.26 (b) "Metropolitan area" has the meaning given under section 473.121, subdivision 2.

42.27 (c) "Shade tree" means a woody perennial grown primarily for aesthetic or environmental
42.28 purposes with minimal to residual timber value.

42.29 (d) "Supplemental demographic index" means an index in the Environmental Justice
42.30 Screening and Mapping Tool developed by the United States Environmental Protection
42.31 Agency that is based on socioeconomic indicators, including low income, unemployment,
42.32 less than high school education, limited English speaking, and low life expectancy.

43.1 Subd. 2. **Grants.** (a) The Metropolitan Council must establish a grant program to provide
43.2 grants to cities, counties, townships, Tribal governments, owners of private property in the
43.3 metropolitan area, and implementing agencies for the following purposes:

43.4 (1) removing and planting shade trees on public or Tribal land to provide environmental
43.5 benefits;

43.6 (2) replacing trees lost to forest pests, disease, or storms; and

43.7 (3) establishing a more diverse community forest better able to withstand disease and
43.8 forest pests.

43.9 (b) Any tree planted with money granted under this section must be a climate-adapted
43.10 species to Minnesota.

43.11 Subd. 3. **Priority.** (a) Priority for grants awarded under this section must be given to:

43.12 (1) projects removing and replacing ash trees that pose significant public safety concerns;
43.13 and

43.14 (2) projects located in a census block group with a supplemental demographic index
43.15 score in the 70th percentile or higher within the state of Minnesota.

43.16 (b) The Metropolitan Council may not prioritize projects based on criteria other than
43.17 the criteria established under paragraph (a).

43.18 Subd. 4. **Eligible projects.** (a) The proceeds of state general obligation bonds may only
43.19 be expended for grants to cities, counties, townships, and implementing agencies.

43.20 (b) Appropriations from the general fund may be expended for grants to Tribal
43.21 governments, cities, counties, townships, owners of private property in the metropolitan
43.22 area, and implementing agencies.

43.23 Sec. 23. Minnesota Statutes 2023 Supplement, section 473.5491, subdivision 1, is amended
43.24 to read:

43.25 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
43.26 the meanings given.

43.27 (b) "~~Affordability criteria~~" means an inflow and infiltration project service area that is
43.28 located, in whole or in part, in a census tract where at least three of the following apply as
43.29 determined using the most recently published data from the United States Census Bureau
43.30 or United States Centers for Disease Control and Prevention:

43.31 (1) ~~20 percent or more of the residents have income below the federal poverty thresholds;~~

44.1 ~~(2) the tract has a United States Centers for Disease Control and Prevention Social~~
44.2 ~~Vulnerability Index greater than 0.80;~~

44.3 ~~(3) the upper limit of the lowest quintile of household income is less than the state upper~~
44.4 ~~limit of the lowest quintile;~~

44.5 ~~(4) the housing vacancy rate is greater than the state average; or~~

44.6 ~~(5) the percent of the population receiving Supplemental Nutrition Assistance Program~~
44.7 ~~(SNAP) benefits is greater than the state average.~~

44.8 ~~(e)~~ (b) "City" means a statutory or home rule charter city located within the metropolitan
44.9 area.

44.10 (c) "Supplemental demographic index" means an index in the Environmental Justice
44.11 Screening and Mapping Tool developed by the United States Environmental Protection
44.12 Agency that is based on socioeconomic indicators, including low income, unemployment,
44.13 less than high school education, limited English speaking, and low life expectancy.

44.14 Sec. 24. Minnesota Statutes 2023 Supplement, section 473.5491, subdivision 2, is amended
44.15 to read:

44.16 Subd. 2. **Grants.** (a) The council shall make grants to cities for capital improvements
44.17 in municipal wastewater collection systems to reduce the amount of inflow and infiltration
44.18 to the council's metropolitan sanitary sewer disposal system.

44.19 (b) A grant under this section may be made in an amount up to 50 percent of the cost to
44.20 mitigate inflow and infiltration in the publicly owned municipal wastewater collection
44.21 system. The council may award a grant up to 100 percent of the cost to mitigate inflow and
44.22 infiltration in the publicly owned municipal wastewater collection system if the project
44.23 ~~meets affordability criteria~~ is located in a census block group with a supplemental
44.24 demographic index score in the 70th percentile or higher within the state of Minnesota.

44.25 Sec. 25. Minnesota Statutes 2023 Supplement, section 473.5491, subdivision 4, is amended
44.26 to read:

44.27 Subd. 4. **Application.** The council must award grants based on applications from cities
44.28 that identify eligible capital costs and include a timeline for inflow and infiltration mitigation
44.29 construction, pursuant to guidelines established by the council. The council must prioritize
44.30 applications ~~that meet affordability criteria~~ for projects located in a census block group with
44.31 a supplemental demographic index score in the 70th percentile or higher within the state of
44.32 Minnesota.

45.1 Sec. 26. Laws 2020, Fifth Special Session chapter 3, article 3, section 3, is amended to
45.2 read:

45.3 Sec. 3. **METROPOLITAN COUNCIL** 5,125,000

45.4 To the Metropolitan Council for a grant to the
45.5 Minneapolis Park and Recreation Board to
45.6 predesign, design, construct, renovate, furnish,
45.7 and equip the first phase of the North
45.8 Commons Improvement Project, focused on
45.9 the creation of the field house component of
45.10 a new recreation center building and the first
45.11 phase of other community-oriented activity
45.12 and meeting spaces conceptualized for the
45.13 building. This appropriation for the first phase
45.14 must not be used for a sports dome, and this
45.15 appropriation is not available if any money,
45.16 including privately raised funds, is used to
45.17 construct a sports dome. Notwithstanding
45.18 Minnesota Statutes, section 16A.642, this
45.19 appropriation is available until December 31,
45.20 2026.

45.21 Sec. 27. Laws 2023, chapter 71, article 1, section 3, subdivision 4, is amended to read:

45.22 Subd. 4. **Hennepin County; ~~Anaerobic Digester~~**
45.23 **Reuse and Recycling Recovery** 26,000,000

45.24 For a grant to Hennepin County to acquire
45.25 land for, predesign, design, construct, furnish,
45.26 and equip a ~~new anaerobic digestion~~ reuse and
45.27 recycling recovery facility in the city of
45.28 Brooklyn Park. This project includes the
45.29 demolition of the Hennepin County Sheriff's
45.30 facility at the site to make room for the reuse
45.31 and recycling facility.

45.32 ~~This appropriation is not available until~~
45.33 ~~Hennepin County submits a plan for the~~
45.34 ~~cessation of operations at the Hennepin Energy~~

46.1 ~~Recovery Center to the chairs and ranking~~
46.2 ~~minority members of the legislative~~
46.3 ~~committees with primary jurisdiction over~~
46.4 ~~capital investment and environment and~~
46.5 ~~natural resources.~~

46.6 Sec. 28. Laws 2023, chapter 71, article 1, section 6, subdivision 4, is amended to read:

46.7 **Subd. 4. Sustainable Building Guidelines;**
46.8 **Recommendations and Report** 304,000

46.9 To develop recommendations for updating
46.10 goals, measuring project performance in
46.11 meeting the goals, applicability, compliance,
46.12 waivers, outreach, and administration of the
46.13 sustainable building guidelines under
46.14 Minnesota Statutes, section 16B.325, in
46.15 collaboration with the commissioner of
46.16 commerce and the Center for Sustainable
46.17 Building Research at the University of
46.18 Minnesota. The commissioner of
46.19 administration may contract with the
46.20 commissioner of commerce and the Center
46.21 for Sustainable Building Research at the
46.22 University of Minnesota for assistance in
46.23 developing the recommendations, including
46.24 obtaining input from public owners, nonprofit
46.25 owners, design professionals, and other
46.26 stakeholders. The commissioner of
46.27 administration must provide a report of
46.28 findings and recommendations to the chairs
46.29 and ranking minority members of the
46.30 legislative committees with jurisdiction over
46.31 capital investment, energy finance and policy,
46.32 and environment finance and policy on or
46.33 before October 15, 2023. Upon completion of
46.34 development of the recommendations, any

47.1 remaining funds may be utilized to begin
47.2 implementation of the recommendations.

47.3 Sec. 29. Laws 2023, chapter 71, article 1, section 14, subdivision 21, is amended to read:

47.4 Subd. 21. **Inver Grove Heights; Heritage Village**
47.5 **Park** 2,000,000

47.6 For a grant to the city of Inver Grove Heights
47.7 to ~~pre~~design, design, construct, furnish, and
47.8 equip an inclusive accessible play ~~structure~~
47.9 structures for children and to ~~pre~~design,
47.10 design, construct, furnish, and equip ~~accessible~~
47.11 ~~restrooms, water fountains, and a fixed-shade~~
47.12 ~~structure~~ structures, at Heritage Village Park.

47.13 Sec. 30. Laws 2023, chapter 71, article 1, section 15, subdivision 4, is amended to read:

47.14 Subd. 4. **Braham; Clean Water Infrastructure** 10,227,000

47.15 For a grant to the city of Braham to design,
47.16 engineer, permit, and construct publicly owned
47.17 infrastructure in conjunction with upgrades to
47.18 the wastewater treatment plant and
47.19 improvements to the collection system, and
47.20 clean drinking water infrastructure including
47.21 water main replacement in various locations
47.22 ~~and water well replacement.~~

47.23 Sec. 31. **CAPITOL MALL DESIGN FRAMEWORK UPDATE; MATCHING FUNDS.**

47.24 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
47.25 the meanings given.

47.26 (b) "Capitol Mall Design Framework update" means the Capitol Mall Design Framework
47.27 update required by Laws 2023, chapter 62, article 2, section 124.

47.28 (c) "Nonstate funds" means money secured from private sources, including individuals
47.29 and businesses, toward the Capitol Mall Design Framework update.

48.1 Subd. 2. Capitol Mall Design Framework; use of nonstate funds. (a) Nonstate funds
48.2 must be used to predesign, design, construct, furnish, and equip improvements and
48.3 betterments of a capital nature consistent with the Capitol Mall Design Framework update.

48.4 (b) The commissioner of administration shall coordinate the expenditure of nonstate
48.5 funds toward the Capitol Mall Design Framework update improvements. Any unspent
48.6 nonstate funds may be used by the commissioner of administration for improvements and
48.7 betterments of a capital nature consistent with the Capitol Mall Design Framework update.

48.8 **Sec. 32. CAPITOL MALL DESIGN FRAMEWORK IMPLEMENTATION.**

48.9 Notwithstanding Laws 2023, chapter 62, article 1, section 11, subdivision 2, the
48.10 appropriation to implement the updated Capitol Mall Design Framework is available until
48.11 June 30, 2025.

48.12 **Sec. 33. DIRECTION TO THE COMMISSIONER OF EDUCATION;**
48.13 **ALLOCATION OF CAPITAL PROJECTS FUND.**

48.14 Of the portion of Minnesota's federally funded capital project fund allocation designated
48.15 for multipurpose community facilities, the commissioner of education must allocate 80
48.16 percent to capital projects within the seven-county metropolitan area and 20 percent to
48.17 capital projects outside of the seven-county metropolitan area.

48.18 **Sec. 34. EFFECTIVE DATE.**

48.19 Except as otherwise provided, this article is effective the day following final enactment.

48.20 **ARTICLE 3**
48.21 **MINERALS TAXES**

48.22 Section 1. Minnesota Statutes 2022, section 123B.53, subdivision 1, is amended to read:

48.23 Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible debt service
48.24 revenue of a district is defined as follows:

48.25 (1) the amount needed to produce between five and six percent in excess of the amount
48.26 needed to meet when due the principal and interest payments on the obligations of the district
48.27 for eligible projects according to subdivision 2, excluding the amounts listed in paragraph
48.28 (b), minus

48.29 (2) the amount of debt service excess levy reduction for that school year calculated
48.30 according to the procedure established by the commissioner.

49.1 (b) The obligations in this paragraph are excluded from eligible debt service revenue:

49.2 (1) obligations under section 123B.61;

49.3 (2) the part of debt service principal and interest paid from the taconite environmental
49.4 protection fund or Douglas J. Johnson economic protection trust, excluding the portion of
49.5 taconite payments from the Iron Range ~~school consolidation and cooperatively operated~~
49.6 ~~school~~ schools and community development account under section 298.28, subdivision 7a;

49.7 (3) obligations for long-term facilities maintenance under section 123B.595;

49.8 (4) obligations under section 123B.62; and

49.9 (5) obligations equalized under section 123B.535.

49.10 (c) For purposes of this section, if a preexisting school district reorganized under sections
49.11 123A.35 to 123A.43, 123A.46, and 123A.48 is solely responsible for retirement of the
49.12 preexisting district's bonded indebtedness or capital loans, debt service equalization aid
49.13 must be computed separately for each of the preexisting districts.

49.14 (d) For purposes of this section, the adjusted net tax capacity determined according to
49.15 sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property
49.16 generally exempted from ad valorem taxes under section 272.02, subdivision 64.

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

49.18 Sec. 2. Minnesota Statutes 2022, section 273.135, subdivision 2, is amended to read:

49.19 Subd. 2. **Reduction amount.** The amount of the reduction authorized by subdivision 1
49.20 shall be:

49.21 (a) In the case of property located within a municipality as defined under section 273.134,
49.22 paragraph (a), 66 percent of the tax, provided that the reduction shall not exceed the
49.23 maximum amounts specified in paragraph (c).

49.24 (b) In the case of property located within the boundaries of a school district which
49.25 qualifies as a tax relief area under section 273.134, paragraph (b), but which is outside the
49.26 boundaries of a municipality which meets the qualifications prescribed in section 273.134,
49.27 paragraph (a), 57 percent of the tax, provided that the reduction shall not exceed the
49.28 maximum amounts specified in paragraph (c).

49.29 (c) The maximum reduction of the tax is ~~\$315.10~~ \$515 on property described in paragraph
49.30 (a) and ~~\$289.80 on property described in~~ paragraph (b).

50.1 **EFFECTIVE DATE.** This section is effective beginning with property taxes payable
50.2 in 2025.

50.3 Sec. 3. Minnesota Statutes 2022, section 275.065, is amended by adding a subdivision to
50.4 read:

50.5 Subd. 3c. **Notice of proposed taxes; property subject to chapter 276A.** In the case of
50.6 property subject to the areawide tax under section 276A.06, subdivision 7, for both the
50.7 current year taxes and the proposed tax amounts, the net tax capacity portion of the taxes
50.8 shown for each taxing jurisdiction must be based on the property's total net tax capacity
50.9 multiplied by the jurisdiction's actual or proposed net tax capacity tax rate. In addition to
50.10 the tax amounts shown for each jurisdiction, the statement must include a line showing the
50.11 "fiscal disparities adjustment" equal to the total gross tax payable minus the sum of the tax
50.12 amounts shown for the individual taxing jurisdictions. The fiscal disparities adjustment may
50.13 be a negative number. If the fiscal disparities adjustment for either the current year taxes
50.14 or the proposed tax amount is a negative number, the percentage change must not be shown.
50.15 In all other respects the statement must fulfill the requirements of subdivision 3.

50.16 **EFFECTIVE DATE.** This section is effective beginning with proposed notices for
50.17 property taxes payable in 2025.

50.18 Sec. 4. Minnesota Statutes 2022, section 276.04, is amended by adding a subdivision to
50.19 read:

50.20 Subd. 2a. **Contents of tax statements; property subject to chapter 276A.** In the case
50.21 of property subject to the areawide tax under section 276A.06, subdivision 7, for both the
50.22 current year taxes and the previous year tax amounts, the net tax capacity portion of the tax
50.23 shown for each taxing jurisdiction must be based on the property's total net tax capacity
50.24 multiplied by the jurisdiction's net tax capacity tax rate. In addition to the tax amounts shown
50.25 for each jurisdiction, the statement must include a line showing the "fiscal disparities
50.26 adjustment" equal to the total gross tax payable minus the sum of the tax amounts shown
50.27 for the individual taxing jurisdictions for each year. The fiscal disparities adjustment may
50.28 be a negative number. In all other respects the statement must fulfill the requirements of
50.29 subdivision 2.

50.30 **EFFECTIVE DATE.** This section is effective beginning with proposed notices for
50.31 property taxes payable in 2025.

51.1 Sec. 5. Minnesota Statutes 2022, section 276A.01, subdivision 17, is amended to read:

51.2 Subd. 17. **School fund allocation.** (a) "School fund allocation" means an amount up to
51.3 25 percent of the areawide levy certified by the commissioner of Iron Range resources and
51.4 rehabilitation, after consultation with the Iron Range Resources and Rehabilitation Board,
51.5 to be used for the purposes of the Iron Range ~~school consolidation and cooperatively operated~~
51.6 school schools and community development account under section 298.28, subdivision 7a.

51.7 (b) The allocation under paragraph (a) shall only be made after the commissioner of
51.8 Iron Range resources and rehabilitation, after consultation with the Iron Range Resources
51.9 and Rehabilitation Board, has certified by June 30 that the Iron Range ~~school consolidation~~
51.10 ~~and cooperatively operated~~ schools and community development account has insufficient
51.11 funds to make payments as authorized under section 298.28, subdivision 7a.

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

51.13 Sec. 6. Minnesota Statutes 2022, section 276A.06, subdivision 8, is amended to read:

51.14 Subd. 8. **Certification of values; payment.** The administrative auditor shall determine
51.15 for each county the difference between the total levy on distribution value pursuant to
51.16 subdivision 3, clause (1), including the school fund allocation within the county and the
51.17 total tax on contribution value pursuant to subdivision 7, within the county. On or before
51.18 May 16 of each year, the administrative auditor shall certify the differences so determined
51.19 and the county's portion of the school fund allocation to each county auditor. In addition,
51.20 the administrative auditor shall certify to those county auditors for whose county the total
51.21 tax on contribution value exceeds the total levy on distribution value the settlement the
51.22 county is to make to the other counties of the excess of the total tax on contribution value
51.23 over the total levy on distribution value in the county. On or before June 15 and November
51.24 15 of each year, each county treasurer in a county having a total tax on contribution value
51.25 in excess of the total levy on distribution value shall pay one-half of the excess to the other
51.26 counties in accordance with the administrative auditor's certification. On or before June 15
51.27 and November 15 of each year, each county treasurer shall pay to the administrative auditor
51.28 that county's share of the school fund allocation. On or before December 1 of each year,
51.29 the administrative auditor shall pay the school fund allocation to the commissioner of Iron
51.30 Range resources and rehabilitation for deposit in the Iron Range ~~school consolidation and~~
51.31 ~~cooperatively operated~~ schools and community development account.

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

52.1 Sec. 7. Minnesota Statutes 2023 Supplement, section 298.018, subdivision 1, is amended
52.2 to read:

52.3 Subdivision 1. **Within taconite assistance area.** (a) The proceeds of the tax paid under
52.4 sections 298.015 and 298.016 on ores, metals, or minerals mined or extracted within the
52.5 taconite assistance area defined in section 273.1341, shall be allocated as follows:

52.6 (1) except as provided under paragraph (b), five percent to the city or town within which
52.7 the minerals or energy resources are mined or extracted, or within which the concentrate
52.8 was produced. If the mining and concentration, or different steps in either process, are
52.9 carried on in more than one taxing district, the commissioner shall apportion equitably the
52.10 proceeds among the cities and towns by attributing 50 percent of the proceeds of the tax to
52.11 the operation of mining or extraction, and the remainder to the concentrating plant and to
52.12 the processes of concentration, and with respect to each thereof giving due consideration
52.13 to the relative extent of the respective operations performed in each taxing district;

52.14 (2) ten percent to the taconite municipal aid account to be distributed as provided in
52.15 section 298.282, subdivisions 1 and 2, on the dates provided under this section;

52.16 (3) ten percent to the school district within which the minerals or energy resources are
52.17 mined or extracted, or within which the concentrate was produced. If the mining and
52.18 concentration, or different steps in either process, are carried on in more than one school
52.19 district, distribution among the school districts must be based on the apportionment formula
52.20 prescribed in clause (1);

52.21 (4) 20 percent to a group of school districts comprised of those school districts wherein
52.22 the mineral or energy resource was mined or extracted or in which there is a qualifying
52.23 municipality as defined by section 273.134, paragraph (b), in direct proportion to school
52.24 district indexes as follows: for each school district, its pupil units determined under section
52.25 126C.05 for the prior school year shall be multiplied by the ratio of the average adjusted
52.26 net tax capacity per pupil unit for school districts receiving aid under this clause as calculated
52.27 pursuant to chapters 122A, 126C, and 127A for the school year ending prior to distribution
52.28 to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that
52.29 portion of the distribution which its index bears to the sum of the indices for all school
52.30 districts that receive the distributions;

52.31 (5) ten percent to the county within which the minerals or energy resources are mined
52.32 or extracted, or within which the concentrate was produced. If the mining and concentration,
52.33 or different steps in either process, are carried on in more than one county, distribution
52.34 among the counties must be based on the apportionment formula prescribed in clause (1),

53.1 provided that any county receiving distributions under this clause shall pay one percent of
53.2 its proceeds to the Range Association of Municipalities and Schools;

53.3 (6) five percent to St. Louis County acting as the counties' fiscal agent to be distributed
53.4 as provided in sections 273.134 to 273.136;

53.5 (7) 20 percent to the commissioner of Iron Range resources and rehabilitation for the
53.6 purposes of section 298.22;

53.7 (8) three percent to the Douglas J. Johnson economic protection trust fund;

53.8 (9) seven percent to the taconite environmental protection fund; and

53.9 (10) ten percent to the commissioner of Iron Range resources and rehabilitation for
53.10 capital improvements to Giants Ridge Recreation Area.

53.11 (b) If the materials or energy resources are mined, extracted, or concentrated in School
53.12 District No. 2711, Mesabi East, then the amount under paragraph (a), clause (1), must instead
53.13 be distributed pursuant to this paragraph. The cities of Aurora, Babbitt, Ely, and Hoyt Lakes
53.14 must each receive 20 percent of the amount. The city of Biwabik and Embarrass Township
53.15 must each receive ten percent of the amount.

53.16 (c) For the first five years that tax paid under section 298.015, subdivisions 1 and 2, is
53.17 distributed under this subdivision, ten percent of the total proceeds distributed in each year
53.18 must first be distributed pursuant to this paragraph. The remaining 90 percent of the total
53.19 proceeds distributed in each of those years must be distributed as outlined in paragraph (a).
53.20 Of the amount available under this paragraph, the cities of Aurora, Babbitt, Ely, and Hoyt
53.21 Lakes must each receive 20 percent. Of the amount available under this paragraph, the city
53.22 of Biwabik and Embarrass Township must each receive ten percent. This paragraph applies
53.23 only to tax paid by a person engaged in the business of mining within the area described in
53.24 section 273.1341, clauses (1) and (2).

53.25 **EFFECTIVE DATE.** This section is effective beginning with the 2025 distribution.

53.26 Sec. 8. Minnesota Statutes 2022, section 298.17, is amended to read:

53.27 **298.17 OCCUPATION TAXES TO BE APPORTIONED.**

53.28 (a) All occupation taxes paid by persons, copartnerships, companies, joint stock
53.29 companies, corporations, and associations, however or for whatever purpose organized,
53.30 engaged in the business of mining or producing iron ore or other ores, when collected shall
53.31 be apportioned and distributed in accordance with the Constitution of the state of Minnesota,
53.32 article X, section 3, in the manner following: 90 percent shall be deposited in the state

54.1 treasury and credited to the general fund of which four-ninths shall be used for the support
54.2 of elementary and secondary schools; and ten percent of the proceeds of the tax imposed
54.3 by this section shall be deposited in the state treasury and credited to the general fund for
54.4 the general support of the university.

54.5 (b) Of the money apportioned to the general fund by this section: (1) there is annually
54.6 appropriated and credited to the mining environmental and regulatory account in the special
54.7 revenue fund an amount equal to that which would have been generated by a 2-1/2 cent tax
54.8 imposed by section 298.24 on each taxable ton produced in the preceding calendar year.
54.9 Money in the mining environmental and regulatory account is appropriated annually to the
54.10 commissioner of natural resources to fund agency staff to work on environmental issues
54.11 and provide regulatory services for ferrous and nonferrous mining operations in this state.
54.12 Payment to the mining environmental and regulatory account shall be made by July 1
54.13 annually. The commissioner of natural resources shall execute an interagency agreement
54.14 with the Pollution Control Agency to assist with the provision of environmental regulatory
54.15 services such as monitoring and permitting required for ferrous and nonferrous mining
54.16 operations; (2) there is annually appropriated and credited to the Iron Range resources and
54.17 rehabilitation account in the special revenue fund an amount equal to that which would have
54.18 been generated by a 1.5 cent tax imposed by section 298.24 on each taxable ton produced
54.19 in the preceding calendar year, to be expended for the purposes of section 298.22; and (3)
54.20 there is annually appropriated and credited to the Iron Range resources and rehabilitation
54.21 account in the special revenue fund for transfer to the Iron Range ~~school consolidation and~~
54.22 ~~cooperatively operated school~~ schools and community development account under section
54.23 298.28, subdivision 7a, an amount equal to that which would have been generated by a six
54.24 cent tax imposed by section 298.24 on each taxable ton produced in the preceding calendar
54.25 year. Payment to the Iron Range resources and rehabilitation account shall be made by May
54.26 15 annually.

54.27 (c) The money appropriated pursuant to paragraph (b), clause (2), shall be used (i) to
54.28 provide environmental development grants to local governments located within any county
54.29 in region 3 as defined in governor's executive order number 60, issued on June 12, 1970,
54.30 which does not contain a municipality qualifying pursuant to section 273.134, paragraph
54.31 (b), or (ii) to provide economic development loans or grants to businesses located within
54.32 any such county, provided that the county board or an advisory group appointed by the
54.33 county board to provide recommendations on economic development shall make
54.34 recommendations to the commissioner of Iron Range resources and rehabilitation regarding

55.1 the loans. Payment to the Iron Range resources and rehabilitation account shall be made by
55.2 May 15 annually.

55.3 (d) Of the money allocated to Koochiching County, one-third must be paid to the
55.4 Koochiching County Economic Development Commission.

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

55.6 Sec. 9. Minnesota Statutes 2022, section 298.2215, subdivision 1, is amended to read:

55.7 Subdivision 1. **Establishment.** A county may establish a scholarship fund from any
55.8 unencumbered revenue received pursuant to section 93.22, 298.018, 298.28, 298.39, 298.396,
55.9 or 298.405 or any law imposing a tax upon severed mineral values. Scholarships must be
55.10 used at a two-year Minnesota State Colleges and Universities institution, or an accredited
55.11 skilled trades program, within the county. The county shall establish procedures for applying
55.12 for and distributing the scholarships.

55.13 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2017.

55.14 Sec. 10. Minnesota Statutes 2023 Supplement, section 298.28, subdivision 7a, is amended
55.15 to read:

55.16 Subd. 7a. **Iron Range school consolidation and cooperatively operated school schools**
55.17 **and community development account.** (a) The following amounts must be allocated to
55.18 the commissioner of Iron Range resources and rehabilitation to be deposited in the Iron
55.19 Range ~~school consolidation and cooperatively operated school~~ schools and community
55.20 development account that is hereby created:

55.21 (1) (i) for distributions beginning in 2015 in 2024 through 2032, ten 24 cents per taxable
55.22 ton of the tax imposed under section 298.24, (ii) for distributions beginning in 2033, ten
55.23 cents per taxable ton of the tax imposed under section 298.24;

55.24 (2) the amount as determined under section 298.17, paragraph (b), clause (3); and

55.25 (3) any other amount as provided by law.

55.26 (b) Expenditures from this account may be approved as ongoing annual expenditures
55.27 and shall be made only to provide disbursements to assist school districts with the payment
55.28 of bonds that were issued for qualified school projects, or for any other school disbursement
55.29 as approved by the commissioner of Iron Range resources and rehabilitation after consultation
55.30 with the Iron Range Resources and Rehabilitation Board. For purposes of this section,
55.31 "qualified school projects" means school projects within the taconite assistance area as

56.1 defined in section 273.1341, that were (1) approved, by referendum, after April 3, 2006;
56.2 and (2) approved by the commissioner of education pursuant to section 123B.71.

56.3 (c) Beginning in fiscal year 2019, the disbursement to school districts for payments for
56.4 bonds issued under section 123A.482, subdivision 9, must be increased each year to offset
56.5 any reduction in debt service equalization aid that the school district qualifies for in that
56.6 year, under section 123B.53, subdivision 6, compared with the amount the school district
56.7 qualified for in fiscal year 2018.

56.8 (d) No expenditure under this section shall be made unless approved by the commissioner
56.9 of Iron Range resources and rehabilitation after consultation with the Iron Range Resources
56.10 and Rehabilitation Board.

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

56.12 Sec. 11. Minnesota Statutes 2022, section 298.28, subdivision 8, is amended to read:

56.13 Subd. 8. **Range Association of Municipalities and Schools.** ~~30~~ 0.50 cent per taxable
56.14 ton shall be paid to the Range Association of Municipalities and Schools, for the purpose
56.15 of providing an areawide approach to problems which demand coordinated and cooperative
56.16 actions and which are common to those areas of northeast Minnesota affected by operations
56.17 involved in mining iron ore and taconite and producing concentrate therefrom, and for the
56.18 purpose of promoting the general welfare and economic development of the cities, towns,
56.19 and school districts within the Iron Range area of northeast Minnesota.

56.20 **EFFECTIVE DATE.** This section is effective beginning with the 2024 distribution.

56.21 Sec. 12. Minnesota Statutes 2023 Supplement, section 298.28, subdivision 16, is amended
56.22 to read:

56.23 Subd. 16. **Transfer.** Of the amount annually distributed to the Douglas J. Johnson
56.24 Economic Protection Trust Fund under this section, \$3,500,000 shall be transferred to the
56.25 Iron Range ~~school consolidation and cooperatively operated school~~ schools and community
56.26 development account under subdivision 7a. Any remaining amount of the amount annually
56.27 distributed to the Douglas J. Johnson Economic Protection Trust Fund shall be transferred
56.28 to the Iron Range resources and rehabilitation account under subdivision 7. The transfers
56.29 under this subdivision must be made within ten days of the August payment.

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

57.1 Sec. 13. Minnesota Statutes 2022, section 298.282, subdivision 1, is amended to read:

57.2 Subdivision 1. **Distribution of taconite municipal aid account.** (a) The amount
57.3 deposited with the county as provided in section 298.28, subdivision 3, must be distributed
57.4 as provided by this section among: (1) the municipalities located within a taconite assistance
57.5 area under section 273.1341 that meet the criteria of section 273.1341, clause (1) or (2); (2)
57.6 a township that contains a state park consisting primarily of an underground iron ore mine;
57.7 (3) a city located within five miles of that state park; and (4) Breitung Township in St. Louis
57.8 County, each being referred to in this section as a qualifying municipality. The distribution
57.9 to Breitung Township under this subdivision shall be ~~\$15,000~~ \$25,000 annually.

57.10 (b) The amount deposited in the state general fund as provided in section 298.018,
57.11 subdivision 1, must be distributed in the same manner as provided under paragraph (a),
57.12 except that subdivisions 3, 4, and 5 do not apply, and the distributions shall be made on the
57.13 dates provided under section 298.018, subdivision 1a.

57.14 **EFFECTIVE DATE.** This section is effective beginning with the 2024 distribution.

57.15 Sec. 14. Minnesota Statutes 2022, section 298.292, subdivision 2, is amended to read:

57.16 Subd. 2. **Use of money.** (a) Money in the Douglas J. Johnson economic protection trust
57.17 fund may be used for the following purposes:

57.18 (1) to provide loans, loan guarantees, interest buy-downs and other forms of participation
57.19 with private sources of financing, but a loan to a private enterprise shall be for a principal
57.20 amount not to exceed one-half of the cost of the project for which financing is sought, and
57.21 the rate of interest on a loan to a private enterprise shall be no less than the lesser of eight
57.22 percent or an interest rate three percentage points less than a full faith and credit obligation
57.23 of the United States government of comparable maturity, at the time that the loan is approved;

57.24 (2) to fund reserve accounts established to secure the payment when due of the principal
57.25 of and interest on bonds issued pursuant to section 298.2211, including bonds authorized
57.26 by the legislature to be repaid from the distributions under section 298.28, subdivision 7a;

57.27 (3) to pay in periodic payments or in a lump-sum payment any or all of the interest on
57.28 bonds issued pursuant to chapter 474 for the purpose of constructing, converting, or
57.29 retrofitting heating facilities in connection with district heating systems or systems utilizing
57.30 alternative energy sources;

57.31 (4) to invest in a venture capital fund or enterprise that will provide capital to other
57.32 entities that are engaging in, or that will engage in, projects or programs that have the
57.33 purposes set forth in subdivision 1. No investments may be made in a venture capital fund

58.1 or enterprise unless at least two other unrelated investors make investments of at least
58.2 \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas J.
58.3 Johnson economic protection trust fund may not exceed the amount of the largest investment
58.4 by an unrelated investor in the venture capital fund or enterprise. For purposes of this
58.5 subdivision, an "unrelated investor" is a person or entity that is not related to the entity in
58.6 which the investment is made or to any individual who owns more than 40 percent of the
58.7 value of the entity, in any of the following relationships: spouse, parent, child, sibling,
58.8 employee, or owner of an interest in the entity that exceeds ten percent of the value of all
58.9 interests in it. For purposes of determining the limitations under this clause, the amount of
58.10 investments made by an investor other than the Douglas J. Johnson economic protection
58.11 trust fund is the sum of all investments made in the venture capital fund or enterprise during
58.12 the period beginning one year before the date of the investment by the Douglas J. Johnson
58.13 economic protection trust fund; and

58.14 (5) to purchase forest land in the taconite assistance area defined in section 273.1341 to
58.15 be held and managed as a public trust for the benefit of the area for the purposes authorized
58.16 in section 298.22, subdivision 5a. Property purchased under this section may be sold by the
58.17 commissioner, after consultation with the advisory board. The net proceeds must be deposited
58.18 in the trust fund for the purposes and uses of this section.

58.19 (b) Money from the trust fund shall be expended only in ~~or for the benefit of~~ the taconite
58.20 assistance area defined in section 273.1341.

58.21 (c) Money devoted to the trust fund under this section shall not be expended, appropriated,
58.22 or transferred from the trust fund for any purpose except as provided in this section.

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

58.24 **Sec. 15. IRON RANGE RESOURCES AND REHABILITATION COMMISSIONER;**
58.25 **BONDS AUTHORIZED IN 2024.**

58.26 **Subdivision 1. Issuance; purpose.** (a) Notwithstanding any provision of Minnesota
58.27 Statutes, chapter 298, to the contrary, the commissioner of Iron Range resources and
58.28 rehabilitation shall, by March 31, 2025, issue revenue bonds in one or more series in a
58.29 principal amount of up to \$49,000,000 plus an amount sufficient to pay costs of issuance
58.30 and fund a debt service reserve fund for the bonds if determined by the commissioner to be
58.31 necessary, and thereafter may issue bonds to refund those bonds. The proceeds of the bonds
58.32 must be used to pay the costs of issuance, fund a debt service reserve fund if determined
58.33 by the commissioner to be necessary, and make distributions pursuant to this section. The
58.34 commissioner may establish a debt service reserve fund from funds available under Minnesota

59.1 Statutes, section 298.291 to 298.297, or from the proceeds of the bonds. The commissioner
59.2 of Iron Range resources and rehabilitation must distribute these transferred funds as outlined
59.3 in this section. In order to receive a distribution, a recipient must submit to the commissioner
59.4 a plan of how the distribution will be spent and the commissioner must ensure that the plan
59.5 matches the intended use outlined in this section. The plan must be submitted in a form and
59.6 manner determined by the commissioner. The uses listed are not subject to review or
59.7 recommendation by the Iron Range Resources and Rehabilitation Board. For all distributions
59.8 equal to or greater than \$1,000,000, a recipient must appear and present and provide a copy
59.9 of the plan to the Iron Range Resources and Rehabilitation Board. By December 31, 2025,
59.10 each recipient must report to the commissioner how the distribution received under this
59.11 section was spent. If a recipient's plan is submitted and approved, the commissioner must
59.12 distribute the funds for the uses outlined in subdivision 3. The bonds issued under this
59.13 section do not constitute public debt as that term is defined in article XI, section 4 of the
59.14 Minnesota Constitution, and as such are not subject to its provisions.

59.15 (b) The bonds issued under this section are debt obligations and the commissioner of
59.16 Iron Range resources and rehabilitation is a district for purposes of Minnesota Statutes,
59.17 section 126C.55, except that payments made under Minnesota Statutes, section 126C.55,
59.18 subdivision 2, are not subject to Minnesota Statutes, section 126C.55, subdivisions 4 to 7.

59.19 (c) If the commissioner of Iron Range resources and rehabilitation determines that
59.20 available funds, other than through the issuance of bonds pursuant to subdivision 1, shall
59.21 be used to make grants as provided in subdivision 3, the requirements of subdivision 1,
59.22 relating to the submission of a plan and report to the commissioner of Iron Range resources
59.23 and rehabilitation and the Iron Range Resources and Rehabilitation Board, and subdivision
59.24 3, relating to the grant amount and identified purpose, shall apply.

59.25 (d) Funds under this section are available for 30 months from the date the bonds are
59.26 issued. Any unexpended funds after that date cancel to the Iron Range resources and
59.27 rehabilitation account under Minnesota Statutes, section 298.28, subdivision 7, and must
59.28 be used by the commissioner of Iron Range resources and rehabilitation for publicly owned
59.29 capital investments located within the taconite tax relief area as defined in Minnesota
59.30 Statutes, section 273.134.

59.31 Subd. 2. **Appropriation.** (a) Notwithstanding Minnesota Statutes, section 298.28,
59.32 subdivision 7a, paragraph (b), there is annually appropriated from the allocation of the
59.33 revenues under Minnesota Statutes, section 298.28, subdivision 7a, from the taconite
59.34 assistance area prior to the calculation of any amount remaining, an amount sufficient to
59.35 pay when due the principal and interest on the bonds issued pursuant to subdivision 1.

60.1 Notwithstanding the foregoing and Minnesota Statutes, section 298.28, subdivisions 7a to
60.2 11, to the extent bonds authorized by subdivision 1 are paid from taconite production tax
60.3 revenues, any outstanding bonds payable from distributions of taconite production tax
60.4 revenues shall be paid pro rata based on debt service when due.

60.5 (b) If in any year the amount available under paragraph (a) is insufficient to pay principal
60.6 and interest due on the bonds in that year, an additional amount is appropriated from the
60.7 Douglas J. Johnson economic protection trust fund to make up the deficiency.

60.8 (c) The appropriation under this subdivision terminates upon payment or maturity of
60.9 the last of the bonds issued under this section.

60.10 Subd. 3. Grants. (a) The commissioner of Iron Range resources and rehabilitation must
60.11 distribute funds available for distribution under subdivision 1 for the following uses:

60.12 (1) \$160,000 to the Grand Portage Band of Lake Superior Chippewa to construct a
60.13 playground;

60.14 (2) \$3,600,000 to the Mesabi Fit Coalition for the renovation, reconstruction, and
60.15 expansion of the former Mesabi Family YMCA in the city of Mountain Iron;

60.16 (3) \$950,000 to the Buyck Volunteer Fire Department for design, engineering, and
60.17 construction of a new fire and training hall and related equipment;

60.18 (4) \$750,000 to the Voyageur Trail Society for a joint maintenance facility with Voyageur
60.19 Country ATV in the city of Orr;

60.20 (5) \$2,250,000 to Cook County, of which \$250,000 must be spent to preserve affordable
60.21 housing units for seniors in the city of Grand Marais and \$2,000,000 must be used to
60.22 construct, furnish, and equip a solid waste transfer station in the county;

60.23 (6) \$1,000,000 to the Northland Learning Center for construction costs;

60.24 (7) \$2,720,000 to the city of Chisholm, of which \$1,520,000 must be used for the
60.25 renovation of the Chisholm Ice Arena facility and parking and the remaining amount must
60.26 be used for the public works facility;

60.27 (8) \$1,000,000 to the city of Gilbert for the Gilbert Community Center;

60.28 (9) \$360,000 to the city of Biwabik for housing infrastructure;

60.29 (10) \$3,000,000 to the city of Tower for water management infrastructure projects;

60.30 (11) \$3,000,000 to the city of Silver Bay to design, engineer, construct, and reconstruct
60.31 publicly owned infrastructure including sewers, water systems, utility extensions, street

- 61.1 construction, wastewater treatment, stormwater management systems, sidewalks, and
61.2 compliance with the Americans with Disabilities Act;
- 61.3 (12) \$2,100,000 to St. Louis County for the development of the Canyon Integrated Solid
61.4 Waste Management Campus;
- 61.5 (13) \$3,640,000 to the city of Eveleth to design, engineer, and construct public utilities
61.6 in its business park and construction of the Hat Trick Avenue slip ramp;
- 61.7 (14) \$700,000 to the city of Meadowlands for costs related to park improvements and
61.8 a community center;
- 61.9 (15) \$600,000 to School District No. 2142, St. Louis County, of which \$400,000 must
61.10 be used for septic system upgrades at South Ridge School and \$200,000 must be used for
61.11 cafeteria renovations at Northeast Range School in Babbitt and Tower Elementary School
61.12 in Tower;
- 61.13 (16) \$250,000 to the city of Two Harbors for band stand repairs and Odegard Park and
61.14 Trail restoration;
- 61.15 (17) \$850,000 to the Central Iron Range Sanitary Sewer District for infrastructure
61.16 projects;
- 61.17 (18) \$2,420,000 to the Minnesota Discovery Center, of which \$200,000 may, at the
61.18 discretion of the director of the Minnesota Discovery Center, be used for operating expenses,
61.19 and \$2,220,000 must be used to design, construct, renovate, furnish, and repair facilities,
61.20 including HVAC upgrades, demolition, and compliance with the Americans with Disabilities
61.21 Act, at the Minnesota Discovery Center in the city of Chisholm, and for historical research
61.22 funding;
- 61.23 (19) \$5,200,000 to the commissioner of Iron Range resources and rehabilitation for the
61.24 design, engineering, and upgrades or replacement of chair lifts or an irrigation system, and
61.25 for the design, engineering, demolition, and construction of a nordic and welcome center
61.26 at the Giants Ridge Recreation Area;
- 61.27 (20) \$250,000 to Independent School District No. 696, Ely, for baseball field renovation;
- 61.28 (21) \$500,000 to the city of Mountain Iron for the Outdoor Recreation Center;
- 61.29 (22) \$200,000 to Cook County Higher Education Board for costs to bring commercial
61.30 drivers' licenses and trades training to the region along with educational training and academic
61.31 support to remote populations;
- 61.32 (23) \$200,000 to Save Our Ship, Inc., for renovation costs;

- 62.1 (24) \$3,000,000 to Hibbing Public Utilities for water infrastructure projects;
- 62.2 (25) \$400,000 to Veterans On The Lake for demolition of existing structures and the
62.3 building of a triplex that is compliant with the Americans with Disabilities Act;
- 62.4 (26) \$350,000 to the city of Eveleth for the Hippodrome renovation;
- 62.5 (27) \$225,000 to the Minnesota Forest Zone Trappers Association to plan, engineer,
62.6 purchase land, and develop the Sportsman Training and Development Center;
- 62.7 (28) \$200,000 to the Sturgeon Chain Lake Association to update the engineering and
62.8 hydrology study of the lakes, for regulatory and community outreach, and for preparing
62.9 recommendations to the commissioner of natural resources related to bank stabilization and
62.10 maintenance;
- 62.11 (29) \$300,000 to the Northern Lights Music Festival to support programs, of this amount
62.12 \$100,000 is available each year in calendar years 2025, 2026, and 2027;
- 62.13 (30) \$250,000 to Cherry Township for recreational facilities upgrades and lights;
- 62.14 (31) \$350,000 to the East Range Developmental Achievement Center for building
62.15 renovations;
- 62.16 (32) \$500,000 to the Department of Iron Range Resources and Rehabilitation for grants
62.17 or loans to (i) businesses or resorts that were economically damaged by floods that occurred
62.18 in 2022 or 2023 and which are eligible under article 5 of the Canadian border counties
62.19 economic relief program, or (ii) outfitters in the border region who experienced either more
62.20 than a 50 percent reduction in Boundary Waters Canoe Area Wilderness permits obtained
62.21 by their customers between 2019 and 2021, or a 50 percent reduction between 2019 and
62.22 2021 in trips across the fee-based mechanical portages into the Boundary Waters Canoe
62.23 Area Wilderness or Quetico Provincial Park. Businesses may be awarded a maximum grant
62.24 under this clause of up to \$50,000, must be located within the taconite assistance area, as
62.25 defined under Minnesota Statutes, section 273.1341, and must not have received a grant
62.26 under the Canadian border counties economic relief program;
- 62.27 (33) \$100,000 to Crystal Bay Township for a septic project at the Clair Nelson
62.28 Community Center;
- 62.29 (34) \$25,000 to the Northwoods Friends of the Arts in the city of Cook for facility
62.30 upgrades and programs;
- 62.31 (35) \$50,000 to the Bois Forte Band of Chippewa for food shelf expenses;

63.1 (36) \$100,000 to the Lake Vermilion Cultural Center to improve and renovate the facility
63.2 and its displays in Tower;

63.3 (37) \$50,000 to the Lyric Center for the Arts in Virginia for repairs and renovation;

63.4 (38) \$50,000 to the Pioneer Mine historical site for maintenance and displays in Ely;

63.5 (39) \$150,000 to the Lake Superior School District to support an emergency preparedness
63.6 career introduction program;

63.7 (40) \$200,000 to the city of Babbitt for ADA compliance and renovations to the city's
63.8 parks;

63.9 (41) \$75,000 to the Vermilion Penguins Snowmobile Club and \$75,000 to the Cook
63.10 Timberwolves Snowmobile Club, to update maintenance equipment and trail programs;

63.11 (42) \$3,000,000 to Lone Pine Township to design, engineer, and begin construction for
63.12 its sewage treatment plan in partnership with the city of Nashwauk;

63.13 (43) \$50,000 to Essentia Health-Virginia Regional Foundation for the development of
63.14 a substance use disorder community education and awareness program;

63.15 (44) \$3,300,00 to the city of Virginia for a grant to be used by Essentia Health-Virginia
63.16 for:

63.17 (i) modernization, renovation, and expansion of the hospital's emergency room complex
63.18 to 12 emergency rooms;

63.19 (ii) construction of an emergency behavior health suite for adults and children within
63.20 the hospital; and

63.21 (iii) security and safety upgrades to the hospital. The grant must be transferred by the
63.22 city to the hospital within 30 days of receipt; and

63.23 (45) \$500,000 for grants of \$25,000 distributed pursuant to paragraph (b).

63.24 (b) Of the amount under paragraph (a), clause (45), grants of \$25,000 to be used for trail
63.25 grooming costs or equipment must be made available to the following entities:

63.26 (1) Alborn Dirt Devils ATV Club;

63.27 (2) Wild Country ATV Club;

63.28 (3) Ely Igloo Snowmobile Club;

63.29 (4) CC Riders Snowmobile Club;

63.30 (5) PathBlazers Snowmobile Club;

- 64.1 (6) Cook Timberwolves Snowmobile Club;
 - 64.2 (7) Crane Lake Voyageurs Club;
 - 64.3 (8) Pequaywan Area Trail Blazers Snowmobile Club;
 - 64.4 (9) Eveleth Trail Hawks Snowmobile Club;
 - 64.5 (10) Ranger Snowmobile/ATV Club;
 - 64.6 (11) Silver Trail Riders Snowmobile and ATV Club;
 - 64.7 (12) Voyageur Snowmobile Club;
 - 64.8 (13) Mesabi Sno Voyageurs;
 - 64.9 (14) Quad Cities ATV Club;
 - 64.10 (15) Prospector ATV Club;
 - 64.11 (16) Northern Traxx ATV Club;
 - 64.12 (17) Finland Snowmobile and ATV Club;
 - 64.13 (18) Babbitt ATV and Snowmobile Club;
 - 64.14 (19) Cook County ATV Club; and
 - 64.15 (20) Vermilion Penguins Snowmobile Club.
- 64.16 (c) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, of the money
64.17 distributed under this subdivision, the commissioner of Iron Range resources and
64.18 rehabilitation must not use any amount for administrative uses.

64.19 **EFFECTIVE DATE.** This section is effective the day following final enactment and
64.20 applies beginning with the 2024 distribution under Minnesota Statutes, section 298.28.

64.21 Sec. 16. **IRON RANGE RESOURCES AND REHABILITATION COMMISSIONER;**
64.22 **BONDS AUTHORIZED IN 2025.**

64.23 Subdivision 1. **Issuance; purpose.** (a) Notwithstanding any provision of Minnesota
64.24 Statutes, chapter 298, to the contrary, the commissioner of Iron Range resources and
64.25 rehabilitation shall, in 2025, issue revenue bonds in one or more series in a principal amount
64.26 of up to \$31,000,000 plus an amount sufficient to pay costs of issuance and fund a debt
64.27 service reserve fund for the bonds if determined by the commissioner to be necessary, and
64.28 thereafter may issue bonds to refund those bonds. The proceeds of the bonds must be used
64.29 to pay the costs of issuance, fund a debt service reserve fund if determined by the
64.30 commissioner to be necessary, and make distributions pursuant to this section. The

65.1 commissioner may establish a debt service reserve fund from funds available under Minnesota
65.2 Statutes, section 298.291 to 298.297, or from the proceeds of the bonds. The commissioner
65.3 of Iron Range resources and rehabilitation must distribute these transferred funds as outlined
65.4 in this section. In order to receive a distribution, a recipient must submit to the commissioner
65.5 a plan of how the distribution will be spent and the commissioner must ensure that the plan
65.6 matches the intended use outlined in this section. The plan must be submitted in a form and
65.7 manner determined by the commissioner. The uses listed are not subject to review or
65.8 recommendation by the Iron Range Resources and Rehabilitation Board. For all distributions
65.9 equal to or greater than \$1,000,000, a recipient must appear and present and provide a copy
65.10 of the plan to the Iron Range Resources and Rehabilitation Board. By December 31, 2026,
65.11 each recipient must report to the commissioner how the distribution received under this
65.12 section was spent. If a recipient's plan is submitted and approved, the commissioner must
65.13 distribute the funds for the uses outlined in subdivision 3. The bonds issued under this
65.14 section do not constitute public debt as that term is defined in Article XI, section 4 of the
65.15 Minnesota Constitution, and as such are not subject to its provisions.

65.16 (b) The bonds issued under this section are debt obligations and the commissioner of
65.17 Iron Range resources and rehabilitation is a district for purposes of Minnesota Statutes,
65.18 section 126C.55, except that payments made under Minnesota Statutes, section 126C.55,
65.19 subdivision 2, are not subject to Minnesota Statutes, section 126C.55, subdivisions 4 to 7.

65.20 (c) If the commissioner of Iron Range resources and rehabilitation determines that
65.21 available funds, other than through the issuance of bonds pursuant to subdivision 1, shall
65.22 be used to make grants as provided in subdivision 3, the requirements of subdivision 1,
65.23 relating to the submission of a plan and report to the commissioner of Iron Range resources
65.24 and rehabilitation and the Iron Range Resources and Rehabilitation Board, and subdivision
65.25 3, relating to the grant amount and identified purpose, shall apply.

65.26 (d) Funds under this section are available for 30 months from the date the bonds are
65.27 issued. Any unexpended funds after that date cancel to the Iron Range resources and
65.28 rehabilitation account under Minnesota Statutes, section 298.28, subdivision 7, and must
65.29 be used by the commissioner of Iron Range resources and rehabilitation for publicly owned
65.30 capital investments located within the taconite tax relief area as defined in Minnesota
65.31 Statutes, section 273.134.

65.32 Subd. 2. **Appropriation.** (a) Notwithstanding Minnesota Statutes, section 298.28,
65.33 subdivision 7a, paragraph (b), there is annually appropriated from the allocation of the
65.34 revenues under Minnesota Statutes, section 298.28, subdivision 7a, from the taconite
65.35 assistance area prior to the calculation of any amount remaining, an amount sufficient to

66.1 pay when due the principal and interest on the bonds issued pursuant to subdivision 1.
66.2 Notwithstanding the foregoing and Minnesota Statutes, section 298.28, subdivisions 7a to
66.3 11, to the extent bonds authorized by subdivision 1 are paid from taconite production tax
66.4 revenues, any outstanding bonds payable from distributions of taconite production tax
66.5 revenues shall be paid pro rata based on debt service when due.

66.6 (b) If in any year the amount available under paragraph (a) is insufficient to pay principal
66.7 and interest due on the bonds in that year, an additional amount is appropriated from the
66.8 Douglas J. Johnson economic protection trust fund to make up the deficiency.

66.9 (c) The appropriation under this subdivision terminates upon payment or maturity of
66.10 the last of the bonds issued under this section.

66.11 Subd. 3. **Grants.** (a) The commissioner of Iron Range resources and rehabilitation must
66.12 distribute funds available for distribution under subdivision 1 for the following uses:

66.13 (1) \$3,200,000 to the Minnesota Discovery Center, of which \$200,000 may, at the
66.14 discretion of the director of the Minnesota Discovery Center, be used for operating expenses
66.15 and \$3,000,000 must be used to design, construct, renovate, furnish, and repair facilities,
66.16 including HVAC upgrades, demolition, and compliance with the Americans with Disabilities
66.17 Act, at the Minnesota Discovery Center in the city of Chisholm, and for historical research
66.18 funding;

66.19 (2) \$7,600,000 to the commissioner of Iron Range resources and rehabilitation for the
66.20 design, engineering, and upgrades or replacement of chair lifts or an irrigation system, and
66.21 for the design, engineering, demolition, and construction of a nordic and welcome center
66.22 at the Giants Ridge Recreation Area;

66.23 (3) \$350,000 to the Central Iron Range Sanitary Sewer District for infrastructure projects;

66.24 (4) \$1,000,000 to Independent School District No. 2909, Rock Ridge, for demolition of
66.25 the James Madison Elementary School in Virginia;

66.26 (5) \$500,000 to the city of Buhl for infrastructure projects;

66.27 (6) \$500,000 to St. Louis and Lake Counties Regional Railroad Authority to design,
66.28 engineer, acquire right-of-way, and begin construction on the Mesabi Trail Spur from Aurora
66.29 to Hoyt Lakes;

66.30 (7) \$2,000,000 to the city of Mountain Iron for infrastructure projects including but not
66.31 limited to Enterprise Drive North East infrastructure development, water main and other
66.32 infrastructure in the city, waste water plant improvements to comply with new permits,
66.33 supervisory control and data acquisition on lift stations, and recreation projects;

67.1 (8) \$3,000,000 to the city of Silver Bay to design, engineer, construct, and reconstruct
67.2 publicly owned infrastructure including sewers, water systems, utility extensions, street
67.3 construction, wastewater treatment, stormwater management systems, sidewalks, and
67.4 compliance with the Americans with Disabilities Act;

67.5 (9) \$5,000,000 to Independent School District No. 696, Ely, for planning, design,
67.6 engineering, demolition, and construction related to the district's athletic complex;

67.7 (10) \$1,080,000 to the Northland Learning Center to construct the Alternative Learning
67.8 Center on the campus in the city of Mountain Iron;

67.9 (11) \$1,000,000 for the city of Biwabik for a public safety facility;

67.10 (12) \$1,770,000 to Hibbing Public Utilities for water infrastructure projects;

67.11 (13) \$300,000 to Independent School District No. 701, Hibbing, to be used for long term
67.12 maintenance needs;

67.13 (14) \$1,150,000 to the city of Hibbing for housing development;

67.14 (15) \$550,000 to the city of Hibbing to develop the Hull Rust Mine historic site;

67.15 (16) \$500,000 to St. Louis County for the demolition of the public school in Hoyt Lakes;
67.16 and

67.17 (17) \$1,500,000 to the city of Babbitt for renovations to the ice arena.

67.18 (b) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, of the money
67.19 distributed under this subdivision, the commissioner of Iron Range resources and
67.20 rehabilitation must not use any amount for administrative uses.

67.21 **EFFECTIVE DATE.** This section is effective the day following final enactment and
67.22 applies beginning with the 2025 distribution under Minnesota Statutes, section 298.28.

67.23 **Sec. 17. TRANSFER 2024 DISTRIBUTION ONLY; TACONITE ECONOMIC**
67.24 **DEVELOPMENT FUND.**

67.25 Of the funds distributed to the taconite economic development fund under Minnesota
67.26 Statutes, section 298.28, subdivision 9a, for the 2024 distribution only, an amount equal to
67.27 \$300,000 shall be transferred from the taconite economic development fund to the city of
67.28 Chisholm for the Senator David Tomassoni Bridge of Peace. The transfer must be made
67.29 within ten days of the August 2024 payment. If less than \$300,000 is distributed to the
67.30 taconite economic development fund in 2024, distributions to the fund in future years must

68.1 be transferred to the city of Chisholm, pursuant to this paragraph, until the total amount
68.2 transferred equals \$300,000.

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

68.4 **ARTICLE 4**

68.5 **EMPLOYEE COMPENSATION**

68.6 Section 1. Minnesota Statutes 2023 Supplement, section 3.855, subdivision 2, is amended
68.7 to read:

68.8 Subd. 2. ~~Unrepresented State employee compensation.~~ (a) The commissioner of
68.9 management and budget shall submit to the chair of the commission any compensation
68.10 plans or salaries prepared under section 43A.18, subdivisions 2, 3, 3b, and 4. The chancellor
68.11 of the Minnesota State Colleges and Universities shall submit any compensation plan under
68.12 section 43A.18, subdivision 3a. ~~If the commission disapproves a compensation plan or~~
68.13 ~~salary, the commission shall specify in writing to the parties those portions with which it~~
68.14 ~~disagrees and its reasons. If the commission approves a compensation plan or salary, it shall~~
68.15 ~~submit the matter to the legislature to be accepted or rejected under this section.~~

68.16 ~~(b) When the legislature is not in session, the commission may give interim approval to~~
68.17 ~~a salary or compensation plan. The commission shall submit the salaries and compensation~~
68.18 ~~plans for which it has provided approval to the entire legislature for ratification at a special~~
68.19 ~~legislative session called to consider them or at its next regular legislative session as provided~~
68.20 ~~in this section. Approval or disapproval by the commission is not binding on the legislature.~~

68.21 ~~(c) When the legislature is not in session, (b)~~ The proposed salary or compensation plan
68.22 must be implemented upon its approval by submission to the commission, and state
68.23 ~~employees covered by the proposed plan or salary do not have the right to strike while the~~
68.24 ~~interim approval is in effect.~~

68.25 Sec. 2. Minnesota Statutes 2023 Supplement, section 3.855, subdivision 3, is amended to
68.26 read:

68.27 Subd. 3. ~~Other salaries and compensation plans~~ salary and compensation plan. The
68.28 commission shall:

68.29 ~~(1) review and approve or reject a plan for compensation and terms and conditions of~~
68.30 ~~employment prepared and submitted by the commissioner of management and budget under~~
68.31 ~~section 43A.18, subdivision 2, covering all state employees who are not represented by an~~

69.1 ~~exclusive bargaining representative and whose compensation is not provided for by chapter~~
69.2 ~~43A or other law;~~

69.3 ~~(2) review and approve or reject a plan for total compensation and terms and conditions~~
69.4 ~~of employment for employees in positions identified as being managerial under section~~
69.5 ~~43A.18, subdivision 3, whose salaries and benefits are not otherwise provided for in law or~~
69.6 ~~other plans established under chapter 43A;~~

69.7 ~~(3) review and approve or reject recommendations for salary range of officials of higher~~
69.8 ~~education systems under section 15A.081, subdivision 7e;~~

69.9 ~~(4) review and approve or reject plans for compensation, terms, and conditions of~~
69.10 ~~employment proposed under section 43A.18, subdivisions 3a, 3b, and 4; and~~

69.11 ~~(5) review and approve or reject the plan for compensation, terms, and conditions of~~
69.12 ~~employment of classified employees in the office of the legislative auditor under section~~
69.13 ~~3.971, subdivision 2.~~

69.14 Sec. 3. Minnesota Statutes 2023 Supplement, section 3.855, subdivision 6, is amended to
69.15 read:

69.16 Subd. 6. **Information required; collective bargaining agreements, memoranda of**
69.17 **understanding, and interest arbitration awards.** Within 14 days after the implementation
69.18 of a collective bargaining agreement, memorandum of understanding, compensation plan,
69.19 or receipt of an interest arbitration award, the commissioner of management and budget
69.20 must submit to the Legislative Coordinating Commission the following:

69.21 (1) a copy of the collective bargaining agreement or compensation plan showing changes
69.22 from previous agreements and a copy of the executed agreement;

69.23 (2) a copy of any memorandum of understanding that has a fiscal impact or interest
69.24 arbitration award;

69.25 (3) a comparison of biennial compensation costs under the current agreement or plan to
69.26 the projected biennial compensation costs under the new agreement, memorandum of
69.27 understanding, or interest arbitration award; and

69.28 (4) a comparison of biennial compensation costs under the current agreement or plan to
69.29 the projected biennial compensation costs for the following biennium under the new
69.30 agreement, memorandum of understanding, or interest arbitration award.

70.1 Sec. 4. Minnesota Statutes 2022, section 43A.05, subdivision 3, is amended to read:

70.2 Subd. 3. **Commissioner's plan.** The commissioner shall periodically develop and
70.3 establish pursuant to this chapter a commissioner's plan. The commissioner shall submit
70.4 the plan, ~~before becoming effective,~~ to the Legislative Coordinating Commission for
70.5 approval.

70.6 Sec. 5. Minnesota Statutes 2022, section 43A.18, subdivision 2, is amended to read:

70.7 Subd. 2. **Commissioner's plan.** Except as provided in section 43A.01, the compensation,
70.8 terms and conditions of employment for all classified and unclassified employees, except
70.9 unclassified employees in the legislative and judicial branches, who are not covered by a
70.10 collective bargaining agreement and not otherwise provided for in chapter 43A or other law
70.11 are governed solely by a plan developed by the commissioner. The Legislative Coordinating
70.12 Commission shall review ~~and approve, reject, or modify~~ the plan under section 3.855,
70.13 subdivision 2. The plan need not be adopted in accordance with the rulemaking provisions
70.14 of chapter 14.

70.15 Sec. 6. Minnesota Statutes 2022, section 43A.18, subdivision 3, is amended to read:

70.16 Subd. 3. **Managerial plan.** (a) The commissioner shall identify individual positions or
70.17 groups of positions in the classified and unclassified service in the executive branch as being
70.18 managerial. The list must not include positions listed in subdivision 4.

70.19 (b) The commissioner shall periodically prepare a plan for total compensation and terms
70.20 and conditions of employment for employees of those positions identified as being managerial
70.21 and whose salaries and benefits are not otherwise provided for in law or other plans
70.22 established under this chapter. Before becoming effective those portions of the plan
70.23 establishing compensation and terms and conditions of employment must be ~~reviewed and~~
70.24 ~~approved or modified by~~ submitted to the Legislative Coordinating Commission ~~and the~~
70.25 ~~legislature~~ under section 3.855, subdivisions 2 and 3.

70.26 (c) Incumbents of managerial positions as identified under this subdivision must be
70.27 excluded from any bargaining units under chapter 179A.

70.28 (d) The management compensation plan must provide methods and levels of
70.29 compensation for managers that will be generally comparable to those applicable to managers
70.30 in other public and private employment. The plan must ensure that compensation within
70.31 assigned salary ranges is related to level of performance. The plan must also provide a
70.32 procedure for establishment of a salary rate for a newly created position and a new appointee

71.1 to an existing position and for progression through assigned salary ranges. The employee
71.2 benefits established under the provisions of the managerial plan may be extended to agency
71.3 heads whose salaries are established in section 15A.0815 and to constitutional officers,
71.4 judges of the Workers' Compensation Court of Appeals, and Tax Court judges.

71.5 Sec. 7. Minnesota Statutes 2022, section 43A.18, subdivision 9, is amended to read:

71.6 Subd. 9. **Summary information on website.** Before the commissioner submits a
71.7 proposed collective bargaining agreement, arbitration award, or compensation plan to the
71.8 Legislative Coordinating Commission for review under section 3.855, the commissioner
71.9 must post on a state website a summary of the proposed agreement, award, or plan. ~~The~~
71.10 ~~summary must include the amount of and nature of proposed changes in employee~~
71.11 ~~compensation, the estimated cost to the state of proposed changes in employee compensation,~~
71.12 ~~and a description of proposed significant changes in policy. After approval of an agreement,~~
71.13 ~~award, or plan by the Legislative Coordinating Commission, the commissioner must provide~~
71.14 ~~a link from the commissioner's summary to the full text of the agreement, award, or plan.~~
71.15 ~~The summary must remain on the website at least until the full legislature has approved the~~
71.16 ~~agreement, award, or plan. This section also applies to agreements, awards, and plans~~
71.17 covering employees of the Minnesota State Colleges and Universities and to compensation
71.18 plans that must be submitted to the Legislative Coordinating Commission by other executive
71.19 appointing authorities. The Minnesota State Colleges and Universities and other executive
71.20 appointing authorities must submit information to the commissioner, at a time and in a
71.21 manner specified by the commissioner, so the commissioner can post information relating
71.22 to these appointing authorities on the web as required by this section.

71.23 Sec. 8. **REPEALER.**

71.24 Minnesota Statutes 2023 Supplement, section 3.855, subdivision 5, is repealed.

71.25 ARTICLE 5

71.26 HUBERT H. HUMPHREY STATUE

71.27 Section 1. **BE IT RESOLVED.**

71.28 WHEREAS, an act of Congress of July 2, 1864, established National Statuary Hall in
71.29 the United States Capitol; and

71.30 WHEREAS, the act provides that each state has the right to donate "statues, in marble
71.31 or bronze, not exceeding two in number for each State, of deceased persons who have been

72.1 citizens thereof, and illustrious for their historic renown or for distinguished civic or military
72.2 services..."; and

72.3 WHEREAS, the state of Minnesota appreciates the opportunity provided by that act;
72.4 and

72.5 WHEREAS, Minnesota currently has contributed for display a statue of Maria Sanford
72.6 and a statue of Henry Mower Rice; and

72.7 WHEREAS, the act of Congress creating Statuary Hall in the United States Capitol was
72.8 amended in 2000 by Section 311 of H.R. 5657, established as law by Public Law 106-554,
72.9 and provides that "Any State may request the Joint Committee on the Library of Congress
72.10 to approve the replacement of a statue the State has provided for display"; and

72.11 WHEREAS, the statue of Henry Mower Rice, having been first placed on display in
72.12 1916, has met the minimum requirement of that act for display for at least ten years; and

72.13 WHEREAS, by this resolution, the state has selected the Honorable Hubert H. Humphrey,
72.14 former Vice President of the United States, to be newly commemorated; and

72.15 WHEREAS, Hubert H. Humphrey served as Mayor of Minneapolis from 1945 to 1948;
72.16 and

72.17 WHEREAS, Hubert H. Humphrey led forces at the 1948 Democratic National Convention
72.18 in Philadelphia in support of the successful minority platform plank on civil rights and equal
72.19 opportunity, challenging the delegates to "get out of the shadow of states' rights and walk
72.20 forthrightly into the bright sunshine of human rights"; and

72.21 WHEREAS, Hubert H. Humphrey spent a total of 23 years of service in the Senate,
72.22 -serving from 1949 to 1964 and from 1970 to 1978, compiling a record of accomplishments
72.23 virtually unmatched in the 20th century, including the Civil Rights Act of 1964, the Nuclear
72.24 Test-Ban Treaty, Medicare, human rights, workforce development, labor rights, health care,
72.25 arms control and disarmament, the Peace Corps, small business assistance, education reform,
72.26 wilderness preservation, immigration reform, and agriculture; and

72.27 WHEREAS, Hubert H. Humphrey served as Assistant Senate Majority Leader and
72.28 Deputy President Pro Tempore; and

72.29 WHEREAS, Hubert H. Humphrey served as floor leader during the Senate's consideration
72.30 of the Civil Rights Act of 1964, which was essential to the eventual passage of the act in
72.31 the aftermath of breaking the filibuster against this historic legislation; and

73.1 WHEREAS, Hubert H. Humphrey, although dedicated to the Democratic Party, always
73.2 sought bipartisan support for his legislative goals and routinely shared credit with other
73.3 Senators for his legislative victories; and

73.4 WHEREAS, Hubert H. Humphrey, as Vice President of the United States, loyally served
73.5 President Lyndon Baines Johnson and successfully carried out a number of domestic and
73.6 overseas assignments; and

73.7 WHEREAS, Hubert H. Humphrey served as the Democratic Party's nominee for President
73.8 of the United States in 1968; and

73.9 WHEREAS, Hubert H. Humphrey was reelected by the people of Minnesota, in 1970
73.10 and 1976, to two additional terms in the Senate, thereby continuing his extraordinary record
73.11 of legislative achievement with passage of such bills as the Humphrey-Hawkins Full
73.12 Employment Act; and

73.13 WHEREAS, Hubert H. Humphrey, after his time in government, went on to be a Professor
73.14 at Macalaster College and the University of Minnesota; and

73.15 WHEREAS, the state of Minnesota would contract with the Koh-Varilla Guild, Inc., to
73.16 replicate the statue of Hubert H. Humphrey that currently stands on the mall of the Minnesota
73.17 State Capitol, sculpted by artists Jeff and Anna Koh Varilla; and

73.18 WHEREAS, the state of Minnesota understands its responsibilities for expenditures
73.19 associated with removing and transporting the replaced statue and erecting the new statue
73.20 in its place; and

73.21 WHEREAS, the statue of Henry Mower Rice would be transferred to the State of
73.22 Minnesota; NOW, THEREFORE,

73.23 BE IT RESOLVED by the House of Representatives and the Senate of the State of
73.24 Minnesota that they request that the application to replace the statue of Henry Mower Rice
73.25 with a statue of Hubert H. Humphrey, consistent with the requirements of Public Law
73.26 106-554, be approved by the Joint Committee on the Library of Congress;

73.27 BE IT FURTHER RESOLVED that the revisor of statutes is directed to prepare an
73.28 enrolled copy of this resolution, to be authenticated by the signature of the secretary of state
73.29 and that of the governor, and that the secretary of state transmit the enrolled copy to the
73.30 Architect of the Capitol, for forwarding to the Joint Committee on the Library of Congress.

3.855 EMPLOYEE RELATIONS.

Subd. 5. **Information required.** The commissioner of management and budget must submit to the Legislative Coordinating Commission the following information with the submission of a compensation plan under subdivision 2:

(1) for each agency and for each proposed plan, a comparison of biennial compensation costs under the current plan to the projected biennial compensation costs under the proposed plan, paid with funds appropriated from the general fund;

(2) for each agency and for each proposed plan, a comparison of biennial compensation costs under the current plan to the projected biennial compensation costs under the proposed plan, paid with funds appropriated from each fund other than the general fund;

(3) for each agency and for each proposed plan, an identification of the amount of the additional biennial compensation costs that are attributable to salary and wages and to the cost of nonsalary and nonwage benefits; and

(4) for each agency, for clauses (1) to (3), the impact of the aggregate of all plans being submitted to the commission.

16A.662 INFRASTRUCTURE DEVELOPMENT BONDS.

Subdivision 1. **Infrastructure development fund.** The infrastructure development fund is created as an account in the state treasury. The commissioner of management and budget shall credit to the fund income from the sources provided by law. The commissioner of management and budget shall from time to time certify to the State Board of Investment the assets of the fund not currently needed. The amount certified must be invested by the State Board of Investment subject to section 11A.24. Investment income and investment losses attributable to investment of fund assets must be credited to or borne by the fund.

Subd. 2. **Bonds authorized.** When authorized by law enacted in accordance with the constitution, article XI, sections 5 and 7, the commissioner may by order sell and issue bonds of the state evidencing public debt incurred for any purpose stated in the law. The bonds are general obligations of the state, and the full faith and credit of the state are pledged for their payment.

Subd. 3. **Manner of issuance; maturities.** The bonds must be issued and sold in accordance with section 16A.641. Sections 16A.672 and 16A.675 apply to the bonds.

Subd. 4. **Debt service account; appropriation of debt service account money.** There is established within the state bond fund a separate and special account designated as the infrastructure development bond debt service account. The money on hand in the debt service account must be used solely for the payment of the principal of and interest on bonds issued under Laws 1990, chapter 610, article 1, section 30, subdivision 2, and is appropriated for this purpose. This appropriation does not cancel as long as any of the bonds remain outstanding.

Subd. 5. **Assessment to higher education systems.** (a) In order to reduce the amount otherwise required to be transferred to the state bond fund with respect to bonds heretofore or hereafter issued under Laws 1990, chapter 610, article 1, section 30, subdivision 2, the commissioner of management and budget shall assess each higher education system for one-third the amount that would otherwise need to be transferred with respect to those bonds sold to finance capital improvement projects at institutions under the control of the system; provided that, to the extent that the amount to be transferred is for payment of principal and interest on bonds sold to finance life safety improvements, the commissioner must not assess the higher education systems for the transfer.

(b) After each sale of the bonds, the commissioner of management and budget shall notify the Board of Trustees of the Minnesota State Colleges and Universities and the regents of the University of Minnesota of the amounts for which each system is responsible for each year for the life of the bonds. The amounts payable each year are reduced by one-third of the net income from investment of those bond proceeds that must be allocated among the systems in proportion to the amount of principal and interest otherwise required to be paid by each. Each higher education system shall pay its annual share of debt service payments to the commissioner of management and budget by December 1 each year. If a higher education system fails to make a payment when due, the commissioner of management and budget shall reduce allotments for appropriations from the general fund otherwise payable to the system to cover the amount of the missed debt service payment. The commissioner of management and budget shall credit the payments received from the higher education systems to the infrastructure development bond debt service account in the state bond fund each December 1 before the transfer is made under subdivision 4.

Subd. 6. **Appropriation from general fund.** There is annually appropriated from the general fund for transfer to the infrastructure development bond debt service account the amount that, added to the amount in the infrastructure development bond debt service account on December 1 each year, after giving effect to subdivisions 4 and 5, is equal to the full amount of principal and interest to come due on all bonds to and including July 1 in the second ensuing year.

Subd. 7. **Constitutional tax levy.** Under the constitution, article XI, section 7, the state auditor must levy each year on all taxable property within the state a tax sufficient, with the amount then on hand in the infrastructure development bond debt service account, to pay all principal and interest on the bonds due and to become due to and including July 1 in the second ensuing year. The tax is not subject to limit as to rate or amount. However, the amount of money appropriated from other sources as provided in subdivisions 4, 5, and 6, and actually received and on hand before the levy in any year, reduces the amount of the tax otherwise required to be levied. The proceeds of the tax must be credited to the infrastructure development bond debt service account.

Subd. 8. **Application and appropriation of proceeds.** The proceeds of the bonds must be deposited and spent as provided in this subdivision and are appropriated for those purposes. Any accrued interest and any premium received on the sale of the bonds must be credited to the infrastructure development bond debt service account. Except as otherwise required by law, the balance of the bond proceeds shall be credited to the infrastructure development fund and spent for the purposes specified in the law authorizing the issuance of the bonds. So much of the proceeds as is necessary must be used to pay costs incurred in issuing and selling the bonds.

116J.417 GREATER MINNESOTA CHILD CARE FACILITY CAPITAL GRANT PROGRAM.

Subd. 9. **Cancellation of grant; return of money.** If the commissioner determines that a grantee is unable to proceed with an approved project or has not expended or obligated the grant money within five years of entering into the grant agreement with the commissioner, the commissioner shall cancel the grant and the money is available for the commissioner to make other grants under this section. Money made available to the commissioner from a canceled grant is subject to cancellation under section 16A.642 as if it had been appropriated to the program in the year in which the grant is canceled.

240A.20 PROMOTING CONSTRUCTION AND RENOVATION OF PUBLIC SKATE PARKS THROUGHOUT THE STATE.

Subdivision 1. **Definition.** For purposes of this section, "skate" means wheeled, nonmotorized recreation, including skateboarding, roller blading, roller skating, and BMX biking.

Subd. 2. **Promotion of public skate parks.** The Minnesota Amateur Sports Commission shall:

(1) develop new public skate parks statewide; and

(2) provide matching grants to local units of government for public skate parks based on the criteria in this section.

Subd. 3. **Criteria for grants to local units of government for public skate parks.** (a) The commission shall administer a site selection process for the skate parks. The commission shall invite proposals from cities, towns, counties, consortia of cities, park boards, and school districts that are eligible to receive a grant under this program. A proposal for a skate park must include matching contributions including in-kind contributions of land, access roadways and access roadway improvements, and necessary utility services, landscaping, and parking.

(b) The skate park must be accessible to the public without charge for personal use.

(c) The skate park must be constructed of concrete.

(d) The location for all proposed facilities must be in areas of maximum demonstrated interest and must maximize accessibility to an arterial highway, transit, or pedestrian or bike path.

(e) To the extent possible, all proposed facilities must be dispersed equitably, must be located to maximize potential for full utilization, must accommodate noncompetitive family and community skating for all ages, and must encourage use of skate parks by a diverse population.

(f) The commission will give priority to proposals that come from more than one local government unit.

(g) The commission may also use the money to upgrade current facilities.

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(h) To the extent possible, 50 percent of all grants must be awarded to communities in greater Minnesota.

(i) A grant awarded under subdivision 2, clause (2), may not exceed \$500,000 unless the grantee demonstrates that the facility will have a regional or statewide draw. A grant awarded under subdivision 2, clause (2), may be for up to \$1,000,000 for a skate park with regional impact. A grant awarded under subdivision 2, clause (2), may be for up to \$2,000,000 for a skate park that has or will have more than 40,000 square feet.

(j) In selecting projects to be awarded grants under this section, the commission must give priority to those projects that are designed by experts in the field of concrete skate park design and are to be constructed by professionals with experience in the construction of concrete skate parks.

(k) To be eligible for a grant under this section, a local government must have engaged or must commit to engage youth in the planning, design, and programming for the concrete skate park.

Subd. 4. **Technical assistance.** To the extent possible, the commission shall provide technical assistance on skate park planning, design, and operation to communities.

Subd. 5. **Agreements with local governments and cooperative purchasing agreements.** (a) The Minnesota Amateur Sports Commission may enter into agreements with local units of government and provide financial assistance in the form of grants for the construction of skate parks that, in the determination of the commission, conform to its criteria.

(b) The commission may enter into cooperative purchasing agreements under section 471.59 with local governments to purchase skate park equipment and services through state contracts. The cooperative skate park equipment purchasing revolving fund is a separate account in the state treasury. The commission may charge a fee to cover the commission's administrative expenses to government units that have joint or cooperative purchasing agreements with the state under section 471.59. The fees collected must be deposited in the revolving fund established by this subdivision. Money in the fund is appropriated to the commission to administer the programs and services covered by this subdivision.

Subd. 6. **Awarding a design-build contract.** Notwithstanding section 471.345, cities, towns, counties, park boards, and school districts may solicit and award a design-build or construction manager at-risk contract for a construction or upgrade project funded under this section on the basis of a best value selection process. The city, town, county, park board, or school district must consider at least three proposals when awarding a design-build contract under this section.

Subd. 7. **Availability of funds.** A grant of money from an appropriation under this program is available to each grantee until the project that is the subject of the grant is completed or abandoned, subject to section 16A.642.

Laws 2023, chapter 53, article 17, section 2

Sec. 2. **CAPITOL AREA COMMUNITY VITALITY ACCOUNT.**

Subdivision 1. **Account established; appropriation.** (a) A Capitol Area community vitality account is established in the special revenue fund. Money in the account is appropriated to the commissioner of administration to improve the livability, economic health, and safety of communities within the Capitol Area, provided that no funds may be expended until a detailed program and oversight plan to govern their use, in accordance with the spending recommendations of the Capitol Area Community Vitality Task Force as approved by the Capitol Area Architectural and Planning Board, has been further approved by law.

(b) As used in this section, "Capitol Area" includes that part of the city of St. Paul within the boundaries described in Minnesota Statutes, section 15B.02.

Subd. 2. **Appropriation.** \$5,000,000 in fiscal year 2024 is transferred from the general fund to the Capitol Area community vitality account.