

**Sec. 7. EFFECTIVE DATE.**

An amendment in this article takes effect at the same time that the section of law that it amends takes effect.

Presented to the governor May 30, 1997

Signed by the governor June 3, 1997, 2:54 p.m.

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**CHAPTER 246—H.F.No. 632**

*An act relating to capital improvements; cleaning up lands contaminated by petroleum leaks; providing for replacement of leaking underground petroleum tanks; cleaning up contaminated building sites; transferring authority to administer individual on-site sewage treatment programs to the pollution control agency; modifying sewer loan repayment provisions; appropriating money for flood damage reduction and for local bridges; modifying previous appropriations for certain capital improvements; changing the source of funds for certain projects; defining design and predesign; transferring authority to administer grants for certain projects; appropriating money; authorizing the sale of state bonds; amending Minnesota Statutes 1996, sections 16B.335, subdivision 3; 115C.09, by adding a subdivision; 116.18, subdivision 3c; 116J.554, subdivisions 1 and 2; 116J.556; and 446A.072, by adding a subdivision; Laws 1994 chapter 643, sections 3, subdivision 2; 10, subdivision 10, as amended; 15, subdivisions 2 and 4; 19, subdivision 8, as amended; and 23, subdivision 28, as amended, and by adding a subdivision; Laws 1996, chapters 407, section 8, subdivision 3; and 463, sections 7, subdivision 9; 13, subdivisions 2, 4, and 8; 14, subdivision 7; 22, subdivision 8; and 24, subdivision 8; Laws 1997, chapter 202, article 1, section 35; proposing coding for new law in Minnesota Statutes, chapter 116J; repealing Laws 1994, chapter 643, section 19, subdivision 11; Laws 1996, chapter 463, section 7, subdivision 26; and Laws 1997, chapter 200, article 2, section 5.*

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

**Section 1. CAPITAL IMPROVEMENTS APPROPRIATIONS.**

The sums in the column under "APPROPRIATIONS" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent to acquire and to better public land and buildings and other public improvements of a capital nature, as specified in this act.

**SUMMARY**

MINNESOTA STATE COLLEGES AND UNIVERSITIES	\$ 4,500,000
NATURAL RESOURCES	4,000,000
POLLUTION CONTROL AGENCY	7,400,000
PUBLIC FACILITIES AUTHORITY	7,000,000
AGRICULTURE	4,000,000
ADMINISTRATION	74,035,000
TRADE AND ECONOMIC DEVELOPMENT	7,000,000
TRANSPORTATION	3,000,000
BOND SALE EXPENSES	90,000
TOTAL	\$ 111,025,000

New language is indicated by underline, deletions by ~~strikeout~~.

Bond Proceeds Fund	86,625,000
Transportation Fund	3,000,000
General Fund	13,600,000
Motor Vehicle Transfer Fund	7,800,000

## APPROPRIATIONS

\$

Sec. 2. MINNESOTA STATE COLLEGES  
AND UNIVERSITIESHibbing Community and  
Technical Colleges

4,500,000

This appropriation is to the board of trustees of the Minnesota state colleges and universities to construct additions and install related electrical and mechanical utilities at the community college site to prepare for collocation of programs.

Sec. 3. NATURAL RESOURCES  
Flood Damage Reduction

4,000,000

This appropriation is to the commissioner of natural resources to fund flood damage reduction projects under Minnesota Statutes, section 103F.161, including the nonfederal portion of federal hazard mitigation grant program projects. The appropriation is available until expended.

## Sec. 4. POLLUTION CONTROL AGENCY

Subdivision 1. To the commissioner of the pollution control agency for the purposes specified in this section

7,400,000

Subd. 2. Individual Sewage Treatment Grants

1,000,000

This one-time appropriation is from the general fund for grants to municipalities for the purposes specified in Minnesota Statutes, section 116.18, subdivision 3c.

For purposes of grants awarded under this section, the definition of "individual on-site treatment system" in Minnesota Statutes, section 116.18, subdivision 3c, paragraph (b), also includes an alternative discharging sewage system serving one or more dwellings and other establishments that discharges less than 10,000 gallons of water per day and uses any treatment and disposal methods

other than subsurface soil treatment and disposal, as permitted under Minnesota Statutes, section 115.58.

Up to ten percent of this appropriation may be used for administration of the grants.

Subd. 3. Environmental Response,  
Compensation, and Compliance

6,400,000

This appropriation is from the motor vehicle transfer fund for transfer to the environmental response, compensation, and compliance fund and is appropriated for the purposes provided in Minnesota Statutes, chapter 115B. This amount must be included in the agency's budgetary base for the next biennium.

Sec. 5. PUBLIC FACILITIES AUTHORITY  
Wastewater Infrastructure Fund Loans

7,000,000

\$3,000,000 of this appropriation is from the general fund.

This appropriation is to the public facilities authority for loans to eligible municipalities under the wastewater infrastructure funding program established in Minnesota Statutes, section 446A.072.

From this appropriation, the public facilities authority shall provide supplemental assistance to a municipality that, before the first loans were made from the wastewater infrastructure fund, incurred increased project costs as a result of a wastewater discharge into outstanding resource value water. "Outstanding resource value water" is water that has high water quality, wilderness characteristics, unique scientific or ecological significance, exceptional recreational value, or other special qualities that warrant stringent protection from pollution. The amount of supplemental assistance under this paragraph is up to 100 percent of the increased project costs to comply with the applicable discharge restrictions. The agency shall determine the amount of project costs attributable to the discharge restrictions to the outstanding resource value water. A municipality may appeal the agency's determination to

the public facilities authority within 60 days of notification of the determination.

The public facilities authority, in conjunction with the pollution control agency, shall analyze and report to the legislature by January 15, 1998, the long-term financial implications to the wastewater infrastructure fund of providing supplemental assistance for increased costs incurred for projects that discharge wastewater into outstanding resource value water.

## Sec. 6. AGRICULTURE

### Individual Sewage Treatment Systems

4,000,000

This one-time appropriation from the general fund is to the commissioner of agriculture to provide loans to counties for loans to property owners under Minnesota Statutes, section 17.117 or 115.57.

Individual counties may elect to apply for and administer the loans under the agricultural best management loan practices program established in Minnesota Statutes, section 17.117, or under section 115.57. Regardless of the section a county applies under, the commissioner shall review and rank allocation requests from counties under the procedure and relevant criteria listed in Minnesota Statutes, section 17.117, subdivision 9. Loans made under Minnesota Statutes, section 17.117, with money appropriated under this section must be used for site evaluation, design, installation, repair, and replacement of individual sewage treatment systems only. Notwithstanding the eligibility criteria in Minnesota Statutes, section 17.117, subdivisions 1; and 4, paragraph (e), all private landowners in a county may apply for loans made under this section. Loans made under Minnesota Statutes, section 115.57, may be used for any of the purposes specified in that section. Counties receiving funds under this section must use the funds to administer loan programs on a countywide basis.

**Sec. 7. TRADE AND ECONOMIC DEVELOPMENT****Contaminated Site Cleanup**

7,000,000

\$5,600,000 of this appropriation is from the general fund.

\$1,400,000 of this appropriation is from the motor vehicle transfer fund.

This appropriation is for transfer to the contaminated site cleanup and development account and is appropriated for the purposes specified in Minnesota Statutes, section 116J.551. Of this amount, \$7,000,000 must be included in the department's budget base for the next biennium.

**Sec. 8. TRANSPORTATION****Local Bridge Replacement and Rehabilitation**

3,000,000

This appropriation is from the transportation fund as provided in Minnesota Statutes, section 174.50, to match federal funds and to replace or rehabilitate local deficient bridges.

Political subdivisions may use grants made under this section to construct or reconstruct bridges, including:

- (1) matching federal-aid grants to construct or reconstruct key bridges;
- (2) paying the costs to abandon an existing bridge that is deficient and in need of replacement, but where no replacement will be made;
- (3) paying the costs to construct a road or street to facilitate the abandonment of an existing bridge determined by the commissioner to be deficient, if the commissioner determines that construction of the road or street is more cost-efficient than the replacement of the existing bridge; and
- (4) paying the costs of preliminary engineering and environmental studies authorized under Minnesota Statutes, section 174.50, subdivision 6a.

**Sec. 9. BOND SALE EXPENSES**

90,000

To the commissioner of finance for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

**Sec. 10. BOND SALE AUTHORIZATIONS.**

**Subdivision 1. BOND PROCEEDS FUND.** To provide the money appropriated in this act from the bond proceeds fund the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$86,625,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

**Subd. 2. TRANSPORTATION FUND.** To provide the money appropriated in this act from the state transportation fund, the commissioner of finance, on request of the governor, shall sell and issue general obligation bonds of the state in an amount up to \$3,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Sec. 11. Minnesota Statutes 1996, section 16B.335, subdivision 3, is amended to read:

**Subd. 3. PREDESIGN REQUIREMENT.** The definitions in paragraphs (a) and (b) apply to this section.

(a) "Predesign" means the stage in the development of a project during which the purpose, scope, cost, and schedule of the complete project are defined and instructions to design professionals are produced.

(b) "Design" means the stage in the development of a project during which schematic, design development, and contract documents are produced.

(c) A recipient to whom an appropriation is made for a project subject to review under subdivision 1 or notice under subdivision 2 shall prepare a predesign package and submit it to the commissioner for review and recommendation before proceeding with design activities. The commissioner must complete the review and recommendation within ten working days after receiving it. Failure to review and recommend within the ten days is considered a positive recommendation. The predesign package must be sufficient to define the purpose, scope, cost, and schedule of the project and must demonstrate that the project has been analyzed according to appropriate space needs standards.

Sec. 12. Minnesota Statutes 1996, section 115C.09, is amended by adding a subdivision to read:

**Subd. 3f. REIMBURSEMENTS; SMALL GASOLINE RETAILERS.** (a) As used in this subdivision, "small gasoline retailer" means a responsible person who owns no more than one location where motor fuel was dispensed into motor vehicles or aircraft in the previous year.

(b) For eligible applicants who are small gasoline retailers that have dispensed less than 500,000 gallons of motor fuel during the most recent calendar year that petroleum products were dispensed at the location owned by the retailer, the board shall reimburse the applicant for 90 percent of the applicant's total reimbursable cost for tank removal projects started after January 1, 1997, including, but not limited to, closure in place, backfill, resurfacing, and utility service restoration costs, provided that the tank involved is a regulated underground storage tank.

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(c) For eligible applicants who are small gasoline retailers that have dispensed less than 250,000 gallons of motor fuel during the most recent calendar year that petroleum products were dispensed at the location owned by the retailer, provided that the tank involved is a regulated underground storage tank, the board shall reimburse the applicant for 95 percent of the following costs:

- (1) tank removal costs described in paragraph (b); and
- (2) petroleum contamination cleanup as provided under subdivision 1.
- (d) This subdivision expires January 1, 2000.

Sec. 13. Minnesota Statutes 1996, section 116.18, subdivision 3c, is amended to read:

Subd. 3c. **INDIVIDUAL ON-SITE TREATMENT SYSTEMS PROGRAM.** (a) Beginning in fiscal year 1989, up to ten percent of the money to be awarded as grants under subdivision 3a in any single fiscal year, up to a maximum of \$1,000,000, may be set aside for the award of grants by the authority agency to municipalities to reimburse owners of individual on-site wastewater treatment systems for a part of the costs of upgrading or replacing the systems.

(b) An individual on-site treatment system is a wastewater treatment system, or part thereof, that uses soil treatment and disposal technology to treat 5,000 gallons or less of wastewater per day from dwellings or other establishments.

(c) Municipalities may apply yearly for grants of up to 50 percent of the cost of replacing or upgrading individual on-site treatment systems within their jurisdiction, up to a limit of \$5,000 per system or per connection to a cluster system. Before agency approval of the grant application, a municipality must certify that:

(1) it has adopted and is enforcing the requirements of Minnesota Rules governing individual sewage treatment systems;

(2) the existing systems for which application is made do not conform to those rules, were constructed prior to January 1, 1977 are at least 20 years old, do not serve seasonal residences, and were not constructed with state or federal funds; and

(3) the costs requested do not include administrative costs, costs for improvements or replacements made before the application is submitted to the authority agency unless it pertains to the plan finally adopted, and planning and engineering costs other than those for the individual site evaluations and system design.

(d) The federal and state regulations regarding the award of state and federal wastewater treatment grants do not apply to municipalities or systems funded under this subdivision, except as provided in this subdivision.

(e) The authority shall award individual on-site wastewater treatment grants to municipalities selected by the state pollution control commissioner upon certification by the state pollution control commissioner that the municipalities' applications have been reviewed and approved in accordance with this subdivision and agency rules adopted under paragraph (f).

(f) The agency shall adopt permanent rules regarding priorities, distribution of funds, payments, inspections, procedures for administration of the agency's duties, and

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other matters that the agency finds necessary for proper administration of grants awarded under this subdivision.

~~(g) The commissioner of trade and economic development may adopt rules containing procedures for administration of the authority's duties as set forth in paragraph (e).~~

Sec. 14. Minnesota Statutes 1996, section 116J.554, subdivision 1, is amended to read:

Subdivision 1. **AUTHORITY.** (a) The commissioner may make a grant to an applicant development authority to pay for up to 75 percent of the cleanup project costs for a qualifying site, except the grant may not exceed 50 percent of the project costs.

(b) The commissioner may also make a grant to an applicant development authority to pay up to 75 percent or \$50,000, whichever is less, toward the cost of performing contaminant investigations and the development of a response action plan for a qualifying site.

(c) The commissioner may also make a grant to an applicant to fill a site that would represent more than 50 percent of the remaining land in a city suitable for industrial development if it were properly filled.

(d) The determination of whether to make a grant for a qualifying site is within the sole discretion of the commissioner, subject to the process provided by this section, and available unencumbered money in the appropriation. The commissioner's decisions and application of the priorities under section 116J.555 are not subject to judicial review, except for abuse of discretion.

(e) The total amount of money provided in grants under paragraph (b) may not exceed \$250,000 per fiscal year.

(f) In making grants under paragraph (b), the commissioner shall give priority to applicants that have not received a grant under paragraph (a) or section 473.252 during the year ending on the date of application.

Sec. 15. Minnesota Statutes 1996, section 116J.554, subdivision 2, is amended to read:

Subd. 2. **QUALIFYING SITES.** A site qualifies for a grant under this section, if the following criteria are met:

(1) the site is not scheduled for funding during the current or next fiscal year under the Comprehensive Environmental Response, Compensation, and Liability Act, United States Code, title 42, section 9601, et seq. or under the environmental response, and liability act under sections 115B.01 to 115B.24;

(2) the appraised value of the site after adjusting for the effect on the value of the presence or possible presence of contaminants using accepted appraisal methodology (i) is less than ~~50~~ 75 percent of the estimated cleanup project costs for the site or (ii) is less than or equal to the estimated cleanup costs for the site and the cleanup costs equal or exceed \$3 per square foot for the site; and

(3) if the proposed cleanup is completed, it is expected that the site will be improved with buildings or other improvements and these improvements will provide a substantial

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increase in the property tax base within a reasonable period of time or the site will be used for an important publicly owned or tax-exempt facility.

Sec. 16. Minnesota Statutes 1996, section 116J.556, is amended to read:

**116J.556 LOCAL MATCH REQUIREMENT.**

(a) In order to qualify for a grant under sections 116J.551 to 116J.557, the municipality must pay for at least ~~one-half~~ one-quarter of the project costs as a local match. The municipality shall pay an amount of the project costs equal to at least 12 percent of the cleanup costs from the municipality's general fund, a property tax levy for that purpose, or other unrestricted money available to the municipality (excluding tax increments). These unrestricted moneys may be spent for project costs, other than cleanup costs, and qualify for the local match payment equal to 12 percent of cleanup costs. The rest of the local match may be paid with tax increments, regional, state, or federal money available for the redevelopment of brownfields or any other money available to the municipality.

(b) If the development authority establishes a tax increment financing district or hazardous substance subdistrict on the site to pay for part of the local match requirement, the district or subdistrict is not subject to the state aid reductions under section 273.1399. In order to qualify for the exemption from the state aid reductions, the municipality must elect, by resolution, on or before the request for certification is filed that all tax increments from the district or subdistrict will be used exclusively to pay (1) for project costs for the site and (2) administrative costs for the district or subdistrict. The district or subdistrict must be decertified when an amount of tax increments equal to no more than three times the costs of implementing the response action plan for the site and the administrative costs for the district or subdistrict have been received, after deducting the amount of the state grant.

**Sec. 17. [116J.57] UNDERGROUND PETROLEUM TANK REPLACEMENT LOAN PROGRAM.**

Subdivision 1. LOAN PROGRAM. (a) The commissioner shall establish and implement an underground petroleum tank replacement loan program to facilitate the continued operation of small gasoline retailers, as defined in section 115C.09, subdivision 3f, paragraph (a), in this state.

(b) The commissioner may make a direct loan for the cost of a replacement tank to a small gasoline retailer who has dispensed less than 500,000 gallons of motor fuel during the previous year who demonstrates an ability to repay the loan. The interest rate on the loan shall not exceed three percent per year, and the term of the loan may not exceed seven years. Loans made under this subdivision may not exceed \$10,000 or the total out-of-pocket expenses of the small gasoline retailer for tank replacement, whichever is less. Payments on the principal shall be credited to the petroleum tank fund under section 115C.08. The interest payments must be deposited in the state treasury and credited to an account in the special revenue fund. Money in this account is appropriated to the commissioner for administrative expenses of the underground petroleum tank replacement loan program.

Subd. 2. APPROPRIATION. An amount necessary is appropriated from the petroleum tank release cleanup fund to the commissioner of trade and economic development for the underground petroleum tank replacement loan program established under this section.

New language is indicated by underline, deletions by strikeout.

Subd. 3. EXPIRATION. This section expires January 1, 2000.

Sec. 18. Minnesota Statutes 1996, section 446A.072, is amended by adding a subdivision to read:

Subd. 4a. LOAN REPAYMENT; NEW DEVELOPMENT. (a) For the purposes of this subdivision, "loan" includes a loan that has been forgiven under this section.

(b) A municipality that receives a supplemental assistance loan under this section that, within 20 years after receiving the assistance, extends sewer service to serve a residential, industrial, or commercial development that is completed on unplatted land after March 1, 1996, or that is on a lot whose plat was recorded after that date, must repay a portion of the loan to the authority before providing the sewer connection. The commissioner shall calculate the amount to be repaid by first determining the number of households included in the extension financed by the original loan. The commissioner must then determine the present value of the original loan amount. The interest rate used to calculate the present value must be equivalent to the interest rate on the loan made to the municipality under section 446A.07 at the time of the original supplemental assistance loan under this section. The commissioner must then divide the present value of the loan by the number of households included in the original loan. For an extension to a residential development, the repayment to the authority must be equal to the per household amount calculated for the original loan multiplied by the number of households in the proposed extension. For an extension to a commercial or industrial development, the commissioner shall determine the repayment to the authority by using the per household amount calculated for the original loan to calculate a proportionally equivalent amount based on the projected wastewater discharge from the proposed development. The total repayments to the authority under this paragraph may not exceed the original amount of the supplemental assistance loan. The repayment must be processed as provided in subdivision 7.

(c) The authority shall waive the loan repayment if the commissioner determines that the community in which the sewer extension is undertaken meets the following conditions:

(1) there is a shortage of decent, safe, and affordable housing;

(2) the housing units served by the sewer extension are located in an incorporated area; and

(3) the housing units served by the sewer extension are moderately priced.

The authority shall also waive the loan repayment if the commissioner determines that the population of the community in which the sewer extension is undertaken has declined by more than ten percent since the preceding federal decennial census.

The commissioner shall provide the determinations made under this paragraph to the authority to be included in the reports required by subdivision 11.

Sec. 19. Laws 1994, chapter 643, section 3, subdivision 2, is amended to read:

Subd. 2. Restore and Renovate Capitol Building Exterior	5,000,000
To the commissioner of administration to renovate and improve the capitol including	

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reroofing, repair of the roof balustrade, and Quadriga restoration, and for an exterior stone testing program. No more than \$35,000 of this appropriation is to the capitol area architectural and planning board for design review fees.

Sec. 20. Laws 1994, chapter 643, section 10, subdivision 10, as amended by Laws 1995, First Special Session chapter 2, article 1, section 42, is amended to read:

Subd. 10. Rochester Technical College  
University Center Rochester

1,200,000

This appropriation is to the board of trustees of the Minnesota state colleges and universities for predesign and design of an integrated campus in accordance with this subdivision. \$600,000 of this appropriation is available immediately. The remainder is available after a master academic plan has been approved under clause (3) and the technical college has been sold, remodeling of student support facilities, remodeling of facilities for joint academic programming, and construction of roads and other infrastructure to integrate the campus for the delivery of consolidated college, state university, and University of Minnesota programs at the University Center Rochester. Planning may include consideration of codevelopment of facilities with local units of government.

(1) The board of trustees of the Minnesota state colleges and universities may enter into an agreement for the sale of the Rochester Technical College. The sale is contingent on the approval of the board of trustees and a determination by the board of trustees that the sale is consistent with its priorities. The sale price shall equal the appraised value if sold to independent school district No. 535, Rochester, or, if sold to any other party, the sale price shall not be less than the appraised value.

It is the intent of the legislature that no technical college program reduction, apart from normal program review, shall occur as a result of this sale.

New language is indicated by underline, deletions by ~~strikeout~~.

(2) The sale shall not cause the technical college to lease space or to move to any temporary site.

(3) Prior to the preparation of design documents, the post-secondary boards and the relevant campus staff shall jointly prepare a master academic plan for an integrated campus for the Rochester center facility. The boards shall consider the creation of a polytechnic university. The plan shall be submitted for review to the higher education finance divisions by January 16, 1996, and must be approved by the legislature before the remaining \$600,000 of the appropriation is available.

(4) The proceeds from the sale of the technical college are appropriated for the design and construction necessary to integrate technical college programs into the Rochester center and to add or modify space where necessary. The new technical college program space must be attached to and must maximize the current services, space, and programs of the technical college, community college, state university, and University of Minnesota cooperative campus. The state board of trustees may not begin construction of this project until the legislature has approved the construction plans.

(5) The state board of trustees shall develop a plan to relocate to the Austin, Faribault, and other Southeastern Minnesota campuses all Rochester campus programs that are not essential to the integrated mission planned for the Rochester center facility. This plan must be completed prior to preparing design documents for the technical college addition to the Rochester center.

(6) The state board of trustees shall consider relocating the horticulture technology program from the Rochester campus to the Austin campus of Riverland technical college before the start of the 1995-1996 academic year.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 21. Laws 1994, chapter 643, section 15, subdivision 2, is amended to read:

Subd. 2. Bloomington Ferry Bridge ~~7,631,000~~ 5,131,000

This appropriation is from the state transportation fund as provided in Minnesota Statutes, section 174.50, to match federal funds to complete construction of the Bloomington ferry bridge and approaches.

This appropriation is added to the appropriation in Laws 1993, chapter 373, section 14, subdivision 2.

Sec. 22. Laws 1994, chapter 643, section 15, subdivision 4, is amended to read:

Subd. 4. Local Bridge  
Replacement and Rehabilitation ~~12,445,000~~ 14,945,000

This appropriation is from the state transportation fund as provided in Minnesota Statutes, section 174.50, to match federal funds and to replace or rehabilitate local deficient bridges.

Political subdivisions may use grants made under this section to construct or reconstruct bridges, including:

- (1) matching federal-aid grants to construct or reconstruct key bridges;
- (2) paying the costs to abandon an existing bridge that is deficient and in need of replacement, but where no replacement will be made;
- (3) paying the costs to construct a road or street to facilitate the abandonment of an existing bridge determined by the commissioner to be deficient, if the commissioner determines that construction of the road or street is more cost-efficient than the replacement of the existing bridge; and
- (4) paying the costs of preliminary engineering and environmental studies authorized under Minnesota Statutes, section 174.50, subdivision 6a.

Sec. 23. Laws 1994, chapter 643, section 19, subdivision 8, as amended by Laws 1995, First Special Session chapter 2, article 1, section 45, is amended to read:

Subd. 8. Battle Point  
Historic Site 350,000

This appropriation is to the Indian Affairs Council for design of the Battle Point histor-

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ic site, preliminary plans for which were authorized in Laws 1990, chapter 610, article 1, section 17, and Laws 1992, chapter 558, section 24, subdivision 5.

Notwithstanding Laws 1990, chapter 610, article 1, section 17, the planned educational center will be owned by ~~independent school district No. 115, Cass Lake~~ Bena the state with custodial control assigned to the Indian Affairs Council, and is subject to Minnesota Statutes, section 16A.695. The center must be constructed on land leased to the ~~school district~~ state by the Leech Lake Band of Chippewa Indians under a ground lease having an initial term of at least 20 years and a total term of at least 40 years, including renewal options. The ground lease must be executed by the commissioner of administration under Minnesota Statutes, section 16B.24, subdivision 6, based on the recommendations of the Indian Affairs Council, provided that, notwithstanding the limitations of section 16B.24, subdivision 6, the lease must be for the initial term described in this subdivision. The ground lease must be administered by the Indian Affairs Council. The school district Indian Affairs Council must contract with the Leech Lake Band to operate the center on behalf of the council. The center and all classes and programs run by or through the center must be open to the public. Notwithstanding Minnesota Statutes, section 3.922, for the purposes of carrying out the duties assigned to it in this subdivision, the Indian Affairs Council is authorized to assume custodial control over the planned educational center, administer the ground lease, enter into the contract described in this subdivision with the Leech Lake Band to operate the center, and take any other action necessary to carry out the duties assigned to it in this subdivision and to a public officer or agency by Minnesota Statutes, section 16A.695.

Sec. 24. Laws 1994, chapter 643, section 23, subdivision 28, as amended by Laws 1995, First Special Session chapter 2, article 1, section 48, is amended to read:

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Subd. 28. Environmental  
Learning Centers

11,500,000

This appropriation is to the commissioner of natural resources to plan, design, and construct facilities owned by political subdivisions at residential environmental learning centers as provided in this subdivision and new Minnesota Statutes, section 84.0875.

The appropriations in items (a) through (e) and (b) are available as follows: (1) of the \$7,500,000 total, \$5,000,000 is available only when the commissioner has determined that matching money in the sum of \$12,500,000, up to 25 percent of which may consist of loans, has been committed by nonstate sources for predesign, design, and construction of the facilities named in items (a) and (b), and the following privately owned residential environmental learning centers: Wolf Ridge Environmental Learning Center, Northwoods Audubon Center, and Southeastern Minnesota Forest Resource Center; and (2) the remaining \$2,500,000 is available to the extent that matching money, which may include loans, in the amount of \$2 \$1 for each \$1 of state money is committed by nonstate sources, as determined by the commissioner, provided that money may not be spent under this sentence until the amount available, including matching any money from nonstate sources that is allocated to a facility in item (a) or (b), is sufficient to complete a functional improvement at the facility. Up to 25 percent of the total amount of money committed by nonstate sources under this subdivision may consist of loans.

After the first \$12,500,000 has been committed by nonstate sources for the Long Lake Conservation Center, the Deep Portage Conservation Reserve, the Wolf Ridge Environmental Learning Center, the Northwoods Audubon Center, and the Southeastern Minnesota Forest Resource Center, the appropriations in items (a) and (b) must be distributed and administered separately for each facility. Money from nonstate sources required for

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the balances of the appropriations in items (a) and (b) must be committed as required in this section for each facility separately to allow functional improvements, but work at the facilities need not proceed simultaneously. Funds raised or borrowed after January 1, 1992, and spent or committed to be spent for predesign, design, or construction of these facilities are eligible to count toward the required commitment from nonstate sources, and, upon proper application, nonstate money spent after that date for qualified capital expenditures at the Long Lake Conservation Center and the Deep Portage Conservation Reserve shall be reimbursed by the commissioner from money appropriated for these facilities, to allow the nonstate money to be used for qualified capital expenditures at the Wolf Ridge Environmental Learning Center, the Northwoods Audubon Center, and the Southeastern Minnesota Forest Resource Center.

The predesign and design requirements of Minnesota Statutes, section 16B.335, do not apply to the specific appropriations for these facilities in this section.

(a) Long Lake Conservation Center 1,200,000 3,370,000

This appropriation is for a grant to Aitkin county.

(b) Deep Portage Conservation Reserve 1,470,000 4,130,000

This appropriation is for a grant to Cass county.

(e) ~~Wolf Ridge Environmental Learning Center~~ 2,100,000

This appropriation is for a grant to independent school district No. 381, Lake Superior.

(d) Northwoods Audubon Center 1,080,000

This appropriation is for a grant to independent school district No. 2580, East Central.

(e) (c) ~~Forest Resource Eagle Bluff Environmental Learning Center~~ 1,650,000

This appropriation is for a grant to independent school district No. 229, Lanesboro.

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If land and improvements in Fillmore county that were conveyed by the state to Southern Minnesota Forest Resource Center under Laws 1990, chapter 452, section 7, are pledged as security for a loan to assist with the completion of this project provide financing for the predesign, design, or construction of environmental education facilities at the Eagle Bluff Environmental Learning Center, the right of reverter retained by the state is waived in favor of the lender.

For the purposes of this subdivision, "non-state source" means a source of money other than a direct state appropriation for an environmental learning center.

~~(f)~~ (d) Agassiz Environmental Learning Center 300,000

This appropriation is for a grant to the city of Fertile.

~~(g)~~ (e) Laurentian Environmental Learning Center 450,000

This appropriation is for a grant to independent school district No. 621, Mounds View.

~~(h)~~ (f) Prairie Woods Environmental Learning Center 250,000

This appropriation is for a grant to Kandiyohi county.

~~(i)~~ (g) Prairie Wetlands Environmental Learning Center 3,000,000

This appropriation is for a grant to the city of Fergus Falls.

Appropriations in this subdivision must be used for qualified capital expenditures.

Sec. 25. Laws 1994, chapter 643, section 23, is amended by adding a subdivision to read:

Subd. 31. St. Croix Valley Heritage Center 150,000

To the commissioner of natural resources for a grant to the city of Taylors Falls to prepare a preliminary design for a heritage center, subject to Minnesota Statutes, section 16A.695.

New language is indicated by underline, deletions by strikethrough.

Sec. 26. Laws 1996, chapter 407, section 8, subdivision 3, is amended to read:

Subd. 3. Parks and Trails

(a) Metropolitan Regional Park System

~~1,000,000~~ 850,000

This appropriation is from the future resources fund for payment by the commissioner of natural resources to the metropolitan council for subgrants to rehabilitate, develop, acquire, and retrofit the metropolitan regional park system consistent with the metropolitan council regional recreation open space capital improvement program.

This appropriation may be used for the purchase of homes only if the purchases are expressly included in the work program approved by the legislative commission on Minnesota resources.

(b) State Park and Recreation  
Area Acquisition

1,000,000

This appropriation is from the trust fund to the commissioner of natural resources for acquisition of land within the statutory boundaries of state parks and recreation areas.

(c) Local Grants

895,000

This appropriation is from the future resources fund to the commissioner of natural resources to provide matching grants to local units of government for local park and recreation areas; trail linkages between communities, trails, and parks; and at least \$100,000 for the conservation partners program as provided in Laws 1995, chapter 220, section 19, subdivision 4, paragraph (e). In addition to the required work program, grants may not be approved until grant proposals to be funded have been submitted to the legislative commission on Minnesota resources, and the commission has either made a recommendation or allowed 60 days to pass without making a recommendation. The above appropriations are available half for the seven-county metropolitan area and half for outside the metropolitan area. For the purposes of this paragraph, match includes nonstate contributions in either cash or in-kind.

New language is indicated by underline, deletions by ~~strikeout~~.

## (d) Chippewa County Regional Trail

410,000

This appropriation is to the commissioner of natural resources from the future resources fund for a grant to the city of Montevideo for acquisition and development of the Chippewa county regional trail.

Sec. 27. Laws 1996, chapter 463, section 7, subdivision 9, is amended to read:

Subd. 9. Metro Regional Park  
Rehabilitation, Acquisition, and  
Development

9,400,000 9,550,000

This appropriation is for payment by the commissioner of natural resources to the metropolitan council. The commissioner shall pay the amount on a reimbursement basis to the metropolitan council upon receipt of a certified copy of a council resolution requesting payment. The appropriation must be used to pay the cost of rehabilitation, acquisition, and development by the council and local government units of regional recreational open-space lands in accordance with the council's policy plan as provided in Minnesota Statutes, section 473.315. The metropolitan council, in cooperation with the city of St. Paul, must develop a plan and fund the restoration of oak savannah remnants in two regional parks in Ramsey county. This appropriation must not be used for research, planning, administration, or tax equivalency payments. This appropriation may be used for the purchase of homes only if the purchases are included in the work program required by law and they are expressly approved by the legislative commission on Minnesota resources.

Sec. 28. Laws 1996, chapter 463, section 13, subdivision 2, is amended to read:

Subd. 2. Capital Asset  
Preservation and Replacement (CAPRA )

12,000,000

To be spent in accordance with Minnesota Statutes, section 16A.632.

Up to \$900,000 of the money appropriated in this subdivision may be used as necessary to renovate the Governor's Residence in St. Paul for life safety, code, security, and ancillary storage facility improvements.

**New language is indicated by underline, deletions by ~~strikeout~~.**

Up to \$600,000 of the money appropriated in this subdivision may be used to continue the electrical utility infrastructure conversion of the primary feeder loop system to a primary selective system by rerouting the system around the capitol.

In accordance with Minnesota Statutes, section 16B.31, subdivision 6, the commissioner of administration shall identify the condition and suitability of all major state buildings and office space and report the commissioner's findings by June 30, 1997, to the chairs of the senate committee on finance and the house of representatives committees on ways and means and on capital investment. The report must identify the useful life, the current condition, the estimated cost of currently needed repairs, and the suitability for the current state purposes of all major state-owned buildings and office space owned or leased by the state. The legislature intends to use the report in considering future appropriations to the commissioner of administration and to state agencies for asset preservation.

Sec. 29. Laws 1996, chapter 463, section 13, subdivision 4, is amended to read:

Subd. 4. Renovate Capitol Building

7,400,000  
8,435,000

\$4,800,000 is to predesign, design, and reconstruct the northeast terrace and predesign and design the northwest terraces terrace of the capitol building.

\$1,400,000 is to renovate the lantern and related structures on the capitol dome.

~~\$1,200,000~~ \$2,235,000 is to predesign, design, construct, furnish, and equip the renovation of the capitol cafeteria including full-service kitchen and related spaces. The appropriation is available after review and comment by the council on disability.

The balance of the appropriation in this subdivision that is not needed for the projects specified may be used for other structural

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stabilization projects at the capitol or to improve the capitol mall.

Sec. 30. Laws 1996, chapter 463, section 13, subdivision 8, is amended to read:

Subd. 8. Revenue Facilities

Design

1,950,000  
74,950,000

To design, construct, furnish, and equip new revenue department facilities, including parking to accommodate approximately 950 vehicles. \$1,450,000 of this appropriation is not available until the report required by subdivision 10 has been completed.

Notwithstanding Minnesota Statutes, section 15.50, subdivision 2, paragraph (e), plans for the building need not be selected through a design competition.

The plans for the facilities for the department of revenue may provide for two or more buildings in separate locations. The principal administrative offices of the department must be located in or near the capitol area. Other operations may be located outside of the capitol area as appropriate and conveniently situated for efficient operations of the department.

The design development phase of the revenue department building project must include an analysis of the cost, benefit, and operational feasibility of relocating revenue department jobs to areas in greater Minnesota.

The commissioner of administration may use a design-build method of project development and construction for this project. The commissioner may award a design-build contract on the basis of requests for proposals or requests for qualifications without bids.

The building must be located within an eight-mile radius of the capitol, providing approximately 315,000 net square feet, and at a cost not to exceed \$74,950,000, including the parking ramp, inflation adjustments, and other contingencies. Notwithstanding

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Minnesota Statutes, section 15.50, subdivision 2, paragraphs (c) and (e), if the building is constructed within the capitol area as defined in paragraph (a) of that subdivision, plans for the building need not conform to the comprehensive plan for the area and need not be selected through a design competition.

As an alternative to constructing a new building, the commissioner of administration may use this appropriation to purchase the building currently leased and occupied by the department of revenue as its headquarters at 10 River Park Place. This appropriation may not be used to remodel or renovate 10 River Park Place. Any appropriation for those purposes should be requested by the commissioner of administration as part of the 1998 capital budget.

If the commissioner of administration determines that it is not feasible to construct the new facilities within the capitol area within the time allowed and within the limits of this appropriation, and that the commissioner is not able to purchase the building and land leased by the state at 10 River Park Place for \$23,000,000 or less, the commissioner may locate the new facilities within the city of Inver Grove Heights. If the facilities are located within the city of Inver Grove Heights, this appropriation is reduced to \$46,000,000.

Sec. 31. Laws 1996, chapter 463, section 14, subdivision 7, is amended to read:

Subd. 7. Mariucci Ice  
and Tennis Facility 7,000,000

To the board of regents of the University of Minnesota to predesign, design, construct, and equip a new facility adjacent to Mariucci arena on the Minneapolis campus to include an ice sheet one or more ice sheets and tennis courts.

Sec. 32. Laws 1996, chapter 463, section 22, subdivision 8, is amended to read:

Subd. 8. Pickwick Mill 150,000  
For a grant to ~~Winona county~~ for renovation of the historic Pickwick Mill.

**New language is indicated by underline, deletions by strikeout.**

This appropriation is from the Minnesota future resources fund and is available until June 30, 1999.

Sec. 33. Laws 1996, chapter 463, section 24, subdivision 8, is amended to read:

Subd. 8. Lyn/Lake/Jungle

Theatre Performing Arts Center

335,000

For a grant to Hennepin county to design, construct, furnish, and equip the Lyn/Lake/Jungle Theatre community performing arts center to provide a community theater and rehearsal space, offices, classrooms and meeting rooms for performing arts organizations, arts education, and arts development and outreach in a formerly tax-forfeited structure in Hennepin county. Hennepin county may contract with a nonprofit organization for operation of the center, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner has determined that at least \$1,630,000 has been committed by nonstate sources to complete the Lyn/Lake/Jungle Theatre main stage in a nearby building owned and operated by the Jungle Theater and that \$100,000 has been committed by nonstate sources to complete the community performing arts center. This is the final state appropriation for this project.

Sec. 34. Laws 1997, chapter 202, article 1, section 35, if enacted, is amended to read:

Sec. 35. **BOND SALE SCHEDULE**

The commissioner of finance shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 1999, no more than \$545,457,000 \$560,457,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. During the biennium, before each sale of state general obligation bonds, the commissioner of finance shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold, the commissioner shall adjust the

New language is indicated by underline, deletions by ~~strikeout~~.

amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

**Sec. 35. REPEALER.**

Laws 1994, chapter 643, section 19, subdivision 11; Laws 1996, chapter 463, section 7, subdivision 26; and Laws 1997, chapter 200, article 2, section 5, are repealed.

**Sec. 36. EFFECTIVE DATE.**

This act is effective the day following final enactment.

Presented to the governor May 29, 1997

Signed by the governor June 2, 1997, 2:04 p.m.

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**CHAPTER 247—H.F.No. 276**

*An act relating to natural resources; requiring public waters work permits for boathouses; providing authority to issue public waters work permits for boathouses to the commissioner of natural resources; amending Minnesota Statutes 1996, section 103G.245, subdivision 4.*

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

Section 1. Minnesota Statutes 1996, section 103G.245, subdivision 4, is amended to read:

**Subd. 4. STRUCTURES IN OR ADJACENT TO PUBLIC WATERS OUTSIDE CITIES.** (a) The following definitions apply to this subdivision:

(1) "boathouse" means a floating structure that is moored by spuds, cables, ropes, anchors, or chains that may be intended for habitation and has walls, a roof, and either an open well for boats or a floor from wall to wall and does not include houseboats; and

(2) "houseboat" means a motorboat that has either a pontoon or a flat-bottomed hull configuration, and a permanent enclosed superstructure housing, at a minimum, built-in sleeping, cooking, and toilet facilities.

(b) The commissioner, subject to the approval of the county board, may grant and prescribe terms and conditions for granting public waters work permits to establish, construct, maintain, and control wharves, docks, piers, levees, breakwaters, basins, canals, and hangars in or adjacent to public waters of the state, except within the corporate limits of a municipality.

(c) Boathouses are prohibited on public waters of Minnesota, except as allowed by paragraph (d).

(d) The commissioner may issue a public waters work permit for boathouses only:

**New language is indicated by underline, deletions by ~~strikeout~~.**