

**SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION**

S.F. No. 5251

(SENATE AUTHORS: PAPPAS)

DATE	D-PG	OFFICIAL STATUS
04/02/2024	13333	Introduction and first reading
		Referred to Capital Investment
05/15/2024		Comm report: To pass as amended and re-refer to Finance

1.1 A bill for an act

1.2 relating to capital investment; authorizing spending to acquire and better public

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

1.4 conditions; establishing new programs and modifying existing programs; modifying

1.5 prior appropriations; authorizing the sale and issuance of state bonds; appropriating

1.6 money; amending Minnesota Statutes 2022, sections 16A.642, subdivision 1;

1.7 446A.07, subdivision 8; 446A.072, subdivision 5a; 446A.073, subdivision 1;

1.8 462A.37, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections

1.9 256E.37, subdivision 1; 446A.081, subdivision 9; 462A.37, subdivision 5; Laws

1.10 2020, Fifth Special Session chapter 3, article 1, sections 14, subdivisions 5, 6; 25;

1.11 Laws 2023, chapter 72, article 1, section 27; proposing coding for new law in

1.12 Minnesota Statutes, chapters 16B; 115B; 174; 446A; repealing Minnesota Statutes

1.13 2022, section 16A.662.

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

1.15 **ARTICLE 1**

1.16 **APPROPRIATIONS**

1.17 Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

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

1.19 bond proceeds fund, or another named fund, to the state agencies or officials indicated, to

1.20 be spent for public purposes. Appropriations of bond proceeds must be spent as authorized

1.21 by the Minnesota Constitution, article XI, section 5, clause (a), to acquire and better public

1.22 land and buildings and other public improvements of a capital nature, or as authorized by

1.23 the Minnesota Constitution, article XI, section 5, clauses (b) to (j), or article XIV. Unless

1.24 otherwise specified, money appropriated in this act:

1.25 (1) may be used to pay state agency staff costs that are attributed directly to the capital

1.26 program or project in accordance with accounting policies adopted by the commissioner of

1.27 management and budget;

2.1 (2) is available until the project is completed or abandoned subject to Minnesota Statutes,
2.2 section 16A.642;

2.3 (3) for activities under Minnesota Statutes, sections 16B.307, 84.946, and 135A.046,
2.4 should not be used for projects that can be financed within a reasonable time frame under
2.5 Minnesota Statutes, section 16B.322 or 16C.144; and

2.6 (4) is available for a grant to a political subdivision after the commissioner of management
2.7 and budget determines that an amount sufficient to complete the project as described in this
2.8 act has been committed to the project, as required by Minnesota Statutes, section 16A.502.

2.9 (b) Unless otherwise specified, appropriations in this article from the general fund or
2.10 from the trunk highway fund are made in fiscal year 2025 and are onetime appropriations.

2.11 **APPROPRIATIONS**

2.12 **Sec. 2. UNIVERSITY OF MINNESOTA**

2.13 **Subdivision 1. Total Appropriation** **\$ 102,994,000**

2.14 To the Board of Regents of the University of
2.15 Minnesota for the purposes specified in this
2.16 section.

2.17 **Subd. 2. Higher Education Asset Preservation**
2.18 **and Replacement (HEAPR)** **102,994,000**

2.19 To be spent in accordance with Minnesota
2.20 Statutes, section 135A.046.

2.21 **Sec. 3. MINNESOTA STATE COLLEGES AND**
2.22 **UNIVERSITIES**

2.23 **Subdivision 1. Total Appropriation** **\$ 113,606,000**

2.24 To the Board of Trustees of the Minnesota
2.25 State Colleges and Universities for the
2.26 purposes specified in this section.

2.27 **Subd. 2. Higher Education Asset Preservation**
2.28 **and Replacement (HEAPR)** **81,772,000**

2.29 To be spent in accordance with Minnesota
2.30 Statutes, section 135A.046.

2.31 **Subd. 3. Saint Paul College - Academic**
2.32 **Excellence Renovation** **31,834,000**

3.1 To design, renovate, and equip the East Tower,
3.2 West Tower, and first floor, and to demolish
3.3 the College Learning Center building for the
3.4 creation of green space, at St. Paul College.

3.5 **Subd. 4. Debt Service**

3.6 (a) Except as provided in paragraph (b), the
3.7 Board of Trustees shall pay the debt service
3.8 on one-third of the principal amount of state
3.9 bonds sold to finance the project authorized
3.10 by this section. After each sale of general
3.11 obligation bonds, the commissioner of
3.12 management and budget shall notify the board
3.13 of the amounts assessed for each year for the
3.14 life of the bonds.

3.15 (b) The board need not pay debt service on
3.16 bonds sold to finance HEAPR. Where a
3.17 nonstate match is required, the debt service is
3.18 due on a principal amount equal to one-third
3.19 of the total project cost, less the match
3.20 committed before the bonds are sold.

3.21 (c) The commissioner of management and
3.22 budget shall reduce the board's assessment
3.23 each year by one-third of the net income from
3.24 investment of general obligation bond
3.25 proceeds in proportion to the amount of
3.26 principal and interest otherwise required to be
3.27 paid by the board. The board shall pay its
3.28 resulting net assessment to the commissioner
3.29 of management and budget by December 1
3.30 each year. If the board fails to make a payment
3.31 when due, the commissioner of management
3.32 and budget shall reduce allotments for
3.33 appropriations from the general fund otherwise
3.34 available to the board and apply the amount
3.35 of the reduction to cover the missed debt

4.1 service payment. The commissioner of
 4.2 management and budget shall credit the
 4.3 payments received from the board to the bond
 4.4 debt service account in the state bond fund
 4.5 each December 1 before money is transferred
 4.6 from the general fund under Minnesota
 4.7 Statutes, section 16A.641, subdivision 10.

4.8 **Subd. 5. Unspent Appropriations**

4.9 (a) Upon substantial completion of a project
 4.10 authorized in this section and after written
 4.11 notice to the commissioner of management
 4.12 and budget, the board must use any money
 4.13 remaining in the appropriation for that project
 4.14 for HEAPR under Minnesota Statutes, section
 4.15 135A.046. The Board of Trustees must report
 4.16 by February 1 of each even-numbered year to
 4.17 the chairs of the house of representatives and
 4.18 senate committees with jurisdiction over
 4.19 capital investment and higher education
 4.20 finance and to the chairs of the house of
 4.21 representatives Ways and Means Committee
 4.22 and the senate Finance Committee, on how
 4.23 the remaining money has been allocated or
 4.24 spent.

4.25 (b) The unspent portion of an appropriation
 4.26 for a project in this section that is complete is
 4.27 available for HEAPR under this subdivision,
 4.28 at the same campus as the project for which
 4.29 the original appropriation was made and the
 4.30 debt service requirement under this section is
 4.31 reduced accordingly. Minnesota Statutes,
 4.32 section 16A.642, applies from the date of the
 4.33 original appropriation to the unspent amount
 4.34 transferred.

4.35 **Sec. 4. EDUCATION**

\$ 1,000,000

5.1	<u>To the commissioner of education for library</u>		
5.2	<u>construction grants under Minnesota Statutes,</u>		
5.3	<u>section 134.45.</u>		
5.4	Sec. 5. <u>MINNESOTA STATE ACADEMIES</u>		
5.5	<u>Subdivision 1. Total Appropriation</u>	\$	<u>1,827,000</u>
5.6	<u>To the commissioner of administration for the</u>		
5.7	<u>purposes specified in this section.</u>		
5.8	<u>Subd. 2. Asset Preservation</u>		<u>1,227,000</u>
5.9	<u>For capital asset preservation improvements</u>		
5.10	<u>and betterments on both campuses of the</u>		
5.11	<u>Minnesota State Academies, to be spent in</u>		
5.12	<u>accordance with Minnesota Statutes, section</u>		
5.13	<u>16B.307.</u>		
5.14	<u>Subd. 3. Student Center Predesign</u>		<u>300,000</u>
5.15	<u>To predesign the renovation or replacement</u>		
5.16	<u>of existing spaces for a new student center on</u>		
5.17	<u>the Deaf School Campus.</u>		
5.18	<u>Subd. 4. Therapy Pool Improvements Predesign</u>		<u>300,000</u>
5.19	<u>To predesign the construction of the</u>		
5.20	<u>replacement and relocation of the therapy pool</u>		
5.21	<u>and therapeutic hot tub and renovations to the</u>		
5.22	<u>existing pool area, including related building</u>		
5.23	<u>and site improvements.</u>		
5.24	Sec. 6. <u>PERPICH CENTER FOR ARTS</u>		
5.25	<u>EDUCATION</u>	\$	<u>1,635,000</u>
5.26	<u>To the commissioner of administration for</u>		
5.27	<u>capital asset preservation improvements and</u>		
5.28	<u>betterments at the Perpich Center for Arts</u>		
5.29	<u>Education, to be spent in accordance with</u>		
5.30	<u>Minnesota Statutes, section 16B.307.</u>		
5.31	Sec. 7. <u>NATURAL RESOURCES</u>		
5.32	<u>Subdivision 1. Total Appropriation</u>	\$	<u>100,550,000</u>

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

6.3 (b) The appropriations in this section are
 6.4 subject to the requirements of the natural
 6.5 resources capital improvement program under
 6.6 Minnesota Statutes, section 86A.12, unless
 6.7 this section or the statutes referred to in this
 6.8 section provide more specific standards,
 6.9 criteria, or priorities for projects than
 6.10 Minnesota Statutes, section 86A.12.

6.11 **Subd. 2. Natural Resources Asset Preservation** 71,550,000

6.12 For the preservation and replacement of
 6.13 state-owned facilities and recreational assets
 6.14 operated by the commissioner of natural
 6.15 resources to be spent in accordance with
 6.16 Minnesota Statutes, section 84.946.

6.17 **Subd. 3. Betterment of Buildings** 12,000,000

6.18 For acquisition, predesign, design, and
 6.19 construction to replace existing facilities that
 6.20 no longer meet the business needs of the
 6.21 department or to acquire or construct new
 6.22 facilities.

6.23 **Subd. 4. Acquisition and Betterment of Public**
 6.24 **Lands** 7,000,000

6.25 (a) For the betterment of public lands and
 6.26 other improvements of a capital nature. The
 6.27 commissioner shall determine project priorities
 6.28 as appropriate under Minnesota Statutes,
 6.29 section 86A.12. Any reforestation shall be
 6.30 conducted in accordance with Minnesota
 6.31 Statutes, section 89.002, subdivision 2.

6.32 (b) For acquisition of public lands for the
 6.33 purposes described in Minnesota Statutes,
 6.34 section 86A.12, subdivision 2. The

7.1 commissioner shall determine project priorities
 7.2 as appropriate under Minnesota Statutes,
 7.3 section 86A.12.

7.4 **Subd. 5. Accessibility** 2,000,000

7.5 For the design and construction of accessibility
 7.6 improvements at state parks, recreation areas,
 7.7 and wildlife management areas.

7.8 **Subd. 6. Flood Hazard Mitigation** 6,000,000

7.9 (a) For the state share of flood hazard
 7.10 mitigation grants for publicly owned capital
 7.11 improvements to prevent or alleviate flood
 7.12 damage under Minnesota Statutes, section
 7.13 103F.161.

7.14 (b) Project priorities shall be determined by
 7.15 the commissioner as appropriate, based on
 7.16 need and consideration of available leveraging
 7.17 of federal, state, and local funds.

7.18 (c) To the extent practicable and consistent
 7.19 with the project, recipients of appropriations
 7.20 for flood control projects in this subdivision
 7.21 shall create wetlands that are eligible for
 7.22 wetland replacement credit to replace wetlands
 7.23 drained or filled as the result of repair,
 7.24 reconstruction, replacement, or rehabilitation
 7.25 of an existing public road under Minnesota
 7.26 Statutes, section 103G.222, subdivision 1,
 7.27 paragraphs (l) and (m).

7.28 (d) To the extent that the cost of a municipal
 7.29 project exceeds two percent of the median
 7.30 household income in the municipality
 7.31 multiplied by the number of households in the
 7.32 municipality, this appropriation is also for the
 7.33 local share of the project.

8.1	<u>Subd. 7. Parks and Trails Local and Regional</u>		
8.2	<u>Recreation Grants</u>		<u>2,000,000</u>
8.3	<u>For matching grants under Minnesota Statutes,</u>		
8.4	<u>section 85.019.</u>		
8.5	<u>Subd. 8. Unspent Appropriations</u>		
8.6	<u>The unspent portion of an appropriation for a</u>		
8.7	<u>project in this section that is complete, upon</u>		
8.8	<u>written notice to the commissioner of</u>		
8.9	<u>management and budget, is available for asset</u>		
8.10	<u>preservation under Minnesota Statutes, section</u>		
8.11	<u>84.946. Minnesota Statutes, section 16A.642,</u>		
8.12	<u>applies from the date of the original</u>		
8.13	<u>appropriation to the unspent amount</u>		
8.14	<u>transferred.</u>		
8.15	<u>Sec. 8. POLLUTION CONTROL AGENCY</u>		
8.16	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>10,000,000</u>
8.17	<u>To the Pollution Control Agency for the</u>		
8.18	<u>purposes specified in this section.</u>		
8.19	<u>Subd. 2. Statewide Drinking Water</u>		
8.20	<u>Contamination Mitigation Program</u>		<u>10,000,000</u>
8.21	<u>For projects or grants under Minnesota</u>		
8.22	<u>Statutes, section 115B.245. \$2,000,000 of this</u>		
8.23	<u>appropriation is from the general fund.</u>		
8.24	<u>Sec. 9. BOARD OF WATER AND SOIL</u>		
8.25	<u>RESOURCES</u>		
8.26	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>24,500,000</u>
8.27	<u>To the Board of Water and Soil Resources for</u>		
8.28	<u>the purposes specified in this section.</u>		
8.29	<u>Subd. 2. Local Government Roads Wetland</u>		
8.30	<u>Replacement Program</u>		<u>3,942,000</u>
8.31	<u>To acquire land or permanent easements and</u>		
8.32	<u>to restore, create, enhance, and preserve</u>		
8.33	<u>wetlands to replace those wetlands drained or</u>		
8.34	<u>filled as a result of the repair, reconstruction,</u>		

9.1 replacement, or rehabilitation of existing
 9.2 public roads as required by Minnesota
 9.3 Statutes, section 103G.222, subdivision 1,
 9.4 paragraphs (l) and (m). Notwithstanding
 9.5 Minnesota Statutes, section 103G.222,
 9.6 subdivision 3, the board may implement the
 9.7 wetland replacement program consistent with
 9.8 section 404 of the federal Clean Water Act.
 9.9 The purchase price paid for acquisition of land
 9.10 or perpetual easement must be a fair market
 9.11 value as determined by the board. The board
 9.12 may enter into agreements with the federal
 9.13 government, other state agencies, political
 9.14 subdivisions, nonprofit organizations, fee title
 9.15 owners, or other qualified private entities to
 9.16 acquire wetland replacement credits in
 9.17 accordance with Minnesota Rules, chapter
 9.18 8420. Up to five percent of this appropriation
 9.19 may be used for restoration and enhancement.

9.20 **Subd. 3. Local Government Roads Wetland**
 9.21 **Replacement Program**

10,558,000

9.22 From the general fund to the board to
 9.23 administer its statutory responsibilities and
 9.24 acquire wetland banking credits to replace
 9.25 those wetlands drained or filled as a result of
 9.26 repairing, reconstructing, replacing, or
 9.27 rehabilitating existing public roads as required
 9.28 by Minnesota Statutes, section 103G.222,
 9.29 subdivision 1. Notwithstanding Minnesota
 9.30 Statutes, section 103G.222, subdivision 3, the
 9.31 board may implement the wetland replacement
 9.32 program when consistent with the watershed
 9.33 approach of section 404 of the federal Clean
 9.34 Water Act. The purchase price paid for
 9.35 acquiring wetland credits must be determined
 9.36 by the board. The board may enter into

10.1 agreements with the federal government, other
 10.2 state agencies, political subdivisions, nonprofit
 10.3 organizations, fee title owners, or other
 10.4 qualified private entities to acquire wetland
 10.5 replacement credits in accordance with
 10.6 Minnesota Rules, chapter 8420.

10.7 **Subd. 4. Reinvest in Minnesota (RIM) Reserve**
 10.8 **Program**

10,000,000

10.9 To acquire conservation easements from
 10.10 landowners to preserve, restore, create, and
 10.11 enhance wetlands and associated uplands of
 10.12 prairie and grasslands, and to restore and
 10.13 enhance rivers and streams, riparian lands, and
 10.14 associated uplands of prairie and grasslands,
 10.15 in order to protect soil and water quality,
 10.16 support fish and wildlife habitat, reduce flood
 10.17 damage, and provide other public benefits.

10.18 The provisions of Minnesota Statutes, section
 10.19 103F.515, apply to this program. The board
 10.20 shall give priority to leveraging federal money
 10.21 by enrolling targeted new lands or enrolling
 10.22 environmentally sensitive lands that have
 10.23 expiring federal conservation agreements. The
 10.24 board is authorized to enter into new
 10.25 agreements and amend past agreements with
 10.26 landowners as required by Minnesota Statutes,
 10.27 section 103F.515, subdivision 5, to allow for
 10.28 restoration. Up to five percent of this
 10.29 appropriation may be used for restoration and
 10.30 enhancement.

10.31 **Sec. 10. MINNESOTA ZOOLOGICAL**
 10.32 **GARDEN**

10.33 **Subdivision 1. Total Appropriation**

\$ 4,089,000

10.34 To the Minnesota Zoological Board for the
 10.35 purposes specified in this section.

11.1	<u>Subd. 2. Asset Preservation</u>		<u>4,089,000</u>
11.2	<u>For capital asset preservation improvements</u>		
11.3	<u>and betterments to infrastructure and exhibits</u>		
11.4	<u>at the Minnesota Zoo, to be spent in</u>		
11.5	<u>accordance with Minnesota Statutes, section</u>		
11.6	<u>16B.307. Notwithstanding the specified uses</u>		
11.7	<u>of money under Minnesota Statutes, section</u>		
11.8	<u>16B.307, this appropriation may be used to</u>		
11.9	<u>replace buildings that are in poor condition,</u>		
11.10	<u>outdated, and no longer support the work of</u>		
11.11	<u>the Minnesota Zoological Garden; to construct</u>		
11.12	<u>and renovate trails and roads on the Minnesota</u>		
11.13	<u>Zoological Garden site; and to renovate animal</u>		
11.14	<u>exhibits to meet modern animal welfare</u>		
11.15	<u>standards, address animal and staff safety</u>		
11.16	<u>issues, and improve the viewing experience</u>		
11.17	<u>for guests.</u>		
11.18	Sec. 11. <u>ADMINISTRATION</u>		
11.19	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>12,344,000</u>
11.20	<u>To the commissioner of administration for the</u>		
11.21	<u>purposes specified in this section.</u>		
11.22	<u>Subd. 2. Capital Asset Preservation and</u>		
11.23	<u>Replacement Account</u>		<u>2,044,000</u>
11.24	<u>To be spent in accordance with Minnesota</u>		
11.25	<u>Statutes, section 16A.632.</u>		
11.26	<u>Subd. 3. Parking Equipment and Technology</u>		
11.27	<u>Improvements</u>		<u>3,000,000</u>
11.28	<u>From the general fund to predesign, design,</u>		
11.29	<u>construct, and install equipment and</u>		
11.30	<u>technology improvements at one or more</u>		
11.31	<u>parking facilities in the Capitol Complex.</u>		
11.32	<u>Subd. 4. State Facility Renewable Energy and</u>		
11.33	<u>Storage Fund</u>		<u>1,500,000</u>

12.1 From the general fund to design, construct,
 12.2 and equip renewable energy improvement and
 12.3 renewable energy storage projects at state
 12.4 buildings as defined in Minnesota Statutes,
 12.5 section 16B.851. The commissioner, or
 12.6 designated state agency, shall make an
 12.7 application to the federal government pursuant
 12.8 to Minnesota Statutes, section 16B.851,
 12.9 subdivision 4, for projects funded by this
 12.10 appropriation, and all money received under
 12.11 that subdivision shall be deposited into the
 12.12 account established under Minnesota Statutes,
 12.13 section 16B.851. The commissioner may use
 12.14 up to \$107,000 of this appropriation for
 12.15 program administration.

12.16 **Subd. 5. Capitol Complex - Physical Security**
 12.17 **Upgrades Phase III**

5,800,000

12.18 For the continuation of the design,
 12.19 construction, and equipping required to
 12.20 upgrade the physical security elements and
 12.21 systems for the Capitol Mall and the buildings
 12.22 listed in this subdivision, their attached tunnel
 12.23 systems, their surrounding grounds, and
 12.24 parking facilities as identified in the 2017
 12.25 Minnesota State Capitol Complex Physical
 12.26 Security Predesign completed by Miller
 12.27 Dunwiddie and an updated assessment
 12.28 completed in 2022. Upgrades include but are
 12.29 not limited to the installation of bollards, blast
 12.30 protection, infrastructure security screen walls,
 12.31 door access controls, emergency call stations,
 12.32 surveillance systems, security kiosks, lighting
 12.33 enhancements, locking devices, and traffic
 12.34 and crowd control devices. This appropriation
 12.35 includes money for work associated with the
 12.36 following buildings: Administration,

- 13.1 Ag/Health Lab, Capitol, Governor's
 13.2 Residence, Judicial Center, Minnesota History
 13.3 Center, Capitol Complex Power Plant and
 13.4 Shops, Stassen, Senate, and Veterans Service.
 13.5 \$1,800,000 of this appropriation is from the
 13.6 trunk highway fund to be used at the
 13.7 Transportation building for the purposes
 13.8 described in this subdivision.
- 13.9 **Sec. 12. AMATEUR SPORTS COMMISSION**
- 13.10 **Subdivision 1. Total Appropriation** **\$ 10,226,000**
- 13.11 To the Minnesota Amateur Sports
 13.12 Commission for the purposes specified in this
 13.13 section.
- 13.14 **Subd. 2. Asset Preservation** **9,226,000**
- 13.15 For asset preservation improvements and
 13.16 betterments of a capital nature at the National
 13.17 Sports Center in Blaine, to be spent in
 13.18 accordance with Minnesota Statutes, section
 13.19 16B.307.
- 13.20 **Subd. 3. Mighty Ducks** **1,000,000**
- 13.21 For grants to local units of government under
 13.22 Minnesota Statutes, section 240A.09,
 13.23 paragraph (b), to improve indoor air quality
 13.24 or eliminate R-22. This appropriation must
 13.25 not be used to acquire ice resurfacing or
 13.26 edging equipment.
- 13.27 **Sec. 13. MILITARY AFFAIRS**
- 13.28 **Subdivision 1. Total Appropriation** **\$ 3,000,000**
- 13.29 To the adjutant general for the purposes
 13.30 specified in this section.
- 13.31 **Subd. 2. Duluth Hangar Design** **3,000,000**

- 14.1 To predesign and design the construction of
 14.2 a new hangar to hold aircraft at the Duluth
 14.3 International Airport in support of the 148th
 14.4 Fighter Wing of the Minnesota Air National
 14.5 Guard to replace existing hangars.
- 14.6 **Sec. 14. PUBLIC SAFETY**
- 14.7 **Subdivision 1. Total Appropriation** **\$ 74,515,000**
- 14.8 To the commissioner of administration for the
 14.9 purposes specified in this section.
- 14.10 **Subd. 2. Southern Minnesota BCA Regional**
 14.11 **Office and Laboratory** **47,998,000**
- 14.12 To construct, furnish, and equip a new Bureau
 14.13 of Criminal Apprehension regional office and
 14.14 laboratory facility in Mankato.
- 14.15 **Subd. 3. Bemidji BCA Regional Office and**
 14.16 **Laboratory Expansion** **4,061,000**
- 14.17 For design and land acquisition for the
 14.18 renovation and expansion of the Bureau of
 14.19 Criminal Apprehension's Bemidji Regional
 14.20 Office and Forensic Science Laboratory.
- 14.21 **Subd. 4. State Patrol Headquarters Building** **22,456,000**
- 14.22 For design and land acquisition for a new
 14.23 headquarters building and support facilities
 14.24 for the State Patrol. This appropriation may
 14.25 also be used, as part of the first phase of the
 14.26 overall site development, to design the
 14.27 abatement of hazardous materials and
 14.28 demolition of any buildings located on the site,
 14.29 and to demolish any buildings located on the
 14.30 site and abate hazardous materials.
- 14.31 **Sec. 15. TRANSPORTATION**
- 14.32 **Subdivision 1. Total Appropriation** **\$ 77,650,000**

- 15.1 To the commissioner of transportation for the
 15.2 purposes specified in this section.
- 15.3 **Subd. 2. Highway Rail Grade Crossings** 2,000,000
- 15.4 To design, construct, and equip the
 15.5 replacement of active highway rail grade
 15.6 warning devices that have reached the end of
 15.7 their useful life or new highway rail grade
 15.8 warning devices.
- 15.9 **Subd. 3. Port Development Assistance Program** 3,000,000
- 15.10 For grants under Minnesota Statutes, chapter
 15.11 457A. Any improvements made with the
 15.12 proceeds of these grants must be publicly
 15.13 owned.
- 15.14 **Subd. 4. High-Priority Bridges** 40,000,000
- 15.15 From the trunk highway fund for the
 15.16 acquisition, environmental analysis, predesign,
 15.17 design, engineering, construction,
 15.18 reconstruction, and improvement of trunk
 15.19 highway bridges, including design-build
 15.20 contracts, program delivery, consultant usage
 15.21 to support these activities, and the cost of
 15.22 payments to landowners for lands acquired
 15.23 for highway right-of-way. Projects to
 15.24 construct, reconstruct, or improve trunk
 15.25 highway bridges from this appropriation will
 15.26 follow eligible investment priorities identified
 15.27 in the State Highway Investment Plan. The
 15.28 commissioner may use up to 17 percent of this
 15.29 appropriation for program delivery.
- 15.30 **Subd. 5. Drainage Asset Management Program** 4,800,000
- 15.31 From the trunk highway fund to predesign,
 15.32 design, construct, and equip one or more
 15.33 drainage asset management projects. Drainage
 15.34 asset management projects may include but

- 16.1 are not limited to repairing and replacing
 16.2 highway culverts, storm sewer system
 16.3 rehabilitations, and flood resiliency
 16.4 improvements. The commissioner may use up
 16.5 to 17 percent of this appropriation for program
 16.6 delivery.
- 16.7 **Subd. 6. Truck Parking Safety Improvements** 7,750,000
- 16.8 From the trunk highway fund for land
 16.9 acquisition, predesign, design, and
 16.10 construction of expanded truck parking at Big
 16.11 Spunk in Avon and Enfield Rest Areas and
 16.12 for the rehabilitation or replacement of truck
 16.13 parking information management system
 16.14 equipment at Department of
 16.15 Transportation-owned parking rest area
 16.16 locations.
- 16.17 **Subd. 7. Facilities Capital Program** 20,100,000
- 16.18 From the trunk highway fund for the
 16.19 transportation facilities capital improvement
 16.20 program under Minnesota Statutes, section
 16.21 174.09.
- 16.22 **Sec. 16. METROPOLITAN COUNCIL**
- 16.23 **Subdivision 1. Total Appropriation** **\$ 44,500,000**
- 16.24 To the Metropolitan Council for the purposes
 16.25 specified in this section.
- 16.26 **Subd. 2. Metropolitan Cities Inflow and**
 16.27 **Infiltration Grants** 5,000,000
- 16.28 For grants to cities and townships within the
 16.29 metropolitan area, as defined in Minnesota
 16.30 Statutes, section 473.121, subdivision 2, for
 16.31 capital improvements in municipal wastewater
 16.32 collection systems to reduce the amount of
 16.33 inflow and infiltration to the Metropolitan
 16.34 Council's metropolitan sanitary sewer disposal

17.1 system. Grants from this appropriation are for
 17.2 up to 50 percent of the cost to mitigate inflow
 17.3 and infiltration in the publicly owned
 17.4 municipal wastewater collection systems. To
 17.5 be eligible for a grant, a city or township must
 17.6 be identified by the council as a contributor
 17.7 of excessive inflow and infiltration in the
 17.8 metropolitan disposal system or have a
 17.9 measured flow rate within 20 percent of its
 17.10 allowable council-determined inflow and
 17.11 infiltration limits. The council must award
 17.12 grants based on applications from cities or
 17.13 townships that identify eligible capital costs
 17.14 and include a timeline for inflow and
 17.15 infiltration mitigation construction, pursuant
 17.16 to guidelines established by the council.

17.17 **Subd. 3. Metropolitan Regional Parks and Trails** 2,500,000

17.18 For the cost of improvements and betterments
 17.19 of a capital nature and acquisition by the
 17.20 council and local government units of regional
 17.21 recreational open-space lands in accordance
 17.22 with the council's policy plan as provided in
 17.23 Minnesota Statutes, section 473.147. This
 17.24 appropriation must not be used to purchase
 17.25 easements.

17.26 **Subd. 4. Arterial Bus Transit** 37,000,000

17.27 For real property acquisition, predesign,
 17.28 design, engineering, and construction of
 17.29 arterial bus rapid transit, including utility
 17.30 relocation, demolition, and furnishing and
 17.31 equipping facilities for arterial bus rapid transit
 17.32 projects. The council must allocate the money
 17.33 among projects based on criteria in its
 17.34 transitway capital improvement plan
 17.35 including: consistency with the council's

- 18.1 transportation policy plan; project readiness;
- 18.2 potential current and forecasted ridership;
- 18.3 expansion of the bus rapid transit system;
- 18.4 availability of federal or other matching funds;
- 18.5 coordination with other major projects; and
- 18.6 additional criteria for priorities otherwise
- 18.7 specified in state law or rule applicable to bus
- 18.8 rapid transit, including state law authorizing
- 18.9 state bond fund appropriations for a bus rapid
- 18.10 transit project.

18.11 **Sec. 17. HUMAN SERVICES**

18.12 **Subdivision 1. Total Appropriation** **\$ 30,266,000**

- 18.13 To the commissioner of administration, or
- 18.14 other named entity, for the purposes specified
- 18.15 in this section.

18.16 **Subd. 2. Asset Preservation** **12,266,000**

- 18.17 For asset preservation improvements and
- 18.18 betterments of a capital nature at Department
- 18.19 of Human Services facilities statewide, to be
- 18.20 spent in accordance with Minnesota Statutes,
- 18.21 section 16B.307. The commissioner of
- 18.22 administration may use this appropriation for
- 18.23 improvements and betterments of a capital
- 18.24 nature to be spent in accordance with
- 18.25 Minnesota Statutes, section 16B.307, at
- 18.26 facilities operated by the Department of Direct
- 18.27 Care and Treatment following the department's
- 18.28 separation from the Department of Human
- 18.29 Services.

18.30 **Subd. 3. Early Childhood Facilities Grants** **5,000,000**

- 18.31 To the commissioner of human services for
- 18.32 grants under Minnesota Statutes, section
- 18.33 256E.37, to predesign, design, construct,
- 18.34 renovate, furnish, and equip early childhood

19.1	<u>learning facilities. \$2,000,000 of this</u>		
19.2	<u>appropriation is from the general fund for</u>		
19.3	<u>grants. Up to \$341,000 of this appropriation</u>		
19.4	<u>from the general fund is for program</u>		
19.5	<u>administration.</u>		
19.6	<u>Subd. 4. St. Peter Water and Sewer Upgrades</u>		<u>13,000,000</u>
19.7	<u>To design, construct, and equip upgrades and</u>		
19.8	<u>the replacement of water, sanitary, and storm</u>		
19.9	<u>sewer infrastructure at the St. Peter Campus.</u>		
19.10	Sec. 18. <u>VETERANS AFFAIRS</u>		
19.11	<u>Subdivision 1. Total Appropriation</u>	\$	<u>28,857,000</u>
19.12	<u>To the commissioner of administration for the</u>		
19.13	<u>purposes specified in this section.</u>		
19.14	<u>Subd. 2. Asset Preservation</u>		<u>12,812,000</u>
19.15	<u>For asset preservation improvements and</u>		
19.16	<u>betterments of a capital nature at the veterans</u>		
19.17	<u>homes in Minneapolis, Hastings, Fergus Falls,</u>		
19.18	<u>Silver Bay, and Luverne, and the state veterans</u>		
19.19	<u>cemeteries at Little Falls, Preston, and Duluth,</u>		
19.20	<u>to be spent in accordance with Minnesota</u>		
19.21	<u>Statutes, section 16B.307.</u>		
19.22	<u>Subd. 3. Minneapolis Veterans Home - Building</u>		
19.23	<u>16 Remodel</u>		<u>16,045,000</u>
19.24	<u>To design, construct, furnish, and equip the</u>		
19.25	<u>renovation of the Minneapolis Veterans Home</u>		
19.26	<u>Building 16.</u>		
19.27	Sec. 19. <u>CORRECTIONS</u>		
19.28	<u>Subdivision 1. Total Appropriation</u>	\$	<u>128,019,000</u>
19.29	<u>To the commissioner of administration for the</u>		
19.30	<u>purposes specified in this section.</u>		
19.31	<u>Subd. 2. Asset Preservation</u>		<u>81,434,000</u>

20.1 For asset preservation improvement and
 20.2 betterments of a capital nature at the
 20.3 Minnesota correctional facilities statewide to
 20.4 be spent in accordance with Minnesota
 20.5 Statutes, section 16B.307.

20.6 \$5,000,000 of this appropriation is from the
 20.7 general fund. Notwithstanding the specified
 20.8 uses of money under Minnesota Statutes,
 20.9 section 16B.307, the commissioner may use
 20.10 the general fund appropriation for capital
 20.11 expenditures allowed under Minnesota
 20.12 Statutes, section 16B.307, that do not
 20.13 constitute betterments and capital
 20.14 improvements within the meaning of article
 20.15 XI, section 5, clause (a), of the constitution.

20.16 The report required under Minnesota Statutes,
 20.17 section 16B.307, subdivision 2, shall also
 20.18 include a list of projects that have been paid
 20.19 for with this appropriation from the general
 20.20 fund.

20.21 **Subd. 3. Minnesota Correctional Facility - Rush**
 20.22 **City**

46,585,000

20.23 To design, construct, furnish, and equip a new
 20.24 building addition and to renovate existing
 20.25 space to provide incarcerated persons services
 20.26 at the Rush City Correctional Facility.

20.27 **Subd. 4. Unspent Appropriations**

20.28 The unspent portion of an appropriation for a
 20.29 Department of Corrections project in this
 20.30 section that is complete, upon written notice
 20.31 to the commissioner of management and
 20.32 budget, is available for asset preservation
 20.33 under Minnesota Statutes, section 16B.307.

20.34 Minnesota Statutes, section 16A.642, applies

21.1	<u>from the date of the original appropriation to</u>		
21.2	<u>the unspent amount transferred.</u>		
21.3	<u>Sec. 20. EMPLOYMENT AND ECONOMIC</u>		
21.4	<u>DEVELOPMENT</u>		
21.5	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>5,000,000</u>
21.6	<u>To the commissioner of employment and</u>		
21.7	<u>economic development for the purposes</u>		
21.8	<u>specified in this section.</u>		
21.9	<u>Subd. 2. Greater Minnesota Business</u>		
21.10	<u>Development Public Infrastructure</u>		<u>3,000,000</u>
21.11	<u>For grants under Minnesota Statutes, section</u>		
21.12	<u>116J.431.</u>		
21.13	<u>Subd. 3. Transportation Economic Development</u>		
21.14	<u>Infrastructure</u>		<u>2,000,000</u>
21.15	<u>For grants under Minnesota Statutes, section</u>		
21.16	<u>116J.436.</u>		
21.17	<u>Sec. 21. PUBLIC FACILITIES AUTHORITY</u>		
21.18	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>109,012,000</u>
21.19	<u>To the Public Facilities Authority for the</u>		
21.20	<u>purposes specified in this section.</u>		
21.21	<u>Subd. 2. State Match for Federal Grants to State</u>		
21.22	<u>Revolving Loan Programs</u>		<u>39,000,000</u>
21.23	<u>To match federal capitalization grants for the</u>		
21.24	<u>clean water revolving fund under Minnesota</u>		
21.25	<u>Statutes, section 446A.07, and the drinking</u>		
21.26	<u>water revolving fund under Minnesota</u>		
21.27	<u>Statutes, section 446A.081. This appropriation</u>		
21.28	<u>must be used for qualified capital projects.</u>		
21.29	<u>Subd. 3. Water Infrastructure Funding Program</u>		<u>23,485,000</u>
21.30	<u>(a) For grants to eligible municipalities under</u>		
21.31	<u>the water infrastructure funding program under</u>		
21.32	<u>Minnesota Statutes, section 446A.072.</u>		

22.1 (b) \$10,000,000 is for wastewater projects
 22.2 listed on the Pollution Control Agency's
 22.3 project priority list in the fundable range under
 22.4 the clean water revolving fund program.

22.5 (c) \$13,485,000 is for drinking water projects
 22.6 listed on the commissioner of health's project
 22.7 priority list in the fundable range under the
 22.8 drinking water revolving fund program.

22.9 (d) After all eligible projects under paragraph
 22.10 (b) or (c) have been funded in a fiscal year,
 22.11 the Public Facilities Authority may transfer
 22.12 any remaining, uncommitted money to eligible
 22.13 projects under a program defined in paragraph
 22.14 (b) or (c) based on that program's project
 22.15 priority list.

22.16 **Subd. 4. Point Source Implementation Grants**
 22.17 **Program**

18,527,000

22.18 For grants to eligible municipalities under the
 22.19 point source implementation grants program
 22.20 under Minnesota Statutes, section 446A.073.
 22.21 This appropriation must be used for qualified
 22.22 capital projects.

22.23 **Subd. 5. Emerging Contaminants Grant**
 22.24 **Program**

18,000,000

22.25 For grants to eligible municipalities under the
 22.26 Emerging Contaminants Grant Program under
 22.27 Minnesota Statutes, section 446A.082.

22.28 **Subd. 6. Lead Service Line Replacement Grant**
 22.29 **Program**

10,000,000

22.30 From the general fund for grants under
 22.31 Minnesota Statutes, section 446A.077.

22.32 **Sec. 22. MINNESOTA HOUSING FINANCE**
 22.33 **AGENCY**

\$ 7,500,000

23.1 To the Minnesota Housing Finance Agency
 23.2 to finance the costs of rehabilitation to
 23.3 preserve public housing under Minnesota
 23.4 Statutes, section 462A.202, subdivision 3a.
 23.5 For purposes of this section, "public housing"
 23.6 means housing for low-income persons and
 23.7 households financed by the federal
 23.8 government and publicly owned. Priority may
 23.9 be given to proposals that maximize nonstate
 23.10 resources to finance the capital costs and
 23.11 requests that prioritize health, safety, and
 23.12 energy improvements. The priority in
 23.13 Minnesota Statutes, section 462A.202,
 23.14 subdivision 3a, for projects to increase the
 23.15 supply of affordable housing and the
 23.16 restrictions of Minnesota Statutes, section
 23.17 462A.202, subdivision 7, do not apply to this
 23.18 appropriation.

23.19 **Sec. 23. MINNESOTA HISTORICAL**
 23.20 **SOCIETY**

23.21 **Subdivision 1. Total Appropriation** **\$ 6,588,000**

23.22 To the Minnesota Historical Society for the
 23.23 purposes specified in this section.

23.24 **Subd. 2. Historic Sites Asset Preservation** **5,588,000**

23.25 For capital improvements and betterments at
 23.26 state historic sites, buildings, landscaping at
 23.27 historic buildings, exhibits, markers, and
 23.28 monuments, to be spent in accordance with
 23.29 Minnesota Statutes, section 16B.307. The
 23.30 society shall determine project priorities as
 23.31 appropriate based on need.

23.32 **Subd. 3. County and Local Preservation Grants** **1,000,000**

23.33 For grants to county and local jurisdictions as
 23.34 matching money for historic preservation

24.1 projects of a capital nature, as provided in
 24.2 Minnesota Statutes, section 138.0525.

24.3 Sec. 24. **BOND SALE AUTHORIZATION.**

24.4 To provide the money appropriated in this act from the bond proceeds fund, and to
 24.5 provide for expenses authorized in section 16A.641, subdivision 8, paragraph (c), the
 24.6 commissioner of management and budget shall sell and issue bonds of the state in an amount
 24.7 up to \$830,000,000 in the manner, upon the terms, and with the effect prescribed by
 24.8 Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article
 24.9 XI, sections 4 to 7.

24.10 Sec. 25. **BOND SALE SCHEDULE.**

24.11 The commissioner of management and budget shall schedule the sale of state general
 24.12 obligation bonds so that, during the biennium ending June 30, 2025, no more than
 24.13 \$1,134,186,000 will need to be transferred from the general fund to the state bond fund to
 24.14 pay principal and interest due and to become due on outstanding state general obligation
 24.15 bonds. During the biennium, before each sale of state general obligation bonds, the
 24.16 commissioner of management and budget shall calculate the amount of debt service payments
 24.17 needed on bonds previously issued and shall estimate the amount of debt service payments
 24.18 that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the
 24.19 amount of bonds scheduled to be sold so as to remain within the limit set by this section.
 24.20 The amount needed to make the debt service payments is appropriated from the general
 24.21 fund as provided in Minnesota Statutes, section 16A.641.

24.22 Sec. 26. **EFFECTIVE DATE.**

24.23 This article is effective the day following final enactment.

24.24 **ARTICLE 2**

24.25 **MISCELLANEOUS**

24.26 Section 1. Minnesota Statutes 2022, section 16A.642, subdivision 1, is amended to read:

24.27 Subdivision 1. **Reports.** (a) The commissioner of management and budget shall report
 24.28 to the chairs of the senate Committee on Finance and the house of representatives Committees
 24.29 on Ways and Means and Capital Investment by ~~January~~ February 1 of each year on the
 24.30 following:

25.1 (1) all laws authorizing the issuance of state bonds, bonds supported by a state
25.2 appropriation, or appropriating general fund money for state or local government capital
25.3 investment projects enacted more than four years before January 1 of that year; the projects
25.4 authorized to be acquired and constructed for which less than 100 percent of the authorized
25.5 total cost has been expended, encumbered, or otherwise obligated; the cost of contracts to
25.6 be let in accordance with existing plans and specifications shall be considered expended
25.7 for this report; and the amount of general fund money appropriated but not spent or otherwise
25.8 obligated, and the amount of bonds not issued and bond proceeds held but not previously
25.9 expended, encumbered, or otherwise obligated for these projects; and

25.10 (2) all laws authorizing the issuance of state bonds, bonds supported by a state
25.11 appropriation, or appropriating general fund money for state or local government capital
25.12 programs or projects other than those described in clause (1), enacted more than four years
25.13 before January 1 of that year; and the amount of general fund money appropriated but not
25.14 spent or otherwise obligated, and the amount of bonds not issued and bond proceeds held
25.15 but not previously expended, encumbered, or otherwise obligated for these programs and
25.16 projects.

25.17 (b) The commissioner shall also report on general fund appropriations for capital projects,
25.18 bond authorizations or bond proceed balances that may be canceled because projects have
25.19 been canceled, completed, or otherwise concluded, or because the purposes for which the
25.20 money was appropriated or bonds were authorized or issued have been canceled, completed,
25.21 or otherwise concluded. The general fund appropriations, bond authorizations or bond
25.22 proceed balances that are unencumbered or otherwise not obligated that are reported by the
25.23 commissioner under this subdivision are canceled, effective July 1 of the year of the report,
25.24 unless specifically reauthorized by act of the legislature.

25.25 (c) The reports required by this subdivision shall only contain bond authorizations
25.26 supported by a state appropriation and their associated general fund appropriations for
25.27 projects authorized or amended after December 31, 2013.

25.28 **Sec. 2. [16B.851] STATE BUILDING RENEWABLE ENERGY, STORAGE, AND**
25.29 **ELECTRIC VEHICLE ACCOUNT.**

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

25.32 (b) **"State agency" has the meaning given in section 16B.321, subdivision 5, and, in**
25.33 **addition to the agencies listed in section 15.01, includes the Office of Higher Education,**
25.34 **Housing Finance Agency, Pollution Control Agency, Metropolitan Council, and Bureau of**

26.1 Mediation Services. It also includes agencies, boards, commissions, committees, councils,
26.2 and authorities as defined in section 15.012.

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

26.4 (d) "Renewable energy" has the meaning given in section 216B.2422, subdivision 1,
26.5 paragraph (c), and includes thermal energy.

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

26.11 (f) "Energy storage" means the predesign, design, acquisition, construction, or installation
26.12 of technology which stores and delivers electric or thermal energy.

26.13 (g) "Electric vehicle service equipment" or "EVSE" means electric vehicle service
26.14 equipment, including charging equipment and associated infrastructure and site upgrades.

26.15 Subd. 2. **Establishment.** A state building renewable energy, storage, and electric vehicle
26.16 account is established in the special revenue fund to provide money to:

26.17 (1) state agencies to design, construct, and equip renewable energy improvement and
26.18 renewable energy storage projects at state buildings;

26.19 (2) state agencies to purchase state fleet electric vehicles in accordance with section
26.20 16C.135;

26.21 (3) state agencies to purchase and install EVSE;

26.22 (4) the commissioner of administration to manage the program;

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

26.25 Subd. 4. **Accepting funds.** (a) The commissioner or state agency designated by the
26.26 commissioner shall be responsible for making application to the federal government on
26.27 behalf of the state of Minnesota for all state projects eligible for elective payments under
26.28 sections 6417 and 6418 of the Internal Revenue Code, as added by Public Law 117-169.

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

27.1 (c) Notwithstanding section 16A.72, all funds received under this subdivision shall be
27.2 deposited into the state building renewable energy, storage, and electric vehicle account
27.3 and appropriated to the commissioner for the purposes of subdivision 2 and as permitted
27.4 under this section.

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

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

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

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

27.17 (c) Federal payments received for eligible electric fleet vehicle purchases made directly
27.18 by a state agency are transferred to the fund from which the purchase was made.

27.19 **Sec. 3. [115B.245] STATEWIDE DRINKING WATER CONTAMINATION**
27.20 **MITIGATION PROGRAM.**

27.21 Subdivision 1. **Program established.** The commissioner may design and construct, or
27.22 may make grants to eligible grantees as provided under this section to design and construct,
27.23 projects to provide safe drinking water, due to contamination of drinking water by hazardous
27.24 substances, through projects such as treatment systems, new drinking water wells, sealing
27.25 contaminated wells, and connecting to alternative drinking water sources. The criteria for
27.26 selecting projects must follow the criteria and rules established under section 115B.17.

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

27.29 (b) "Eligible grantee" means:

27.30 (1) for projects funded from the statewide drinking water contamination mitigation
27.31 account in the bond proceeds fund, a city, county, school district, joint powers board, or
27.32 other political subdivision of the state; and

28.1 (2) for projects funded from the statewide drinking water contamination mitigation
28.2 account in the general fund, any person.

28.3 (c) "Private infrastructure projects" means improvements made to nonpublicly owned
28.4 infrastructure such as sealing of private wells, connecting private properties to water mains,
28.5 water service fees, treatment systems, and drilling new private wells in an unimpaired
28.6 drinking water aquifer.

28.7 (d) "Public infrastructure projects" means improvements made to publicly owned
28.8 infrastructure such as water main installation, public water system improvements, treatment
28.9 systems, and associated improvements.

28.10 Subd. 3. **Accounts.** (a) A statewide drinking water contamination mitigation account is
28.11 established in the bond proceeds fund. The account consists of state bond proceeds
28.12 appropriated to the commissioner for this purpose. Money in the account may only be
28.13 expended to acquire land or an interest in land and predesign, design, construct, and improve
28.14 public infrastructure projects that further the purposes of this section. Notwithstanding
28.15 section 115B.17, subdivision 6 or 16, any money recovered in a civil action for a project
28.16 financed with bonds under this section shall be transferred to the commissioner of
28.17 management and budget and applied toward principal and interest on outstanding bonds.

28.18 (b) A statewide drinking water contamination mitigation account is established in the
28.19 general fund. The account consists of money as provided by law and any other money
28.20 donated, allotted, transferred, or otherwise provided to the account. Money in the account
28.21 may only be expended on public or private infrastructure projects that further the purposes
28.22 of this section.

28.23 **Sec. 4. [174.09] TRANSPORTATION FACILITIES CAPITAL PROGRAM.**

28.24 Subdivision 1. **Establishment; accounts** (a) A transportation facilities capital program
28.25 is established to prioritize among eligible projects that:

28.26 (1) support the programmatic mission of the department;

28.27 (2) extend the useful life of existing buildings; or

28.28 (3) renovate or construct facilities to meet the department's current and future operational
28.29 needs.

28.30 (b) Projects under the transportation facilities capital program are funded by proceeds
28.31 from the sale of trunk highway bonds or from other money appropriated for the purposes
28.32 of this section.

29.1 (c) A transportation facilities capital account is established in the trunk highway fund.
29.2 The account consists of all money appropriated from the trunk highway fund for the purposes
29.3 of this section and any other money donated, allotted, transferred, or otherwise provided to
29.4 the account by law. Money in the account is appropriated to the commissioner for the
29.5 purposes specified and consistent with the standards and criteria set forth in this section.

29.6 (d) A transportation facilities capital account is established in the bond proceeds account
29.7 of the trunk highway fund. The account consists of trunk highway bond proceeds appropriated
29.8 to the commissioner. Money in the account may only be expended on trunk highway
29.9 purposes, which includes the purposes in this section.

29.10 Subd. 2. **Standards.** (a) Minnesota Constitution, article XIV, section 11, states that trunk
29.11 highway bonds may be issued to finance the construction, improvement, and maintenance
29.12 of the public highway system in the state. The legislature assumes that many projects for
29.13 preservation and replacement of portions of existing capital assets will constitute the
29.14 construction, improvement, maintenance of the public highway system within the meaning
29.15 of the constitution and capital expenditures under generally accepted accounting principles,
29.16 and will be financed more efficiently and economically under the program than by direct
29.17 appropriations for specific projects.

29.18 (b) When allocating funding under this section, the commissioner must review the
29.19 projects deemed eligible under subdivision 3 and prioritize allocations using the criteria in
29.20 subdivision 4. Money allocated to a specific project in an appropriation or other law must
29.21 be allocated as provided by the law.

29.22 Subd. 3. **Eligible expenditures; limitations.** (a) A project is eligible under this section
29.23 only if it is a capital expenditure on a capital building asset owned or to be owned by the
29.24 state within the meaning of accepted accounting principles as applied to public expenditures.

29.25 (b) Capital budget expenditures that are eligible under this section include but are not
29.26 limited to: acquisition of land and buildings and the predesign, design, engineering,
29.27 construction, furnishing, and equipping of district headquarter buildings, truck stations, salt
29.28 storage or other unheated storage buildings, deicing and anti-icing facilities, fuel-dispensing
29.29 facilities, highway rest areas, and vehicle weigh and inspection stations.

29.30 Subd. 4. **Criteria for priorities.** When prioritizing funding allocation among projects
29.31 eligible under subdivision 3, the commissioner must consider:

29.32 (1) whether a project ensures the effective and efficient condition and operation of the
29.33 facility;

- 30.1 (2) the urgency in ensuring the safe use of existing buildings;
30.2 (3) the project's total life-cycle cost;
30.3 (4) additional criteria for priorities otherwise specified in law, statute, or rule that applies
30.4 to a category listed in the act making an appropriation for the program; and
30.5 (5) any other criteria the commissioner deems necessary.

30.6 Sec. 5. Minnesota Statutes 2023 Supplement, section 256E.37, subdivision 1, is amended
30.7 to read:

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

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

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

30.20 ~~(2)~~ (3) A grant for an individual facility must not exceed \$500,000 for each program
30.21 that is housed in the facility, up to a maximum of \$2,000,000 for a facility that houses three
30.22 programs or more. Programs include Head Start, School Readiness, Early Childhood Family
30.23 Education, licensed child care, and other early childhood intervention programs.

30.24 ~~(3)~~ (4) State appropriations must be matched on a ~~50~~ 25 percent basis with nonstate
30.25 funds. The matching requirement must apply program wide and not to individual grants.

30.26 Sec. 6. Minnesota Statutes 2022, section 446A.07, subdivision 8, is amended to read:

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

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

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

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

31.9 (4) to provide loan guarantees, loans, or set-aside for similar revolving funds established
 31.10 by a governmental unit other than state agencies, or state agencies under sections 17.117,
 31.11 103F.725, subdivision 1a, and 116J.617;

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

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

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

31.20 ~~(7) (1) to provide principal forgiveness or grants to the extent permitted under the Federal~~
 31.21 ~~Water Pollution Control Act and other federal law, based on the affordability criteria and~~
 31.22 ~~requirements established for the wastewater water infrastructure funding program under~~
 31.23 ~~section 446A.072; and~~

31.24 ~~(8) (2) to provide loans, principal forgiveness, or grants to the extent permitted under~~
 31.25 ~~the Federal Water Pollution Control Act and other federal law for 25 percent of project costs~~
 31.26 ~~up to a maximum of \$1,000,000 for projects to address green infrastructure, water or energy~~
 31.27 ~~efficiency improvements, or other environmentally innovative activities; and~~

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

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

32.1 ~~(e) Principal forgiveness or grants provided under paragraph (a), clause (8), may not~~
 32.2 ~~exceed 25 percent of the eligible project costs as determined by the Pollution Control Agency~~
 32.3 ~~for project components directly related to green infrastructure, water or energy efficiency~~
 32.4 ~~improvements, or other environmentally innovative activities, up to a maximum of~~
 32.5 ~~\$1,000,000.~~

32.6 Sec. 7. Minnesota Statutes 2022, section 446A.072, subdivision 5a, is amended to read:

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

32.13 (b) For a governmental unit receiving a loan from the clean water revolving fund under
 32.14 section 446A.07, the authority may provide assistance under this section in the form of a
 32.15 grant if the average annual residential wastewater system cost after completion of the project
 32.16 would otherwise exceed 1.4 percent of the median household income of the project service
 32.17 area. In determining whether the average annual residential wastewater system cost would
 32.18 exceed 1.4 percent, the authority must consider the total costs associated with building,
 32.19 operating, and maintaining the wastewater system, including existing wastewater debt
 32.20 service, debt service on the eligible project cost, and operation and maintenance costs. Debt
 32.21 service costs for the proposed project are calculated based on the maximum loan term
 32.22 permitted for the clean water revolving fund loan under section 446A.07, subdivision 7.
 32.23 The amount of the grant is equal to 80 percent of the amount needed to reduce the average
 32.24 annual residential wastewater system cost to 1.4 percent of median household income in
 32.25 the project service area, to a maximum of ~~\$5,000,000~~ \$10,000,000 per project or \$20,000
 32.26 per existing connection, whichever is less, unless specifically approved by law. The eligible
 32.27 project cost is determined by multiplying the total project costs minus any other grants by
 32.28 the essential project component percentage calculated under subdivision 3, paragraph (c),
 32.29 clause (1). In no case may the amount of the grant exceed 80 percent of the eligible project
 32.30 cost.

32.31 (c) For a governmental unit receiving a loan from the drinking water revolving fund
 32.32 under section 446A.081, the authority may provide assistance under this section in the form
 32.33 of a grant if the average annual residential drinking water system cost after completion of
 32.34 the project would otherwise exceed 1.2 percent of the median household income of the

33.1 project service area. In determining whether the average annual residential drinking water
33.2 system cost would exceed 1.2 percent, the authority must consider the total costs associated
33.3 with building, operating, and maintaining the drinking water system, including existing
33.4 drinking water debt service, debt service on the eligible project cost, and operation and
33.5 maintenance costs. Debt service costs for the proposed project are calculated based on the
33.6 maximum loan term permitted for the drinking water revolving fund loan under section
33.7 446A.081, subdivision 8, paragraph (c). The amount of the grant is equal to 80 percent of
33.8 the amount needed to reduce the average annual residential drinking water system cost to
33.9 1.2 percent of median household income in the project service area, to a maximum of
33.10 ~~\$5,000,000~~ \$10,000,000 per project or \$20,000 per existing connection, whichever is less,
33.11 unless specifically approved by law. The eligible project cost is determined by multiplying
33.12 the total project costs minus any other grants by the essential project component percentage
33.13 calculated under subdivision 3, paragraph (c), clause (1). In no case may the amount of the
33.14 grant exceed 80 percent of the eligible project cost.

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

33.21 Sec. 8. Minnesota Statutes 2022, section 446A.073, subdivision 1, is amended to read:

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

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

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

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

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

34.3 Sec. 9. Minnesota Statutes 2023 Supplement, section 446A.081, subdivision 9, is amended
 34.4 to read:

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

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

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

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

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

34.18 (5) to earn interest on fund accounts;

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

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

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

34.27 ~~(8) (1) to provide principal forgiveness or grants to the extent permitted under the federal~~
 34.28 ~~Safe Drinking Water Act and other federal law, based on the affordability criteria and~~
 34.29 ~~requirements established for drinking water projects under the water infrastructure funding~~
 34.30 ~~program under section 446A.072;~~

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

35.4 ~~(10)~~ (2) to provide principal forgiveness, or grants for 80 percent of project costs up to
 35.5 a maximum of \$100,000 for projects needed to comply with national primary drinking water
 35.6 standards for an existing nonmunicipal community public water system;

35.7 ~~(11)~~ (3) to provide principal forgiveness or grants to the extent permitted under the
 35.8 federal Safe Drinking Water Act and other federal laws for projects to replace the privately
 35.9 owned portion of drinking water lead service lines; ~~and~~

35.10 ~~(12)~~ (4) to provide principal forgiveness or grants to the extent permitted under the
 35.11 federal Safe Drinking Water Act and other federal laws for 50 percent of project costs up
 35.12 to a maximum of \$3,000,000 for projects to address emerging contaminants in drinking
 35.13 water as defined by the United States Environmental Protection Agency; and

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

35.17 ~~(b) Principal forgiveness or grants provided under paragraph (a), clause (9), may not~~
 35.18 ~~exceed 25 percent of the eligible project costs as determined by the Department of Health~~
 35.19 ~~for project components directly related to green infrastructure, water or energy efficiency~~
 35.20 ~~improvements, or other environmentally innovative activities, up to a maximum of~~
 35.21 ~~\$1,000,000.~~

35.22 Sec. 10. [446A.082] EMERGING CONTAMINANTS GRANTS.

35.23 Subdivision 1. Program established. When money is appropriated under this program,
 35.24 the authority shall award grants to a governmental unit for up to 80 percent of the cost of
 35.25 drinking water infrastructure projects to address a confirmed exceedance of a health advisory
 35.26 level for a drinking water emerging contaminant as defined by the Environmental Protection
 35.27 Agency.

35.28 Subd. 2. Eligibility. An eligible project for this program must:

35.29 (1) be listed on the Drinking Water Revolving Fund Project Priority List per Minnesota
 35.30 Rules, part 4720.9000;

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

35.32 (3) be certified by the Department of Health per Minnesota Rules, part 4720.9060.

36.1 Subd. 3. **Application and reservation of funds.** Grant applications to the authority may
36.2 be made at any time on forms prescribed by the authority, including a project schedule and
36.3 cost estimate for the work necessary to comply with the purpose described in subdivision
36.4 1. The Department of Health shall review and certify to the authority those projects that
36.5 have plans and specifications approved under Minnesota Rules, part 4720.9060. When a
36.6 project is certified by the Department of Health, the authority shall reserve grant funds for
36.7 the project in the order listed on the Department of Health's project priority list and in an
36.8 amount based on the cost estimate in the Department of Health certification or the as-bid
36.9 costs, whichever is less.

36.10 Subd. 4. **Grant amount.** The grant amount for an eligible project under this program
36.11 shall be for an amount up to 80 percent of the eligible as-bid project cost up to \$12,000,000,
36.12 minus the amount of federal emerging contaminant funds the project receives under section
36.13 446A.081, subdivision 9, paragraph (a), clause (12), or other federal emerging contaminant
36.14 funds.

36.15 Subd. 5. **Grant approval.** The authority shall award a grant for an eligible project only
36.16 after:

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

36.18 (2) the Department of Health has certified the grant eligible portion of the project; and

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

36.21 Subd. 6. **Grant disbursement.** Grant funds shall be disbursed by the authority as eligible
36.22 project costs are incurred by the governmental unit and in accordance with a project financing
36.23 agreement and applicable state laws and rules governing the disbursements.

36.24 Sec. 11. Minnesota Statutes 2022, section 462A.37, is amended by adding a subdivision
36.25 to read:

36.26 Subd. 2j. **Additional authorization.** In addition to the amount authorized in subdivisions
36.27 2 to 2h, the agency may issue up to \$50,000,000 in housing infrastructure bonds in one or
36.28 more series to which the payments under this section may be pledged.

37.1 Sec. 12. Minnesota Statutes 2023 Supplement, section 462A.37, subdivision 5, is amended
37.2 to read:

37.3 Subd. 5. **Additional appropriation.** (a) The agency must certify annually to the
37.4 commissioner of management and budget the actual amount of annual debt service on each
37.5 series of bonds issued under this section.

37.6 (b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure
37.7 bonds issued under subdivision 2a, or housing infrastructure bonds issued to refund those
37.8 bonds, remain outstanding, the commissioner of management and budget must transfer to
37.9 the housing infrastructure bond account established under section 462A.21, subdivision 33,
37.10 the amount certified under paragraph (a), not to exceed \$6,400,000 annually. The amounts
37.11 necessary to make the transfers are appropriated from the general fund to the commissioner
37.12 of management and budget.

37.13 (c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure
37.14 bonds issued under subdivision 2b, or housing infrastructure bonds issued to refund those
37.15 bonds, remain outstanding, the commissioner of management and budget must transfer to
37.16 the housing infrastructure bond account established under section 462A.21, subdivision 33,
37.17 the amount certified under paragraph (a), not to exceed \$800,000 annually. The amounts
37.18 necessary to make the transfers are appropriated from the general fund to the commissioner
37.19 of management and budget.

37.20 (d) Each July 15, beginning in 2019 and through 2040, if any housing infrastructure
37.21 bonds issued under subdivision 2c, or housing infrastructure bonds issued to refund those
37.22 bonds, remain outstanding, the commissioner of management and budget must transfer to
37.23 the housing infrastructure bond account established under section 462A.21, subdivision 33,
37.24 the amount certified under paragraph (a), not to exceed \$2,800,000 annually. The amounts
37.25 necessary to make the transfers are appropriated from the general fund to the commissioner
37.26 of management and budget.

37.27 (e) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure
37.28 bonds issued under subdivision 2d, or housing infrastructure bonds issued to refund those
37.29 bonds, remain outstanding, the commissioner of management and budget must transfer to
37.30 the housing infrastructure bond account established under section 462A.21, subdivision 33,
37.31 the amount certified under paragraph (a). The amounts necessary to make the transfers are
37.32 appropriated from the general fund to the commissioner of management and budget.

37.33 (f) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure
37.34 bonds issued under subdivision 2e, or housing infrastructure bonds issued to refund those

38.1 bonds, remain outstanding, the commissioner of management and budget must transfer to
38.2 the housing infrastructure bond account established under section 462A.21, subdivision 33,
38.3 the amount certified under paragraph (a). The amounts necessary to make the transfers are
38.4 appropriated from the general fund to the commissioner of management and budget.

38.5 (g) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure
38.6 bonds issued under subdivision 2f, or housing infrastructure bonds issued to refund those
38.7 bonds, remain outstanding, the commissioner of management and budget must transfer to
38.8 the housing infrastructure bond account established under section 462A.21, subdivision 33,
38.9 the amount certified under paragraph (a). The amounts necessary to make the transfers are
38.10 appropriated from the general fund to the commissioner of management and budget.

38.11 (h) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure
38.12 bonds issued under subdivision 2g, or housing infrastructure bonds issued to refund those
38.13 bonds, remain outstanding, the commissioner of management and budget must transfer to
38.14 the housing infrastructure bond account established under section 462A.21, subdivision 33,
38.15 the amount certified under paragraph (a). The amounts necessary to make the transfers are
38.16 appropriated from the general fund to the commissioner of management and budget.

38.17 (i) Each July 15, beginning in 2023 and through 2044, if any housing infrastructure
38.18 bonds issued under subdivision 2h, or housing infrastructure bonds issued to refund those
38.19 bonds, remain outstanding, the commissioner of management and budget must transfer to
38.20 the housing infrastructure bond account established under section 462A.21, subdivision 33,
38.21 the amount certified under paragraph (a). The amounts necessary to make the transfers are
38.22 appropriated from the general fund to the commissioner of management and budget.

38.23 (j) Each July 15, beginning in July 2026 and through 2047, if any housing infrastructure
38.24 bonds issued under subdivision 2j, or housing infrastructure bonds issued to refund those
38.25 bonds, remain outstanding, the commissioner of management and budget must transfer to
38.26 the housing infrastructure bond account established under Minnesota Statutes, section
38.27 462A.21, subdivision 33, the amount certified under paragraph (a). The amounts necessary
38.28 to make the transfers are appropriated from the general fund to the commissioner of
38.29 management and budget.

38.30 ~~(j)~~ (k) The agency may pledge to the payment of the housing infrastructure bonds the
38.31 payments to be made by the state under this section.

39.1 Sec. 13. Laws 2020, Fifth Special Session chapter 3, article 1, section 14, subdivision 5,
39.2 is amended to read:

39.3 **Subd. 5. Marshall Readiness Center** 3,100,000

39.4 To design and renovate existing space at the
39.5 Marshall Readiness Center, including
39.6 mechanical, electrical, building envelope,
39.7 energy efficiency, and life safety
39.8 improvements, and to construct an addition
39.9 on the existing property. Notwithstanding
39.10 Minnesota Statutes, section 16A.642, the bond
39.11 sale authorization and appropriation of bond
39.12 proceeds for the project in this subdivision are
39.13 available until December 31, 2025.

39.14 Sec. 14. Laws 2020, Fifth Special Session chapter 3, article 1, section 14, subdivision 6,
39.15 is amended to read:

39.16 **Subd. 6. Camp Ripley; Military Museum** 13,000,000

39.17 To acquire land or interest in land, and to
39.18 predesign, design, construct, furnish, and
39.19 equip a facility outside the boundaries of
39.20 Camp Ripley in Morrison County for the
39.21 Minnesota Military Museum. This
39.22 appropriation includes money for a visitor's
39.23 center and gift shop; administrative offices;
39.24 work, storage, and exhibit space; landscaping;
39.25 parking; and other amenities and infrastructure
39.26 for the museum. The adjutant general may
39.27 enter into a lease or management agreement
39.28 for the museum, subject to Minnesota Statutes,
39.29 section 16A.695. Notwithstanding Minnesota
39.30 Statutes, section 16A.642, the bond sale
39.31 authorization and appropriation of bond
39.32 proceeds for the project in this subdivision are
39.33 available until December 31, 2025.

40.1 Sec. 15. Laws 2020, Fifth Special Session chapter 3, article 1, section 25, is amended to
40.2 read:

40.3 **Sec. 25. BOND SALE EXPENSES**

40.4 **Subdivision 1. Total Appropriation** **\$ 1,393,000**

40.5 To the commissioner of management and
40.6 budget for the purposes specified in this
40.7 section.

40.8 **Subd. 2. Bond Sale Expenses** 1,393,000

40.9 From the bond proceeds fund for bond sale
40.10 expenses under Minnesota Statutes, section
40.11 16A.641, subdivision 8. Notwithstanding
40.12 Minnesota Statutes, section 16A.642, the bond
40.13 sale authorization and appropriation of bond
40.14 proceeds for this purpose are available until
40.15 December 31, 2026.

40.16 Sec. 16. Laws 2023, chapter 72, article 1, section 27, is amended to read:

40.17 **Sec. 27. BOND SALE AUTHORIZATION.**

40.18 **Subdivision 1. Bond proceeds fund.** To provide the money appropriated in this act from
40.19 the bond proceeds fund, the commissioner of management and budget shall sell and issue
40.20 bonds of the state in an amount up to ~~\$1,298,235,000~~ \$1,343,241,000 in the manner, upon
40.21 the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675,
40.22 and by the Minnesota Constitution, article XI, sections 4 to 7.

40.23 **Subd. 2. Transportation fund.** To provide the money appropriated in this act from the
40.24 bond proceeds account in the state transportation fund, the commissioner of management
40.25 and budget shall sell and issue bonds of the state in an amount up to \$219,214,000 in the
40.26 manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections
40.27 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

40.28 **Sec. 17. REVISOR INSTRUCTION.**

40.29 The revisor of statutes shall renumber Minnesota Statutes, section 462A.37, subdivision
40.30 2i, as Minnesota Statutes, section 462A.37, subdivision 3a. The revisor shall also make
40.31 necessary cross-reference changes in Minnesota Statutes.

41.1 Sec. 18. **REPEALER.**

41.2 Minnesota Statutes 2022, section 16A.662, is repealed.

41.3 Sec. 19. **EFFECTIVE DATE.**

41.4 This article is effective the day following final enactment.

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

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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.