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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 2599

04/20/2017 Authored by Hausman, Bly, Considine, Davids, Fischer and others
The bill was read for the first time and referred to the Committee on Capital Investment

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 other improvements of a capital nature with certain
1.4 conditions; modifying previous appropriations; establishing new programs and
1.5 modifying existing programs; authorizing the sale and issuance of state bonds;
1.6 appropriating money; amending Minnesota Statutes 2016, sections 16A.967;
1.7 84.946, subdivision 2; 85.34, subdivision 1; 363A.36; 363A.44, subdivision 1;
1.8 446A.072; 446A.073; 446A.081, subdivision 9; 446A.12, subdivision 1; 462A.37,
1.9 subdivisions 1, 2, 2a, 2b, 5, by adding a subdivision; Laws 2014, chapter 294,
1.10 article 1, section 17, subdivision 12; Laws 2015, First Special Session chapter 5,
1.11 article 1, section 10, subdivision 7; proposing coding for new law in Minnesota
1.12 Statutes, chapter 219; repealing Minnesota Statutes 2016, section 123A.446.

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

1.14 ARTICLE 1

1.15 APPROPRIATIONS

1.16 Section 1. CAPITAL IMPROVEMENT APPROPRIATIONS.

1.17 The sums shown in the column under "Appropriations" are appropriated from the bond
1.18 proceeds fund, or another named fund, to the state agencies or officials indicated, to be
1.19 spent for public purposes. Appropriations of bond proceeds must be spent as authorized by
1.20 the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public
1.21 land and buildings and other public improvements of a capital nature, or as authorized by
1.22 the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or article XIV. Unless
1.23 otherwise specified, money appropriated in this act for a capital program or project may be
1.24 used to pay state agency staff costs that are attributed directly to the capital program or
1.25 project in accordance with accounting policies adopted by the commissioner of management
1.26 and budget. Unless otherwise specified, the appropriations in this act are available until the

2.1 project is completed or abandoned subject to Minnesota Statutes, section 16A.642. Unless
 2.2 otherwise specified in this act, money appropriated in this act for activities under Minnesota
 2.3 Statutes, sections 16B.307, 84.946, and 135A.046, should not be used for projects that can
 2.4 be financed within a reasonable time frame under Minnesota Statutes, section 16B.322 or
 2.5 16C.144.

2.6 **APPROPRIATIONS**

2.7 **Sec. 2. UNIVERSITY OF MINNESOTA**

2.8 **Subdivision 1. Total Appropriation** **\$ 148,234,000**

2.9 To the Board of Regents of the University of
 2.10 Minnesota for the purposes specified in this
 2.11 section.

2.12 **Subd. 2. Higher Education Asset Preservation**
 2.13 **and Replacement (HEAPR)** **50,000,000**

2.14 To be spent in accordance with Minnesota
 2.15 Statutes, section 135A.046.

2.16 **Subd. 3. Twin Cities - Health Sciences Education**
 2.17 **Facility** **66,667,000**

2.18 To demolish obsolete health sciences facilities
 2.19 and to design, renovate, furnish, equip, and
 2.20 construct a health science education facility
 2.21 on the Twin Cities campus to meet the needs
 2.22 of the Medical School and the Academic
 2.23 Health Center.

2.24 **Subd. 4. Duluth - Chemical Sciences and**
 2.25 **Advanced Materials Science Building** **27,167,000**

2.26 To design, construct, furnish, and equip a new
 2.27 laboratory building on the Duluth campus,
 2.28 including classrooms and research and
 2.29 undergraduate instructional laboratories.

2.30 **Subd. 5. Twin Cities - Plant Growth Research**
 2.31 **Facility** **4,400,000**

2.32 To demolish the existing biological sciences
 2.33 greenhouse and to predesign, design,
 2.34 construct, furnish, and equip a greenhouse to

3.1 support learning and research on the St. Paul
3.2 campus.

3.3 **Subd. 6. University Share**

3.4 Except for the appropriation for HEAPR, the
3.5 appropriations in this section are intended to
3.6 cover approximately two-thirds of the cost of
3.7 each project. The remaining costs must be paid
3.8 from university sources.

3.9 **Subd. 7. Unspent Appropriations**

3.10 Upon substantial completion of a project
3.11 authorized in this section and after written
3.12 notice to the commissioner of management
3.13 and budget, the Board of Regents must use
3.14 any money remaining in the appropriation for
3.15 that project for HEAPR under Minnesota
3.16 Statutes, section 135A.046. The Board of
3.17 Regents must report by February 1 of each
3.18 even-numbered year to the chairs of the house
3.19 of representatives and senate committees with
3.20 jurisdiction over capital investment and higher
3.21 education finance, and to the chairs of the
3.22 house of representatives Ways and Means
3.23 Committee and the senate Finance Committee,
3.24 on how the remaining money has been
3.25 allocated or spent.

3.26 **Sec. 3. MINNESOTA STATE COLLEGES AND**
3.27 **UNIVERSITIES**

3.28 **Subdivision 1. Total Appropriation** **\$ 164,342,000**

3.29 To the Board of Trustees of the Minnesota
3.30 State Colleges and Universities for the
3.31 purposes specified in this section.

3.32 **Subd. 2. Higher Education Asset Preservation**
3.33 **and Replacement (HEAPR)** **52,149,000**

| | | |
|------|--|-------------------|
| 4.1 | <u>To be spent in accordance with Minnesota</u> | |
| 4.2 | <u>Statutes, section 135A.046.</u> | |
| 4.3 | <u>Subd. 3. Bemidji State University</u> | <u>18,896,000</u> |
| 4.4 | <u>To demolish Hagg-Sauer Hall and construct,</u> | |
| 4.5 | <u>furnish, and equip its replacement, the</u> | |
| 4.6 | <u>Academic Learning Center; and to renovate</u> | |
| 4.7 | <u>and renew, furnish, and equip Bensen Hall,</u> | |
| 4.8 | <u>Sattgast Hall, Bangsberg Hall, and A.C. Clark</u> | |
| 4.9 | <u>Library.</u> | |
| 4.10 | <u>Subd. 4. Hibbing Community College</u> | <u>9,958,000</u> |
| 4.11 | <u>To demolish Building G and connecting links</u> | |
| 4.12 | <u>or portions thereof, and to construct, renovate,</u> | |
| 4.13 | <u>furnish, and equip buildings, links, and entry</u> | |
| 4.14 | <u>spaces on the campus.</u> | |
| 4.15 | <u>Subd. 5. Minnesota State Community and</u> | |
| 4.16 | <u>Technical College</u> | |
| 4.17 | <u>(a) Fergus Falls Campus</u> | <u>978,000</u> |
| 4.18 | <u>To design, renovate, furnish, and equip a new</u> | |
| 4.19 | <u>Center for Student and Workforce Success</u> | |
| 4.20 | <u>(CSWS) that integrates the Regional</u> | |
| 4.21 | <u>Workforce Center. The board must enter into</u> | |
| 4.22 | <u>a lease agreement with the commissioner of</u> | |
| 4.23 | <u>employment and economic development, or</u> | |
| 4.24 | <u>partners of the commissioner, for use of the</u> | |
| 4.25 | <u>workforce center subject to Minnesota</u> | |
| 4.26 | <u>Statutes, section 16A.695. The board must use</u> | |
| 4.27 | <u>nonstate money for the remainder of the cost</u> | |
| 4.28 | <u>of the renovation.</u> | |
| 4.29 | <u>(b) Wadena Campus</u> | <u>820,000</u> |
| 4.30 | <u>To design, renovate, furnish, and equip the</u> | |
| 4.31 | <u>relocation of the current library to</u> | |
| 4.32 | <u>underutilized space and convert the vacated</u> | |
| 4.33 | <u>space into a centralized student services center.</u> | |
| 4.34 | <u>Subd. 6. Minnesota State University, Mankato</u> | <u>6,525,000</u> |

- 5.1 To complete design, renovate, furnish, and
 5.2 equip space in Armstrong, Morris, Wissink,
 5.3 and Wiecking Halls to repurpose space being
 5.4 vacated by programs moving into the new
 5.5 Clinical Sciences Building and complete
 5.6 installation of a solar array on the new Clinical
 5.7 Sciences Building (Phase 1).
- 5.8 **Subd. 7. Northland Community and Technical**
 5.9 **College, East Grand Forks** 826,000
- 5.10 To design, renovate, furnish, and equip science
 5.11 and radiological lab space on the East Grand
 5.12 Forks campus.
- 5.13 **Subd. 8. Rochester Community and Technical**
 5.14 **College** 21,712,000
- 5.15 To complete design, demolish Memorial and
 5.16 Plaza Halls, construct, equip, and furnish an
 5.17 academic building expansion, and renovate,
 5.18 equip, and furnish replacement space for
 5.19 classrooms, labs, and office spaces.
- 5.20 **Subd. 9. South Central College, North Mankato** 8,600,000
- 5.21 To design, renovate, renew, furnish, and equip
 5.22 laboratory, classroom, and office spaces on
 5.23 the North Mankato campus.
- 5.24 **Subd. 10. St. Cloud State University** 18,572,000
- 5.25 To construct, renovate, furnish, and equip
 5.26 Eastman Hall for the relocation of
 5.27 consolidated student health services and
 5.28 academic programs.
- 5.29 **Subd. 11. Winona State University, Education**
 5.30 **Village, Phase 2** 25,306,000
- 5.31 To complete design, construct, renovate,
 5.32 furnish, and equip Phase 2 of the Education
 5.33 Village project, including the renovation of
 5.34 Cathedral and Wabasha Halls and Wabasha

6.1 Rec, and remove obsolete portions of Wabasha
6.2 Rec and accomplishing related site work.

6.3 Subd. 12. **Debt Service**

6.4 (a) Except as provided in paragraph (b), the
6.5 Board of Trustees shall pay the debt service
6.6 on one-third of the principal amount of state
6.7 bonds sold to finance projects authorized by
6.8 this section. After each sale of general
6.9 obligation bonds, the commissioner of
6.10 management and budget shall notify the board
6.11 of the amounts assessed for each year for the
6.12 life of the bonds.

6.13 (b) The board need not pay debt service on
6.14 bonds sold to finance HEAPR. Where a
6.15 nonstate match is required, the debt service is
6.16 due on a principal amount equal to one-third
6.17 of the total project cost, less the match
6.18 committed before the bonds are sold.

6.19 (c) The commissioner of management and
6.20 budget shall reduce the board's assessment
6.21 each year by one-third of the net income from
6.22 investment of general obligation bond
6.23 proceeds in proportion to the amount of
6.24 principal and interest otherwise required to be
6.25 paid by the board. The board shall pay its
6.26 resulting net assessment to the commissioner
6.27 of management and budget by December 1
6.28 each year. If the board fails to make a payment
6.29 when due, the commissioner of management
6.30 and budget shall reduce allotments for
6.31 appropriations from the general fund otherwise
6.32 available to the board and apply the amount
6.33 of the reduction to cover the missed debt
6.34 service payment. The commissioner of
6.35 management and budget shall credit the

7.1 payments received from the board to the bond
 7.2 debt service account in the state bond fund
 7.3 each December 1 before money is transferred
 7.4 from the general fund under Minnesota
 7.5 Statutes, section 16A.641, subdivision 10.

7.6 **Subd. 13. Unspent Appropriations**

7.7 (a) Upon substantial completion of a project
 7.8 authorized in this section and after written
 7.9 notice to the commissioner of management
 7.10 and budget, the board must use any money
 7.11 remaining in the appropriation for that project
 7.12 for HEAPR under Minnesota Statutes, section
 7.13 135A.046. The Board of Trustees must report
 7.14 by February 1 of each even-numbered year to
 7.15 the chairs of the house of representatives and
 7.16 senate committees with jurisdiction over
 7.17 capital investment and higher education
 7.18 finance, and to the chairs of the house of
 7.19 representatives Ways and Means Committee
 7.20 and the senate Finance Committee, on how
 7.21 the remaining money has been allocated or
 7.22 spent.

7.23 (b) The unspent portion of an appropriation
 7.24 for a project in this section that is complete is
 7.25 available for HEAPR under this subdivision,
 7.26 at the same campus as the project for which
 7.27 the original appropriation was made and the
 7.28 debt service requirement under this section is
 7.29 reduced accordingly. Minnesota Statutes,
 7.30 section 16A.642, applies from the date of the
 7.31 original appropriation to the unspent amount
 7.32 transferred.

7.33 **Sec. 4. EDUCATION**

7.34 **Subdivision 1. Total Appropriation**

\$ 4,000,000

8.1 To the commissioner of education for the
8.2 purposes specified in this section.

8.3 **Subd. 2. Library Construction Grants** 2,000,000

8.4 For library construction grants under
8.5 Minnesota Statutes, section 134.45.

8.6 **Subd. 3. Olmsted County - Dyslexia Institute of**
8.7 **Minnesota** 1,500,000

8.8 For a grant to Olmsted County to acquire land
8.9 for, and to predesign, design, construct,
8.10 furnish, and equip a facility in Olmsted County
8.11 to support the local, regional, and national
8.12 literacy work of the Dyslexia Institute of
8.13 Minnesota, subject to Minnesota Statutes,
8.14 section 16A.695. This appropriation is not
8.15 available until the commissioner of
8.16 management and budget determines that an
8.17 amount sufficient to complete the project is
8.18 committed from nonstate sources.

8.19 **Subd. 4. Grand Rapids - Myles Reif Center** 500,000

8.20 From the general fund for a grant to
8.21 Independent School District No. 318, Grand
8.22 Rapids, to cover cost overruns for the Myles
8.23 Reif Center for the Performing Arts project in
8.24 Grand Rapids. This appropriation is added to
8.25 and is for the same purposes as the project in
8.26 Laws 2014, chapter 294, article 1, section 21,
8.27 subdivision 8. This appropriation does not
8.28 require a nonstate contribution.

8.29 **Sec. 5. MINNESOTA STATE ACADEMIES**

8.30 **Subdivision 1. Total Appropriation** **\$ 2,050,000**

8.31 To the commissioner of administration for the
8.32 purposes specified in this section.

8.33 **Subd. 2. Asset Preservation** 2,000,000

9.1 For capital asset preservation improvements
 9.2 and betterments on both campuses of the
 9.3 Minnesota State Academies, to be spent in
 9.4 accordance with Minnesota Statutes, section
 9.5 16B.307.

9.6 **Subd. 3. Security Corridor** **50,000**

9.7 For predesign for a safety corridor on the
 9.8 Minnesota State Academy for the Deaf
 9.9 campus.

9.10 **Sec. 6. NATURAL RESOURCES**

9.11 **Subdivision 1. Total Appropriation** **\$ 79,756,000**

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

9.14 (b) The appropriations in this section are
 9.15 subject to the requirements of the natural
 9.16 resources capital improvement program under
 9.17 Minnesota Statutes, section 86A.12, unless
 9.18 this section or the statutes referred to in this
 9.19 section provide more specific standards,
 9.20 criteria, or priorities for projects than
 9.21 Minnesota Statutes, section 86A.12.

9.22 **Subd. 2. Natural Resources Asset Preservation** **32,966,000**

9.23 For the renovation of state-owned facilities
 9.24 and recreational assets operated by the
 9.25 commissioner of natural resources to be spent
 9.26 in accordance with Minnesota Statutes, section
 9.27 84.946. Notwithstanding Minnesota Statutes,
 9.28 section 84.946: (1) the commissioner may use
 9.29 this appropriation to replace buildings if,
 9.30 considering the embedded energy in the
 9.31 building, that is the most energy-efficient and
 9.32 carbon-reducing method of renovation; and
 9.33 (2) this appropriation may be used for projects

10.1 to remove life safety hazards such as building
 10.2 code violations or structural defects.

10.3 **Subd. 3. Flood Hazard Mitigation** 20,000,000

10.4 (a) For the state share of flood hazard
 10.5 mitigation grants for publicly owned capital
 10.6 improvements to prevent or alleviate flood
 10.7 damage under Minnesota Statutes, section
 10.8 103F.161.

10.9 (b) Levee projects, to the extent practical, shall
 10.10 meet the state standard of three feet above the
 10.11 100-year flood elevation.

10.12 (c) Project priorities shall be determined by
 10.13 the commissioner as appropriate and based on
 10.14 need.

10.15 (d) This appropriation includes \$1,700,000 for
 10.16 the Cedar River Watershed District, \$750,000
 10.17 for the city of Browns Valley project, and
 10.18 \$1,800,000 for the city of Ortonville project.

10.19 (e) For any project listed in this subdivision
 10.20 that the commissioner determines is not ready
 10.21 to proceed or does not expend all the money
 10.22 allocated to it, the commissioner may allocate
 10.23 that project's money to a project on the
 10.24 commissioner's priority list.

10.25 (f) To the extent that the cost of a project
 10.26 exceeds two percent of the median household
 10.27 income in a municipality or township
 10.28 multiplied by the number of households in the
 10.29 municipality or township, this appropriation
 10.30 is also for the local share of the project.

10.31 **Subd. 4. Dam Renovation, Repair, Removal** 9,000,000

10.32 (a) For design, engineering, and construction
 10.33 to repair, reconstruct, or remove dams and

- 11.1 respond to dam safety emergencies. The
11.2 commissioner shall determine project priorities
11.3 as appropriate under Minnesota Statutes,
11.4 sections 103G.511 and 103G.515. Of this
11.5 appropriation:
- 11.6 (1) \$500,000 is for emergencies on
11.7 state-owned dams;
- 11.8 (2) \$3,600,000 is for a grant to the city of
11.9 Lanesboro for repair of the Lanesboro dam
11.10 and notwithstanding the match requirements
11.11 in Minnesota Statutes, section 103G.511, does
11.12 not require a nonstate contribution. This
11.13 includes funding for repairs of the hydropower
11.14 system;
- 11.15 (3) \$2,500,000 is for repairs of the Lake
11.16 Bronson dam;
- 11.17 (4) \$500,000 is for a grant to the city of
11.18 Pelican Rapids for engineering work for the
11.19 Pelican Rapids dam;
- 11.20 (5) \$200,000 is for a grant to the city of Pine
11.21 River for engineering work on the Norway
11.22 Lake dam;
- 11.23 (6) \$200,000 is for a grant to Yellow Medicine
11.24 County for the Canby R-6 impoundment dam;
- 11.25 (7) \$100,000 is for a grant to St. Louis County
11.26 for the Little Stone Lake dam; and
- 11.27 (8) \$1,400,000 is for state dams at Brawner,
11.28 West Leaf Lake, Collinwood, Grindstone
11.29 River, and Sullivan.
- 11.30 (b) If the commissioner determines that a
11.31 project is not ready to proceed, this
11.32 appropriation may be used for other projects
11.33 on the commissioner's priority list.

- 12.1 **Subd. 5. Reforestation and Stand Improvement** 2,000,000
- 12.2 To provide for reforestation and stand
- 12.3 improvement on state forest lands to meet the
- 12.4 reforestation requirements of Minnesota
- 12.5 Statutes, section 89.002, subdivision 2,
- 12.6 including purchasing native seeds and native
- 12.7 seedlings, planting, seeding, site preparation,
- 12.8 and protection on state lands administered by
- 12.9 the commissioner.
- 12.10 **Subd. 6. State Trail and Recreation Area**
- 12.11 **Development** 11,490,000
- 12.12 (a) \$2,000,000 is for acquisition and
- 12.13 development of the Gitchi-Gami State Trail,
- 12.14 from Grand Marais to Cascade State Park, and
- 12.15 through the town of Tofte.
- 12.16 (b) \$2,590,000 is for the Glacial Lakes Trail,
- 12.17 to complete an approximately 6-1/4 mile trail
- 12.18 connection between New London and Sibley
- 12.19 State Park, and for repair of the bicycle trail
- 12.20 in Sibley State Park.
- 12.21 (c) \$3,300,000 is to design, develop, and
- 12.22 complete the Heartland State Trail from
- 12.23 Detroit Lakes to Frazee and, to the extent there
- 12.24 is sufficient money, for work on the spur from
- 12.25 Park Rapids to Itasca State Park.
- 12.26 (d) \$3,600,000 is for acquisition and
- 12.27 development in the Cuyuna Country State
- 12.28 Recreation Area, including the Cuyuna
- 12.29 Mountain Bike System.
- 12.30 **Subd. 7. Champlin - Mill Pond** 3,300,000
- 12.31 For a grant to the city of Champlin to dredge
- 12.32 and remove sediment and for other capital
- 12.33 improvements of the Champlin Mill Pond

13.1 necessary to improve water quality, restore
13.2 fish habitat, and provide other public benefits.

13.3 **Subd. 8. Lake County - Prospectors ATV Trail**
13.4 **System**

1,000,000

13.5 For a grant to Lake County for construction,
13.6 including bridges, of the Prospectors ATV
13.7 Trail System linking the communities of Ely,
13.8 Babbitt, Embarrass, and Tower; Bear Head
13.9 Lake and Lake Vermilion-Soudan
13.10 Underground Mine State Parks; the Taconite
13.11 State Trail; and the Lake County Regional
13.12 ATV Trail System. This appropriation is not
13.13 available until the commissioner of
13.14 management and budget determines that an
13.15 equal amount is committed from other sources.

13.16 **Subd. 9. Unspent Appropriations**

13.17 The unspent portion of an appropriation for a
13.18 project in this section that is complete, upon
13.19 written notice to the commissioner of
13.20 management and budget, is available for asset
13.21 preservation under Minnesota Statutes, section
13.22 84.946. Minnesota Statutes, section 16A.642,
13.23 applies from the date of the original
13.24 appropriation to the unspent amount
13.25 transferred.

13.26 **Sec. 7. POLLUTION CONTROL AGENCY**

13.27 **Subdivision 1. Total Appropriation**

\$ 33,850,000

13.28 To the Pollution Control Agency for the
13.29 purposes specified in this section.

13.30 **Subd. 2. St. Louis River Cleanup**

25,400,000

13.31 To design and implement contaminated
13.32 sediment management actions identified in
13.33 the St. Louis River remedial action plan to

- 14.1 restore water quality in the St. Louis River
- 14.2 Area of Concern.
- 14.3 **Subd. 3. Closed Landfill Cleanup** 650,000
- 14.4 To design and construct remedial systems and
- 14.5 acquire land at closed landfills throughout the
- 14.6 state in accordance with the closed landfill
- 14.7 program under Minnesota Statutes, sections
- 14.8 115B.39 to 115B.42. The agency must follow
- 14.9 the agency priorities, which includes a
- 14.10 construction project at the waste disposal
- 14.11 engineering (WDE) site in Anoka County.
- 14.12 **Subd. 4. Redwood-Cottonwood Rivers Joint**
- 14.13 **Powers - Lake Redwood Reclamation and**
- 14.14 **Enhancement Project** 7,800,000
- 14.15 For a grant to the Redwood-Cottonwood
- 14.16 Rivers control area, a joint powers entity, to
- 14.17 predesign, design, construct, and equip the
- 14.18 reservoir reclamation and enhancement of the
- 14.19 66-acre Lake Redwood Reservoir, to remove
- 14.20 approximately 650,000 cubic yards of
- 14.21 sediment and increase its depth from
- 14.22 approximately 2.8 feet to approximately 20
- 14.23 feet in order to secure renewable energy
- 14.24 capacity of the hydroelectric dam which is
- 14.25 impeded by lack of water capacity, reduce the
- 14.26 flow of pollutants to the Minnesota River, and
- 14.27 increase fish habitat and enhance recreational
- 14.28 opportunities.
- 14.29 **Sec. 8. BOARD OF WATER AND SOIL**
- 14.30 **RESOURCES**
- 14.31 **Subdivision 1. Total Appropriation** \$ 35,000,000
- 14.32 To the Board of Water and Soil Resources for
- 14.33 the purposes specified in this section.
- 14.34 **Subd. 2. Reinvest in Minnesota (RIM) Reserve**
- 14.35 **Program** 30,000,000

15.1 (a) To acquire conservation easements from
 15.2 landowners to preserve, restore, create, and
 15.3 enhance wetlands and associated uplands of
 15.4 prairie and grasslands, and restore and enhance
 15.5 rivers and streams, riparian lands, and
 15.6 associated uplands of prairie and grasslands
 15.7 in order to protect soil and water quality,
 15.8 support fish and wildlife habitat, reduce flood
 15.9 damage, and provide other public benefits.

15.10 The provisions of Minnesota Statutes, section
 15.11 103F.515, apply to this program.

15.12 (b) The board shall give priority to leveraging
 15.13 federal money by enrolling targeted new lands
 15.14 or enrolling environmentally sensitive lands
 15.15 that have expiring federal conservation
 15.16 agreements.

15.17 (c) The board is authorized to enter into new
 15.18 agreements and amend past agreements with
 15.19 landowners as required by Minnesota Statutes,
 15.20 section 103F.515, subdivision 5, to allow for
 15.21 restoration. Of this appropriation, up to five
 15.22 percent may be used for restoration and
 15.23 enhancement.

15.24 **Subd. 3. Local Government Roads Wetland**
 15.25 **Replacement Program**

5,000,000

15.26 To acquire land or permanent easements and
 15.27 to restore, create, enhance, and preserve
 15.28 wetlands to replace those wetlands drained or
 15.29 filled as a result of the repair, reconstruction,
 15.30 replacement, or rehabilitation of existing
 15.31 public roads as required by Minnesota
 15.32 Statutes, section 103G.222, subdivision 1,
 15.33 paragraphs (l) and (m). The board may vary
 15.34 the priority order of Minnesota Statutes,
 15.35 section 103G.222, subdivision 3, paragraph

16.1 (a), to implement an in-lieu fee agreement
 16.2 approved by the U.S. Army Corps of
 16.3 Engineers under section 404 of the Clean
 16.4 Water Act. The purchase price paid for
 16.5 acquisition of land or perpetual easement must
 16.6 be a fair market value as determined by the
 16.7 board. The board may enter into agreements
 16.8 with the federal government, other state
 16.9 agencies, political subdivisions, nonprofit
 16.10 organizations, fee title owners, or other
 16.11 qualified private entities to acquire wetland
 16.12 replacement credits in accordance with
 16.13 Minnesota Rules, chapter 8420.

16.14 **Sec. 9. AGRICULTURE**

16.15 **Subdivision 1. Total Appropriation** **\$ 2,824,000**

16.16 To the commissioner of agriculture from the
 16.17 general fund for the purposes specified in this
 16.18 section.

16.19 **Subd. 2. Laboratory Capital Equipment** **2,218,000**

16.20 For capital equipment and instruments for the
 16.21 agriculture laboratory.

16.22 **Subd. 3. AURI** **606,000**

16.23 For a grant to the Agricultural Utilization
 16.24 Research Institute (AURI) for construction of
 16.25 a development kitchen, sensory lab, and safety
 16.26 and security upgrades at AURI's Marshall
 16.27 facility and for updated equipment and
 16.28 renovations at the Waseca facility.

16.29 **Sec. 10. MINNESOTA ZOOLOGICAL**
 16.30 **GARDEN**

16.31 **Subdivision 1. Total Appropriation** **\$ 4,000,000**

16.32 To the Minnesota Zoological Garden Board
 16.33 for the purposes specified in this section.

| | | | |
|-------|---|------------------|--------------------------|
| 17.1 | <u>Subd. 2. Asset Preservation</u> | | <u>4,000,000</u> |
| 17.2 | <u>For capital asset preservation improvements</u> | | |
| 17.3 | <u>and betterments to infrastructure and exhibits</u> | | |
| 17.4 | <u>at the Minnesota Zoo, to be spent in</u> | | |
| 17.5 | <u>accordance with Minnesota Statutes, section</u> | | |
| 17.6 | <u>16B.307. Notwithstanding the specified uses</u> | | |
| 17.7 | <u>of money under Minnesota Statutes, section</u> | | |
| 17.8 | <u>16B.307, the board may use this appropriation</u> | | |
| 17.9 | <u>to replace buildings that are in poor condition,</u> | | |
| 17.10 | <u>outdated, and no longer support the work of</u> | | |
| 17.11 | <u>the Minnesota Zoo and to construct and</u> | | |
| 17.12 | <u>renovate trails and roads on the Minnesota</u> | | |
| 17.13 | <u>Zoo site.</u> | | |
| 17.14 | Sec. 11. <u>ADMINISTRATION</u> | | |
| 17.15 | <u>Subdivision 1. Total Appropriation</u> | <u>\$</u> | <u>26,178,000</u> |
| 17.16 | <u>To the commissioner of administration for the</u> | | |
| 17.17 | <u>purposes specified in this section.</u> | | |
| 17.18 | <u>Subd. 2. Centennial Parking Ramp</u> | | <u>10,878,000</u> |
| 17.19 | <u>(a) To complete design and for structural</u> | | |
| 17.20 | <u>repairs to the Centennial parking ramp,</u> | | |
| 17.21 | <u>including removal of the top deck green space</u> | | |
| 17.22 | <u>to provide additional parking capacity,</u> | | |
| 17.23 | <u>repairing damaged post-tension cables, and</u> | | |
| 17.24 | <u>installation of a deck surface protection</u> | | |
| 17.25 | <u>coating.</u> | | |
| 17.26 | <u>(b) Any unexpended amount of this</u> | | |
| 17.27 | <u>appropriation after completing the project in</u> | | |
| 17.28 | <u>paragraph (a) may be used to design and</u> | | |
| 17.29 | <u>construct a storm water retention basin</u> | | |
| 17.30 | <u>adjacent to the Centennial parking ramp, if the</u> | | |
| 17.31 | <u>commissioner of administration determines</u> | | |
| 17.32 | <u>that the basin is feasible.</u> | | |
| 17.33 | <u>Subd. 3. Capital Asset Preservation and</u> | | |
| 17.34 | <u>Replacement Account</u> | | <u>2,500,000</u> |

- 18.1 To be spent in accordance with Minnesota
 18.2 Statutes, section 16A.632.
- 18.3 **Subd. 4. Capitol Complex Monuments and**
 18.4 **Memorials** 350,000
- 18.5 To design and complete critical repairs to the
 18.6 Peace Officers and Roy Wilkins Memorials
 18.7 located on the Capitol complex.
- 18.8 **Subd. 5. Capitol Complex - Physical Security**
 18.9 **Upgrades** 10,500,000
- 18.10 For the design, construction, and equipping
 18.11 required to upgrade the physical security
 18.12 elements and systems for one or more of the
 18.13 buildings listed below, their attached tunnel
 18.14 systems and surrounding grounds, and parking
 18.15 facilities as identified in the 2014 Minnesota
 18.16 State Capitol Complex Physical Security Study
 18.17 conducted by Miller Dunwiddie Architecture.
- 18.18 Work includes but is not limited to the
 18.19 installation of bollards, blast protection,
 18.20 infrastructure security screen walls, door
 18.21 access controls, emergency call stations,
 18.22 security kiosks, locking devices, and traffic
 18.23 control to the extent these funds allow. This
 18.24 appropriation is for work associated with one
 18.25 or more of the following buildings:
- 18.26 Administration, Centennial, Judicial,
 18.27 Ag/Health Lab, Minnesota History Center,
 18.28 Minnesota History Center loading dock,
 18.29 Capitol complex power plant and shops,
 18.30 Stassen, State Office, and Veterans Service.
- 18.31 **Subd. 6. Granite Falls - Pioneer Public Television** 1,950,000
- 18.32 From the general fund to provide an equipment
 18.33 grant to Pioneer Public Television as part of
 18.34 the station's construction of a new facility in
 18.35 Granite Falls. The money may be used to

19.1 purchase and install equipment necessary to
 19.2 the station's operation. This appropriation does
 19.3 not require a nonstate contribution.

19.4 Sec. 12. **MN.IT** **\$** **\$1,432,000**

19.5 To the commissioner of administration to
 19.6 predesign, design, construct, renovate, furnish,
 19.7 and equip existing state data center facilities
 19.8 at the Bureau of Criminal Apprehension's
 19.9 Maryland Avenue office building, at the
 19.10 Centennial Office Building, and at the
 19.11 Department of Revenue's Stassen Office
 19.12 Building for the purpose of decommissioning
 19.13 and repurposing into usable office space.

19.14 Sec. 13. **MILITARY AFFAIRS**

19.15 **Subdivision 1. Total Appropriation** **\$** **2,500,000**

19.16 To the adjutant general for the purposes
 19.17 specified in this section.

19.18 **Subd. 2. Asset Preservation** **2,500,000**

19.19 For asset preservation improvements and
 19.20 betterments of a capital nature at military
 19.21 affairs facilities statewide, to be spent in
 19.22 accordance with Minnesota Statutes, section
 19.23 16B.307.

19.24 Sec. 14. **PUBLIC SAFETY**

19.25 **Subdivision 1. Total Appropriation** **\$** **6,521,000**

19.26 To the named official for the purposes
 19.27 specified in this section.

19.28 **Subd. 2. Camp Ripley Training Facility** **3,521,000**

19.29 To the adjutant general to predesign, design,
 19.30 construct, and equip a joint emergency railroad
 19.31 and pipeline emergency response training

20.1 facility at Camp Ripley. The project includes
 20.2 construction of stations and capital
 20.3 infrastructure needed for mock disaster
 20.4 training, including infrastructure for training
 20.5 in hazardous materials abatement and site
 20.6 recovery work.

20.7 **Subd. 3. Minneapolis Emergency Operations**
 20.8 **Training Facility (EOTF) Enhancement**

3,000,000

20.9 To the commissioner of public safety for a
 20.10 grant to the city of Minneapolis for the
 20.11 pre-design, design, engineering, and
 20.12 construction of the expansion of the
 20.13 Emergency Operation Center and Fire
 20.14 Training Facility. This appropriation is not
 20.15 available until the commissioner of
 20.16 management and budget determines that an
 20.17 equal amount is committed to the project from
 20.18 nonstate sources.

20.19 **Sec. 15. TRANSPORTATION**

20.20 **Subdivision 1. Total Appropriation**

\$ 172,849,000

20.21 To the commissioner of transportation for the
 20.22 purposes specified in this section.

20.23 **Subd. 2. Local Bridge Replacement and**
 20.24 **Rehabilitation**

16,018,000

20.25 From the bond proceeds account in the state
 20.26 transportation fund to match federal money
 20.27 and to replace or rehabilitate local deficient
 20.28 bridges as provided in Minnesota Statutes,
 20.29 section 174.50.

20.30 **Subd. 3. Local Road Improvement Fund Grants**

41,018,000

20.31 (a) From the bond proceeds account in the
 20.32 state transportation fund as provided in
 20.33 Minnesota Statutes, section 174.50, for trunk
 20.34 highway corridor projects under Minnesota

21.1 Statutes, section 174.52, subdivision 2, for
 21.2 construction and reconstruction of local roads
 21.3 with statewide or regional significance under
 21.4 Minnesota Statutes, section 174.52,
 21.5 subdivision 4, or for grants to counties to assist
 21.6 in paying the costs of rural road safety capital
 21.7 improvement projects on county state-aid
 21.8 highways under Minnesota Statutes, section
 21.9 174.52, subdivision 4a.

21.10 (b) Of this amount, \$25,000,000 is for a grant
 21.11 to Hennepin County for design, right-of-way
 21.12 acquisition, engineering, and construction of
 21.13 public improvements related to the Interstate
 21.14 Highway 35W and Lake Street access project
 21.15 and related improvements within the Interstate
 21.16 Highway 35W corridor. This appropriation is
 21.17 not available until the commissioner of
 21.18 management and budget determines that an
 21.19 amount sufficient to complete the Interstate
 21.20 Highway 35W and Lake Street access project
 21.21 has been committed to the project.

21.22 **Subd. 4. Intercity Passenger Rail Investment**
 21.23 **Program**

23,000,000

21.24 (a) For intercity passenger rail implementation
 21.25 on phase I corridors identified in the 2015
 21.26 update to the state rail plan under Minnesota
 21.27 Statutes, section 174.03, subdivision 1b. This
 21.28 appropriation is available for development of
 21.29 rail investment performance measures, project
 21.30 cost estimating, feasibility studies, alternatives
 21.31 analysis, program delivery, and capital
 21.32 projects, including but not limited to: design,
 21.33 preliminary and final engineering,
 21.34 environmental analysis and mitigation,
 21.35 acquisition of land and right-of-way, and
 21.36 construction.

22.1 (b) \$500,000 is from the general fund for a
 22.2 feasibility study and alternatives analysis of
 22.3 the corridor from the Twin Cities metropolitan
 22.4 area to Northfield and Albert Lea.

22.5 (c) Project development must conform with
 22.6 federal requirements as necessary to maximize
 22.7 availability of federal funds. Notwithstanding
 22.8 any law to the contrary, a portion or phase of
 22.9 an intercity passenger rail project may be
 22.10 accomplished with one or more state
 22.11 appropriations, and an intercity passenger rail
 22.12 project need not be completed with any one
 22.13 appropriation.

22.14 **Subd. 5. Rail Grade Separation on Crude Oil**
 22.15 **Rail Corridors**

69,011,000

22.16 (a) To design and construct rail safety projects
 22.17 at highway-rail grade crossings in accordance
 22.18 with Minnesota Statutes, section 219.016. Of
 22.19 this appropriation:

22.20 (1) \$11,987,000 is for a grant to Anoka County
 22.21 for environmental analysis, design,
 22.22 engineering, removal of an existing structure,
 22.23 and construction of a rail grade crossing
 22.24 separation at Anoka County State-Aid
 22.25 Highway 78, known as Hanson Boulevard, in
 22.26 Coon Rapids.

22.27 (2) \$42,262,000 is for a grant to the city of
 22.28 Moorhead for environmental analysis, design,
 22.29 engineering, removal of an existing structure,
 22.30 and construction of a rail grade crossing
 22.31 separation in the vicinity of 21st Street South;
 22.32 and

22.33 (3) \$14,762,000 is for a grant to the city of
 22.34 Red Wing for environmental analysis, design,
 22.35 engineering, removal of an existing structure,

- 23.1 and construction of a rail grade crossing
 23.2 separation at Sturgeon Lake Road.
- 23.3 (b) Any unspent portion of this appropriation
 23.4 after completion of any project in this
 23.5 subdivision may be used for additional grants
 23.6 in accordance with Minnesota Statutes, section
 23.7 219.016.
- 23.8 **Subd. 6. Port Development Assistance** 5,000,000
- 23.9 For grants under Minnesota Statutes, chapter
 23.10 457A. Any improvements made with the
 23.11 proceeds of these grants must be publicly
 23.12 owned.
- 23.13 **Subd. 7. Minnesota Valley Regional Rail**
 23.14 **Authority** 4,000,000
- 23.15 For a grant to the Minnesota Valley Regional
 23.16 Rail Authority for the rehabilitation of a
 23.17 portion of the railroad track between Winthrop
 23.18 and Hanley Falls. The grant under this
 23.19 subdivision may also be used for any required
 23.20 environmental documentation and
 23.21 remediation, predesign, design, and
 23.22 rehabilitation or replacement of bridges with
 23.23 new bridges or culverts between Winthrop and
 23.24 Hanley Falls. A grant under this section is in
 23.25 addition to any grant, loan, or loan guarantee
 23.26 for this project made by the commissioner
 23.27 under Minnesota Statutes, sections 222.46 to
 23.28 222.62. This appropriation is in addition to
 23.29 the appropriations in Laws 2006, chapter 258,
 23.30 section 16, subdivision 6; Laws 2008, chapter
 23.31 179, section 16, subdivision 5; Laws 2009,
 23.32 chapter 93, article 1, section 11, subdivision
 23.33 4; Laws 2010, chapter 189, section 15,
 23.34 subdivision 5; and Laws 2015, First Special

- 24.1 Session chapter 5, article 1, section 10,
 24.2 subdivision 4.
- 24.3 **Subd. 8. Grand Rapids - Pedestrian Bridge** 750,000
- 24.4 For a grant to the city of Grand Rapids to
 24.5 design the construction of a bridge over the
 24.6 Mississippi River for pedestrian and bicycle
 24.7 use to provide a safe alternative route to the
 24.8 existing marked Trunk Highway 169 vehicle
 24.9 bridge and to serve as a connection to existing
 24.10 trail systems on each side of the river. This
 24.11 appropriation is not available until the
 24.12 commissioner determines that at least an equal
 24.13 amount has been committed to the project
 24.14 from nonstate sources.
- 24.15 **Subd. 9. Hugo** 1,100,000
- 24.16 For a grant to the Minnesota Commercial
 24.17 Railway for construction of repairs and other
 24.18 capital improvements to approximately 6.5
 24.19 miles of railroad track described as that portion
 24.20 of the Minnesota Commercial Railway main
 24.21 running lead, between M & D Junction in
 24.22 White Bear Lake and the end of the track in
 24.23 Hugo. This appropriation must be used for the
 24.24 purposes set forth in the Minnesota
 24.25 Constitution, article XI, section 5, clause (i),
 24.26 to improve and rehabilitate railroad
 24.27 rights-of-way and other rail facilities, whether
 24.28 public or private.
- 24.29 **Subd. 10. International Falls-Koochiching**
 24.30 **County Airport Commission** 3,000,000
- 24.31 (a) For a grant to the International
 24.32 Falls-Koochiching County Airport
 24.33 Commission for the following improvements
 24.34 to the Falls International Airport:

- 25.1 (1) demolition of the existing terminal
 25.2 building;
 25.3 (2) rehabilitation;
 25.4 (3) site preparation, including utilities and civil
 25.5 work;
 25.6 (4) design, construction, furnishing, and
 25.7 equipping Phase II of the new terminal
 25.8 building, including a Transportation Safety
 25.9 Administration office, weather office,
 25.10 conference room, circulation corridor, airport
 25.11 administration offices, United States Customs
 25.12 and Border Protection storage rooms, offices,
 25.13 restrooms, passenger-processing area,
 25.14 wet-hold room, interview room, search room,
 25.15 pre and post-customs passenger waiting areas,
 25.16 and vestibule; and
 25.17 (5) associated appurtenances of a capital
 25.18 nature.
 25.19 (b) After completion of the improvements
 25.20 under paragraph (a), any unspent money from
 25.21 this appropriation may be used by the
 25.22 International Falls-Koochiching County
 25.23 Airport Commission for a commercial airline
 25.24 apron expansion project at the Falls
 25.25 International Airport.
 25.26 (c) This appropriation does not require a
 25.27 nonstate contribution or match.
 25.28 **Subd. 11. Ramsey County Rail Grade Separation**
 25.29 For a grant to the Ramsey County Regional
 25.30 Railroad Authority for environmental analysis
 25.31 and design of rail grade separation of Union
 25.32 Pacific and Burlington Northern Santa Fe track
 25.33 between Westminster Junction and Division
 25.34 Street/Hoffman Interlocking in St. Paul. This

1,000,000

26.1 appropriation is not available until the
 26.2 commissioner determines that an equal amount
 26.3 has been committed to the project from
 26.4 nonstate sources.

26.5 **Subd. 12. Duluth Airport Authority** 6,619,000

26.6 From the state airports fund for a grant to the
 26.7 Duluth Airport Authority to provide the
 26.8 federal match to design and construct runway
 26.9 infrastructure at the Duluth International
 26.10 Airport in accordance with Minnesota Statutes,
 26.11 section 360.017. For the purposes of this
 26.12 appropriation, the commissioner may waive
 26.13 the requirements of Minnesota Statutes,
 26.14 section 360.305, subdivision 4, paragraph (b).
 26.15 This appropriation is available until and must
 26.16 be encumbered by June 30, 2019.

26.17 **Subd. 13. Rochester International Airport** 2,333,000

26.18 From the state airports fund for a grant to the
 26.19 city of Rochester to design, rehabilitate,
 26.20 demolish, and expand portions of the existing
 26.21 passenger terminal building at the Rochester
 26.22 International Airport, provided that this
 26.23 amount also includes money to remodel,
 26.24 construct, furnish, and equip the existing
 26.25 passenger terminal building and associated
 26.26 appurtenances to meet United States Customs
 26.27 and Border Protection and Transportation
 26.28 Security Administration standards for safety,
 26.29 security, and processing time to accommodate
 26.30 domestic and international flights. The capital
 26.31 improvements paid for with this appropriation
 26.32 may be used as the local contribution required
 26.33 by Minnesota Statutes, section 360.305,
 26.34 subdivision 4. This appropriation may be used
 26.35 to reimburse the city for costs incurred after

27.1 May 1, 2016. This appropriation is not
 27.2 available until the commissioner of
 27.3 management and budget determines that at
 27.4 least an equal amount has been committed to
 27.5 the project from nonstate sources. Work that
 27.6 may be completed with this appropriation
 27.7 includes but is not limited to:

27.8 (1) site preparation, including utilities, site
 27.9 civil work, testing, and construction
 27.10 administration services;

27.11 (2) the relocation, modification, and addition
 27.12 of airline ticket counters, baggage claim
 27.13 devices, public spaces, offices, restrooms,
 27.14 support space, break rooms, lockers,
 27.15 equipment storage, communications, hallways,
 27.16 building signage, medical visitor rooms,
 27.17 special needs accommodations, hold rooms,
 27.18 secure storage, equipment maintenance area,
 27.19 and building engineering and technology
 27.20 systems;

27.21 (3) improvements needed outside the terminal
 27.22 to remove, restore, and tie into adjacent
 27.23 utilities, sidewalks, driveways, parking lots,
 27.24 and aircraft aprons; and

27.25 (4) the construction of covered exterior
 27.26 equipment storage.

27.27 **Sec. 16. METROPOLITAN COUNCIL**

27.28 **Subdivision 1. Total Appropriation** **\$ 46,350,000**

27.29 To the Metropolitan Council for the purposes
 27.30 specified in this section.

27.31 **Subd. 2. Metropolitan Regional Parks and Trails**
 27.32 **Capital Improvements** **5,000,000**

28.1 For the cost of improvements and betterments
 28.2 of a capital nature and acquisition by the
 28.3 council and local government units of regional
 28.4 recreational open-space lands in accordance
 28.5 with the council's policy plan as provided in
 28.6 Minnesota Statutes, section 473.147. This
 28.7 appropriation must not be used to purchase
 28.8 easements.

28.9 **Subd. 3. Metropolitan Cities Inflow and**
 28.10 **Infiltration Grants**

2,500,000

28.11 For grants to cities within the metropolitan
 28.12 area, as defined in Minnesota Statutes, section
 28.13 473.121, subdivision 2, for capital
 28.14 improvements in municipal wastewater
 28.15 collection systems to reduce the amount of
 28.16 inflow and infiltration to the Metropolitan
 28.17 Council's metropolitan sanitary sewer disposal
 28.18 system. Grants from this appropriation are for
 28.19 up to 50 percent of the cost to mitigate inflow
 28.20 and infiltration in the publicly owned
 28.21 municipal wastewater collection systems. To
 28.22 be eligible for a grant, a city must be identified
 28.23 by the council as a contributor of excessive
 28.24 inflow and infiltration in the metropolitan
 28.25 disposal system or have a measured flow rate
 28.26 within 20 percent of its allowable
 28.27 council-determined inflow and infiltration
 28.28 limits. The council must award grants based
 28.29 on applications from cities that identify
 28.30 eligible capital costs and include a timeline
 28.31 for inflow and infiltration mitigation
 28.32 construction, pursuant to guidelines
 28.33 established by the council.

28.34 **Subd. 4. Metro Orange BRT Line**

12,100,000

29.1 Up to \$12,100,000, but an amount that is no
 29.2 more than ten percent of the total project cost,
 29.3 is for the Metropolitan Council, or for the
 29.4 Metropolitan Council to make grants to
 29.5 political subdivisions, for design, acquisition
 29.6 of right-of-way, engineering, and construction
 29.7 of capital improvements along the I-35W
 29.8 corridor for completion of the Metro Orange
 29.9 Bus Rapid Transit (BRT) Line.

29.10 **Subd. 5. Mall of America Station** 8,750,000

29.11 For design and construction of improvements
 29.12 to the Mall of America station on the Hiawatha
 29.13 Corridor light rail transit line, subject to
 29.14 Minnesota Statutes, section 16A.695. The
 29.15 Metropolitan Council must consult with the
 29.16 city of Bloomington throughout the design
 29.17 and construction process.

29.18 **Subd. 6. St. Paul - Como Zoo Project** 15,000,000

29.19 For a grant to the city of St. Paul for predesign,
 29.20 design, and engineering of Phase I of the
 29.21 renovation of the seal and sea lion habitat at
 29.22 the Como Zoo. The renovated habitat will
 29.23 support the zoo education programs. This
 29.24 appropriation is not available until the
 29.25 commissioner of management and budget
 29.26 determines that at least \$1,100,000 is
 29.27 committed to the project from nonstate
 29.28 sources.

29.29 **Subd. 7. Washington County - Gateway Corridor** 3,000,000

29.30 For a grant to Washington County to complete
 29.31 engineering and environmental analysis related
 29.32 to the Gateway Corridor transitway. This
 29.33 appropriation is not available until the
 29.34 commissioner of management and budget
 29.35 determines that an amount sufficient to

30.1 complete the project has been committed to
30.2 the project from nonstate sources.

30.3 Sec. 17. **HEALTH** **\$** **2,335,000**

30.4 From the general fund to the commissioner of
30.5 health for equipment and instruments for the
30.6 public health laboratory.

30.7 Sec. 18. **HUMAN SERVICES**

30.8 **Subdivision 1. Total Appropriation** **\$** **111,915,000**

30.9 To the commissioner of administration, or
30.10 another named agency, for the purposes
30.11 specified in this section.

30.12 **Subd. 2. Minnesota Security Hospital - St. Peter** **70,255,000**

30.13 To complete design, remodel, construct,
30.14 furnish, and equip the second phase of the
30.15 two-phase project to remodel existing and to
30.16 develop new residential, program, activity,
30.17 and ancillary facilities for the Minnesota
30.18 Security Hospital on the upper campus of the
30.19 St. Peter Regional Treatment Center. This
30.20 appropriation includes money to: demolish,
30.21 renovate, and remodel existing space;
30.22 construct new space; address fire and life
30.23 safety, and other building code deficiencies;
30.24 replace or renovate interior finishes; purchase
30.25 furnishings, fixtures, and equipment; replace
30.26 or renovate the Minnesota Security Hospital
30.27 building's HVAC, plumbing, electrical,
30.28 security, and life safety systems; tuck-point;
30.29 replace windows and doors; design and abate
30.30 asbestos and hazardous materials; and
30.31 complete site work necessary to support the
30.32 programmed use of the facilities on the St.

31.1 Peter Regional Treatment Center upper

31.2 campus.

31.3 **Subd. 3. Child and Adolescent Behavioral Health**

31.4 **Services**

7,530,000

31.5 (a) To predesign, design, construct, furnish,
 31.6 and equip a new community-based 16-bed
 31.7 psychiatric hospital facility to house the Child
 31.8 and Adolescent Behavioral Health Services
 31.9 (CABHS) program to be located in or near the
 31.10 city of Willmar. This appropriation includes
 31.11 funds for land purchase, surveying, predesign
 31.12 and design fees, construction administration,
 31.13 project management, site work, site and
 31.14 building infrastructure, construction, and
 31.15 furniture, fixtures, and equipment.

31.16 (b) Notwithstanding any law to the contrary,
 31.17 the 16 hospital beds licensed to the CABHS's
 31.18 facility on January 1, 2017, by the Department
 31.19 of Health, may transfer to this new facility
 31.20 upon completion and approved inspection by
 31.21 the Departments of Health and Human
 31.22 Services.

31.23 **Subd. 4. Anoka Metro Regional Treatment**
 31.24 **Center - Safety and Security Renovations**

2,250,000

31.25 To provide security upgrades of a capital
 31.26 nature at the Anoka Metro Regional Treatment
 31.27 Center campus, including but not limited to
 31.28 control centers, electronic monitoring and
 31.29 perimeter security equipment, new or updated
 31.30 security fencing, and other building security
 31.31 renovations. This appropriation includes
 31.32 money for: predesign, design, furnishing,
 31.33 fixtures, and equipment; construction of safety
 31.34 and security improvements to courtyards on
 31.35 residential treatment units; securely enclosing
 31.36 the nursing station on Unit G; and installing

- 32.1 a campus-wide closed-circuit television video
 32.2 security system, a facility-wide personal
 32.3 duress alarm system, a key control system,
 32.4 and an electronic access control system.
- 32.5 **Subd. 5. Regional Medical Examiner's Facility** 2,680,000
- 32.6 To the commissioner of human services for a
 32.7 grant to Hennepin County to design an
 32.8 approximately 67,000 square foot regional,
 32.9 state-of-the-art medical examiner's facility.
- 32.10 The facility shall:
- 32.11 (1) provide forensic death investigation and
 32.12 autopsy services for Dakota, Hennepin, and
 32.13 Scott Counties with the flexibility to
 32.14 accommodate future partner counties and
 32.15 agencies;
- 32.16 (2) serve as a teaching facility for the state on
 32.17 the science of forensic pathology; and
- 32.18 (3) be located in Hennepin County as a site
 32.19 that best supports access needs for the three
 32.20 founding counties and reasonable scene
 32.21 response times for the geographic service area.
- 32.22 **Subd. 6. St. Paul - Dorothy Day Opportunity**
 32.23 **Center** 12,000,000
- 32.24 To the commissioner of human services for a
 32.25 grant to the city of St. Paul to predesign,
 32.26 design, construct, furnish, and equip an
 32.27 opportunity center to serve as an integrated
 32.28 one-stop delivery system connecting persons
 32.29 at risk of becoming homeless, and persons
 32.30 working to move up and out of homelessness,
 32.31 and to provide services that improve their
 32.32 health, income, housing stability, or
 32.33 well-being, subject to Minnesota Statutes,
 32.34 section 16A.695. This appropriation may be

33.1 used to acquire property for these purposes.
 33.2 This appropriation is not available until the
 33.3 commissioner of management and budget has
 33.4 determined that at least an equal amount has
 33.5 been committed to the project from nonstate
 33.6 sources.

33.7 **Subd. 7. Perspectives Family Center** 600,000

33.8 (a) From the general fund to the commissioner
 33.9 of human services for a grant to Perspectives,
 33.10 Inc., to predesign, design, construct, furnish,
 33.11 and equip the expansion and renovation of the
 33.12 existing Perspectives Family Center facility
 33.13 in St. Louis Park. The expanded and renovated
 33.14 facility must be used to promote the public
 33.15 welfare by providing any or all of the
 33.16 following programs and services:

33.17 (1) supportive housing programs for homeless
 33.18 women and their children;

33.19 (2) mental and chemical health programs;

33.20 (3) employment services;

33.21 (4) academic, social skills, and nutritional
 33.22 programs for homeless and at-risk children;

33.23 (5) an all-day therapeutic early childhood
 33.24 development program for homeless and at-risk
 33.25 children; and

33.26 (6) a culturally sensitive safe and nurturing
 33.27 environment for at-risk children to meet with
 33.28 their nonresidential parents.

33.29 (b) This appropriation is not available until
 33.30 the commissioner of management and budget
 33.31 has determined that at least an equal amount
 33.32 has been expended or committed to the project
 33.33 from nonstate sources. Nonstate money spent

34.1 on the project since May 1, 2015, shall be
 34.2 included in the determination of nonstate
 34.3 commitments to the project.

34.4 **Subd. 8. Minneapolis - The Family Partnership** 1,600,000

34.5 From the general fund to the commissioner of
 34.6 human services for a grant to the Family
 34.7 Partnership in Minneapolis to predesign and
 34.8 design a facility to provide mental health, early
 34.9 childhood education, and other services to
 34.10 support children and families. This
 34.11 appropriation is not available until at least an
 34.12 equal amount of money is committed from
 34.13 nonstate resources.

34.14 **Subd. 9. Red Lake Indian Reservation - Social**
 34.15 **Service Building Construction and**
 34.16 **Whitefeather/Moe Education Technology Center**
 34.17 **Remodel** 15,000,000

34.18 (a) From the general fund to the commissioner
 34.19 of human services for a grant to the Red Lake
 34.20 Nation to:

34.21 (1) construct a building to house the social
 34.22 services of Oshkiimaajitahdah in Redby; and
 34.23 (2) remodel the Whitefeather/Moe Education
 34.24 Technology Center to return space to
 34.25 classrooms and laboratories for educational
 34.26 purposes.

34.27 (b) This appropriation is available after the
 34.28 commissioner of management and budget
 34.29 determines that \$200,000 is committed to the
 34.30 project or has been expended on the project
 34.31 by nonstate sources. Money spent for site
 34.32 preparation shall count toward the \$200,000
 34.33 nonstate contribution.

34.34 **Sec. 19. VETERANS AFFAIRS**

| | | |
|-------|--|-----------------------------|
| 35.1 | <u>Subdivision 1. Total Appropriation</u> | <u>\$ 12,851,000</u> |
| 35.2 | <u>To the commissioner of administration for the</u> | |
| 35.3 | <u>purposes specified in this section.</u> | |
| 35.4 | <u>Subd. 2. Asset Preservation</u> | <u>5,000,000</u> |
| 35.5 | <u>For asset preservation improvements and</u> | |
| 35.6 | <u>betterments of a capital nature at the veterans</u> | |
| 35.7 | <u>homes in Minneapolis, Hastings, Fergus Falls,</u> | |
| 35.8 | <u>Silver Bay, and Luverne, to be spent in</u> | |
| 35.9 | <u>accordance with Minnesota Statutes, section</u> | |
| 35.10 | <u>16B.307.</u> | |
| 35.11 | <u>Subd. 3. Minneapolis Veterans Home Truss</u> | |
| 35.12 | <u>Bridge Project</u> | <u>7,851,000</u> |
| 35.13 | <u>To design, construct, renovate, and equip the</u> | |
| 35.14 | <u>historic truss bridge on the Minneapolis</u> | |
| 35.15 | <u>Veterans Home campus, including asbestos</u> | |
| 35.16 | <u>and hazardous materials abatement and</u> | |
| 35.17 | <u>associated site work.</u> | |
| 35.18 | <u>Sec. 20. CORRECTIONS</u> | |
| 35.19 | <u>Subdivision 1. Total Appropriation</u> | <u>\$ 40,900,000</u> |
| 35.20 | <u>To the commissioner of administration for the</u> | |
| 35.21 | <u>purposes specified in this section.</u> | |
| 35.22 | <u>Subd. 2. Asset Preservation</u> | <u>20,000,000</u> |
| 35.23 | <u>For asset preservation improvements and</u> | |
| 35.24 | <u>betterments of a capital nature at Minnesota</u> | |
| 35.25 | <u>correctional facilities statewide, to be spent in</u> | |
| 35.26 | <u>accordance with Minnesota Statutes, section</u> | |
| 35.27 | <u>16B.307.</u> | |
| 35.28 | <u>Subd. 3. Minnesota Correctional Facility - St.</u> | |
| 35.29 | <u>Cloud</u> | <u>19,000,000</u> |
| 35.30 | <u>To construct and equip a new intake unit and</u> | |
| 35.31 | <u>loading dock with a secure connection to a</u> | |
| 35.32 | <u>new central warehouse at the St. Cloud</u> | |
| 35.33 | <u>correctional facility.</u> | |

| | | | |
|-------|--|------------------|---------------------------|
| 36.1 | <u>Subd. 4. Minnesota Correctional Facility - Moose</u> | | |
| 36.2 | <u>Lake</u> | | <u>1,900,000</u> |
| 36.3 | <u>To expand and renovate the outdated master</u> | | |
| 36.4 | <u>control center to improve security and</u> | | |
| 36.5 | <u>efficiency at the Minnesota Correctional</u> | | |
| 36.6 | <u>Facility - Moose Lake. The renovation</u> | | |
| 36.7 | <u>includes updating fire alarm panels and</u> | | |
| 36.8 | <u>mechanical and electrical systems and</u> | | |
| 36.9 | <u>improving visibility of the visiting area.</u> | | |
| 36.10 | <u>Subd. 5. Unspent Appropriations</u> | | |
| 36.11 | <u>The unspent portion of an appropriation for a</u> | | |
| 36.12 | <u>Department of Corrections project in this</u> | | |
| 36.13 | <u>section that is complete, upon written notice</u> | | |
| 36.14 | <u>to the commissioner of management and</u> | | |
| 36.15 | <u>budget, is available for asset preservation</u> | | |
| 36.16 | <u>under Minnesota Statutes, section 16B.307.</u> | | |
| 36.17 | <u>Minnesota Statutes, section 16A.642, applies</u> | | |
| 36.18 | <u>from the date of the original appropriation to</u> | | |
| 36.19 | <u>the unspent amount transferred.</u> | | |
| 36.20 | <u>Sec. 21. EMPLOYMENT AND ECONOMIC</u> | | |
| 36.21 | <u>DEVELOPMENT</u> | | |
| 36.22 | <u>Subdivision 1. Total Appropriation</u> | <u>\$</u> | <u>114,042,000</u> |
| 36.23 | <u>To the commissioner of employment and</u> | | |
| 36.24 | <u>economic development for the purposes</u> | | |
| 36.25 | <u>specified in this section.</u> | | |
| 36.26 | <u>Subd. 2. Transportation Economic Development</u> | | <u>7,000,000</u> |
| 36.27 | <u>For grants under Minnesota Statutes, section</u> | | |
| 36.28 | <u>116J.436.</u> | | |
| 36.29 | <u>Subd. 3. Greater Minnesota Business</u> | | |
| 36.30 | <u>Development Public Infrastructure Grants</u> | | <u>12,000,000</u> |
| 36.31 | <u>For grants under Minnesota Statutes, section</u> | | |
| 36.32 | <u>116J.431.</u> | | |
| 36.33 | <u>Subd. 4. Innovative Business Development Public</u> | | |
| 36.34 | <u>Infrastructure Grants</u> | | <u>2,500,000</u> |

- 37.1 For grants under Minnesota Statutes, section
 37.2 116J.435.
- 37.3 **Subd. 5. Chatfield - Center for the Arts** 7,985,000
- 37.4 For a grant to the city of Chatfield economic
 37.5 development authority to predesign, design,
 37.6 renovate, construct, furnish, and equip Phase
 37.7 III of the Chatfield Center for the Arts in the
 37.8 city of Chatfield, which is generally described
 37.9 as the renovation of the 1916 high school and
 37.10 the installation of a linking structure and
 37.11 related improvements to serve both the 1936
 37.12 auditorium building and the 1916 school
 37.13 building. The renovation shall include interior,
 37.14 exterior, and amenity improvements within
 37.15 the high school building; improvements to the
 37.16 electrical, plumbing, and HVAC systems
 37.17 throughout the property; and general
 37.18 improvements to the buildings and land that
 37.19 are known as the Chatfield Center for the Arts,
 37.20 currently owned by the economic development
 37.21 authority. Money, land and buildings, and
 37.22 in-kind contributions provided to the center
 37.23 before the enactment of this section are
 37.24 considered to be sufficient local match, and
 37.25 no further local match is required.
- 37.26 **Subd. 6. Duluth - Steam Plant** 21,000,000
- 37.27 From the general fund for a grant to the city
 37.28 of Duluth to upgrade the municipal district
 37.29 heating facility and systems, including
 37.30 conversion of the distribution system along
 37.31 Superior Street from steam with no condensate
 37.32 return, to closed-loop hot water. This
 37.33 appropriation is for one or more of the project
 37.34 elements or phases: predesign, design,
 37.35 engineering, renovation, construction,

38.1 furnishing, and equipping the facility, systems,
 38.2 and infrastructure. This appropriation is not
 38.3 available until the commissioner of
 38.4 management and budget determines that an
 38.5 amount sufficient to complete the project, or
 38.6 one or more of the distinct elements or phases
 38.7 of the project, is committed from nonstate
 38.8 sources.

38.9 **Subd. 7. Eagle's Healing Nest** 300,000

38.10 From the general fund for a grant to Eagle's
 38.11 Healing Nest in Sauk Centre.

38.12 **Subd. 8. Hennepin County - Hennepin Center**
 38.13 **for the Arts** 5,000,000

38.14 From the general fund for a grant to Hennepin
 38.15 County for improvements and betterments of
 38.16 a capital nature to renovate the historic
 38.17 Hennepin Center for the Arts. This
 38.18 appropriation is available after the
 38.19 commissioner of management and budget
 38.20 determines that \$3,000,000 has been
 38.21 committed to complete the project from
 38.22 nonstate sources.

38.23 **Subd. 9. Hermantown - Arrowhead Regional**
 38.24 **Health and Wellness Center** 8,000,000

38.25 For a grant to the city of Hermantown to
 38.26 prepare the middle school site on the
 38.27 Hermantown School District campus,
 38.28 including demolition of a portion of the middle
 38.29 school, and to design, construct a new addition
 38.30 to the middle school building and renovate the
 38.31 remaining existing building, furnish, and equip
 38.32 the facility as the Arrowhead Regional Health
 38.33 and Wellness Center. The city may enter into
 38.34 lease or management agreements under
 38.35 Minnesota Statutes, section 16A.695, for

39.1 operation of the center. This appropriation is
 39.2 not available until at least an equal amount is
 39.3 committed to the project from nonstate
 39.4 sources.

39.5 **Subd. 10. Litchfield - Phase 2 Power Generation**
 39.6 **Improvements** 3,000,000

39.7 For a grant to the city of Litchfield to design
 39.8 and construct electrical generation
 39.9 improvements in the city of Litchfield to
 39.10 expand the current standby capacity, including
 39.11 replacement of two old generators. This
 39.12 appropriation is not available until the
 39.13 commissioner of management and budget
 39.14 determines that at least an equal amount is
 39.15 committed to the project from nonstate
 39.16 sources.

39.17 **Subd. 11. Minneapolis - American Indian Center** 155,000

39.18 From the general fund for a grant to the
 39.19 Minneapolis American Indian Center to
 39.20 predesign the renovation of the center on
 39.21 Franklin Avenue, taking into account and
 39.22 protecting the significant and unique art and
 39.23 features of the center.

39.24 **Subd. 12. Minneapolis - People's Center** 2,750,000

39.25 From the general fund to the commissioner of
 39.26 human services for a grant to the People's
 39.27 Center in Minneapolis to design, renovate,
 39.28 improve, construct, and equip a facility that
 39.29 provides medical, dental, mental health, and
 39.30 wellness services to all patients, regardless of
 39.31 their ability to pay. This appropriation is not
 39.32 available until the commissioner of
 39.33 management and budget confirms that at least
 39.34 \$1,500,000 is committed to the project from
 39.35 nonstate sources.

- 40.1 **Subd. 13. Minneapolis - Pioneers and Soldiers**
- 40.2 **Cemetery Restoration** 1,029,000
- 40.3 For a grant to the city of Minneapolis to
- 40.4 restore the historic steel and limestone pillar
- 40.5 fence along Cedar Avenue and Lake Street,
- 40.6 install a new steel fence and pillars along 21st
- 40.7 Avenue South, and install a waterproofing
- 40.8 system for preservation of the fence and pillars
- 40.9 at the Pioneer and Soldiers Cemetery. This
- 40.10 appropriation does not require a nonstate
- 40.11 contribution.
- 40.12 **Subd. 14. Polk County - North Country Food**
- 40.13 **Bank** 3,000,000
- 40.14 For a grant to Polk County to predesign,
- 40.15 design, construct, renovate, furnish, and equip
- 40.16 a regional charitable food warehouse,
- 40.17 distribution, and office facility in the city of
- 40.18 Crookston, subject to Minnesota Statutes,
- 40.19 section 16A.695. This appropriation is not
- 40.20 available until the commissioner of
- 40.21 management and budget determines that an
- 40.22 equal amount has been committed to the
- 40.23 project from nonstate sources. The value of
- 40.24 the land purchased or acquired by the county
- 40.25 after January 1, 2013, for this facility shall
- 40.26 count toward the nonstate match.
- 40.27 **Subd. 15. Red Wing - River Town Renaissance** 4,480,000
- 40.28 For a grant to the city of Red Wing to
- 40.29 complete removal and replacement of 250
- 40.30 linear feet of the harbor retaining wall; to
- 40.31 design, construct, furnish, and equip the
- 40.32 renovation of the historic T.B. Sheldon
- 40.33 Performing Arts Theater; and to design and
- 40.34 construct transient riverboat docking facilities,
- 40.35 levee wall extension, and levee promenade
- 40.36 improvements at Levee Park. This

41.1 appropriation is not available until the
 41.2 commissioner of management and budget
 41.3 determines that an amount sufficient to
 41.4 complete the project has been committed from
 41.5 nonstate sources.

41.6 **Subd. 16. St. James - Public Infrastructure** 3,443,000

41.7 For a grant to the city of St. James. Of this
 41.8 amount, \$2,193,000 is for engineering,
 41.9 right-of-way acquisition, and reconstruction
 41.10 of streets, sidewalks, storm water and sanitary
 41.11 sewer, water mains, lighting, utilities, and
 41.12 other capital improvements of publicly owned
 41.13 infrastructure required for the reconstruction
 41.14 of marked Trunk Highway 4 in the city of St.
 41.15 James, and \$1,250,000 is to replace the storm
 41.16 sewer drain that serves St. James Lake and the
 41.17 entire southern section of the city of St. James.

41.18 **Subd. 17. St. Paul - Science Museum of**
 41.19 **Minnesota Building Preservation** 13,000,000

41.20 For a grant to the city of St. Paul for predesign,
 41.21 design, and construction work to replace
 41.22 water-damaged elements of the Science
 41.23 Museum of Minnesota's exterior envelope and
 41.24 some resultant interior damage caused by
 41.25 latent design and construction defects, subject
 41.26 to Minnesota Statutes, section 16A.695. This
 41.27 appropriation is not available until the
 41.28 commissioner of management and budget
 41.29 determines that an equal amount has been
 41.30 committed to the project from nonstate
 41.31 sources. Capital costs paid by the Science
 41.32 Museum of Minnesota since January 1, 2014,
 41.33 relating to the water intrusion damage, shall
 41.34 count toward the match requirement.

41.35 **Subd. 18. St. Paul Port Authority - Minnesota**
 41.36 **Museum of American Art** 6,000,000

42.1 For a grant to the St. Paul Port Authority to
 42.2 design, construct, furnish, and equip new
 42.3 museum galleries and an art study facility for
 42.4 the Minnesota Museum of American Art. The
 42.5 museum provides space to celebrate the legacy
 42.6 of Minnesota art and artists and is part of the
 42.7 restoration of the historic Pioneer Endicott
 42.8 Building. The museum is part of a multiphase
 42.9 project of which only the museum galleries
 42.10 and art study facility constructed with the
 42.11 appropriation shall be state bond financed
 42.12 property subject to Minnesota Statutes, section
 42.13 16A.695. This appropriation is not available
 42.14 until the commissioner of management and
 42.15 budget has determined that (1) at least an equal
 42.16 amount of nonstate funds has been committed
 42.17 to the project or expended for design,
 42.18 construction, and furnishing of the adjacent
 42.19 Minnesota Museum of American Art Center
 42.20 for Creativity facilities, which are not subject
 42.21 to Minnesota Statutes, section 16A.695, and
 42.22 (2) sufficient resources, state and nonstate, are
 42.23 available to complete the museum galleries
 42.24 and art study facility. Funds invested in the
 42.25 Center for Creativity facilities by an investor
 42.26 receiving an assignment of state historic tax
 42.27 credits pursuant to Minnesota Statutes, section
 42.28 290.0681, are nonstate funds for purposes of
 42.29 this requirement. Only expenditures made after
 42.30 January 1, 2012, qualify for the required
 42.31 match. Due to the integrated nature of the
 42.32 overall development, public bidding is not
 42.33 required.

42.34 Subd. 19. **Virginia - Highway 53 Utility**
 42.35 **Relocation**

3,400,000

- 43.1 From the general fund for grants to the city of
 43.2 Virginia and the city of Virginia Public
 43.3 Utilities Commission to acquire land for and
 43.4 to predesign, design, construct, furnish, and
 43.5 equip relocated public utilities, including
 43.6 sanitary and storm water sewers and water,
 43.7 electrical, and gas utilities; and to demolish
 43.8 and remove old utility infrastructure, all
 43.9 associated with the relocation of marked State
 43.10 Highway 53. This appropriation may be used
 43.11 in part or in whole to reimburse the grantees
 43.12 for costs of the projects already paid for and
 43.13 does not require a nonstate contribution.
- 43.14 **Subd. 20. West St. Paul - Robert Street** **10,000,000**
- 43.15 From the general fund for a grant to the city
 43.16 of West St. Paul to complete the reconstruction
 43.17 of South Robert Street. This appropriation may
 43.18 be used in part or in whole to reimburse the
 43.19 city for costs of the project already paid for
 43.20 and does not require a nonstate contribution.
- 43.21 **Sec. 22. PUBLIC FACILITIES AUTHORITY**
- 43.22 **Subdivision 1. Total Appropriation** **\$ 143,366,000**
- 43.23 To the Public Facilities Authority for the
 43.24 purposes specified in this section. The Public
 43.25 Facilities Authority may use the funds in this
 43.26 section or other available funds to amend
 43.27 project financing agreements awarded after
 43.28 July 1, 2016, based on program changes in
 43.29 Minnesota Statutes, sections 446A.072 and
 43.30 446A.073, in article 2 of this act.
- 43.31 **Subd. 2. State Match for Federal Grants** **17,000,000**
- 43.32 To match federal grants for the clean water
 43.33 revolving fund under Minnesota Statutes,
 43.34 section 446A.07, and the drinking water

44.1 revolving fund under Minnesota Statutes,
 44.2 section 446A.081. This appropriation must be
 44.3 used for qualified capital projects.

44.4 **Subd. 3. Water Infrastructure Funding Program** 70,000,000

44.5 (a) For grants to eligible municipalities under
 44.6 the water infrastructure funding program under
 44.7 Minnesota Statutes, section 446A.072.

44.8 (b) \$50,000,000 is for wastewater projects
 44.9 listed on the Pollution Control Agency's
 44.10 project priority list in the fundable range under
 44.11 the clean water revolving fund program.

44.12 (c) \$20,000,000 is for drinking water projects
 44.13 listed on the Department of Health's project
 44.14 priority list in the fundable range under the
 44.15 drinking water revolving fund program.

44.16 (d) After all eligible projects under paragraph
 44.17 (b) or (c) have been funded, the Public
 44.18 Facilities Authority may transfer any
 44.19 remaining, uncommitted money to eligible
 44.20 projects under a program defined in paragraph
 44.21 (b) or (c) based on that program's project
 44.22 priority list.

44.23 (e) Notwithstanding Minnesota Statutes,
 44.24 section 446A.072, subdivision 5a, paragraph
 44.25 (b), the Western Lake Superior Sanitary
 44.26 District is eligible for a grant to predesign,
 44.27 design, construct, furnish, and equip a
 44.28 combined heat and power system.

44.29 **Subd. 4. Point Source Implementation Grants**
 44.30 **Program** 46,500,000

44.31 For grants to eligible municipalities under the
 44.32 point source implementation grants program
 44.33 under Minnesota Statutes, section 446A.073.

45.1 This appropriation must be used for qualified
45.2 capital projects.

45.3 Notwithstanding the limitations on grants in
45.4 Minnesota Statutes, section 446A.073,
45.5 subdivision 1, the city of Detroit Lakes is
45.6 eligible to receive a grant for up to 80 percent
45.7 of eligible project costs of the city's
45.8 wastewater treatment facility phosphorus
45.9 removal project.

45.10 **Subd. 5. Big Lake Area Sanitary District - Sewer**
45.11 **System and Force Main** 1,200,000

45.12 For a grant to the Big Lake Area Sanitary
45.13 District to construct a pressure sewer system
45.14 and force main to convey sewage to the
45.15 Western Lake Superior Sanitary District
45.16 connection in the city of Cloquet. This
45.17 appropriation is not available until the
45.18 commissioner of management and budget
45.19 determines that an equal amount is committed
45.20 from nonstate sources. This appropriation is
45.21 in addition to the appropriation in Laws 2014,
45.22 chapter 294, article 1, section 22, subdivision
45.23 4.

45.24 **Subd. 6. Dennison - Sewage Treatment System**
45.25 **Improvements** 726,000

45.26 For a grant to the city of Dennison to
45.27 predesign, design, and construct a new lift
45.28 station and make sewage pond improvements.
45.29 This appropriation does not require a nonstate
45.30 contribution.

45.31 **Subd. 7. East Grand Forks - Wastewater**
45.32 **Interconnection Infrastructure** 5,300,000

45.33 For a grant to the city of East Grand Forks to
45.34 design and construct wastewater infrastructure
45.35 improvements interconnecting the wastewater

46.1 system of East Grand Forks to the wastewater
 46.2 treatment system in Grand Forks, North
 46.3 Dakota. This appropriation may not be used
 46.4 for improvements outside the state. This
 46.5 appropriation is in addition to grants under
 46.6 Minnesota Statutes, section 446A.072. A
 46.7 nonstate match is not required.

46.8 **Subd. 8. Koochiching County - Voyageurs**
 46.9 **National Park Clean Water Project**

2,000,000

46.10 (a) For a grant to Koochiching County to
 46.11 acquire land or interests in land, and to design,
 46.12 engineer, construct, and equip sanitary sewage
 46.13 systems and facilities to implement a portion
 46.14 or portions of the Voyageurs National Park
 46.15 clean water project comprehensive plan. This
 46.16 appropriation is available after the
 46.17 commissioner of management and budget
 46.18 determines that \$4,500,000 is committed from
 46.19 nonstate sources.

46.20 (b) This appropriation is in addition to the
 46.21 appropriation in Laws 2014, chapter 294,
 46.22 article 1, section 22, subdivision 7.
 46.23 Notwithstanding the match requirement in
 46.24 Laws 2014, chapter 294, article 1, section 22,
 46.25 subdivision 7, the nonstate match required for
 46.26 this appropriation and the 2014 appropriation
 46.27 for a grant to Koochiching County is 25
 46.28 percent of the state grant amounts. Any money
 46.29 remaining from this appropriation after
 46.30 completion of the projects in paragraph (a) is
 46.31 available for grants to Koochiching or St.
 46.32 Louis County to be used for other capital
 46.33 projects described in the comprehensive plan
 46.34 and as determined by the Voyageur's National
 46.35 Park Clean Water Joint Powers Board.

47.1 **Subd. 9. Oronoco - Wastewater Collection and**
 47.2 **Treatment Facilities** 500,000

47.3 From the general fund for a grant to the city
 47.4 of Oronoco to commission a study to evaluate
 47.5 options for solving the wastewater
 47.6 infrastructure needs for the region including
 47.7 the city of Oronoco, the city of Pine Island, or
 47.8 the city of Rochester. This appropriation does
 47.9 not require a nonstate match.

47.10 **Subd. 10. Lilydale - Highway 13 Storm Water**
 47.11 **Conveyance** 140,000

47.12 From the general fund for a grant to the city
 47.13 of Lilydale to design, acquire, construct, and
 47.14 install a storm water sewer and drop structure
 47.15 along Trunk Highway 13 in Lilydale that will
 47.16 be large enough to effectively collect water
 47.17 from springs and storm water runoff from
 47.18 above the road and safely convey the water to
 47.19 below the bluff. The city must coordinate this
 47.20 project with the Department of
 47.21 Transportation's Trunk Highway 13 project.
 47.22 The appropriation and project also include
 47.23 capital repairs and improvements to existing
 47.24 drainage structures along the Big Rivers
 47.25 Regional Trail at the base of the bluff. This
 47.26 appropriation may be used in part or in whole
 47.27 to reimburse the city for project costs already
 47.28 paid for and does not require a nonstate
 47.29 contribution.

47.30 **Sec. 23. MINNESOTA HOUSING FINANCE**
 47.31 **AGENCY** \$ 10,000,000

47.32 For transfer to the housing development fund
 47.33 to finance the costs of rehabilitation to
 47.34 preserve public housing under Minnesota
 47.35 Statutes, section 462A.202, subdivision 3a.

48.1 For purposes of this section, "public housing"
 48.2 means housing for low-income persons and
 48.3 households financed by the federal
 48.4 government and owned and operated by the
 48.5 public housing authorities and agencies formed
 48.6 by cities and counties. Public housing
 48.7 authorities receiving a public housing
 48.8 assessment composite score of 80 or above or
 48.9 an equivalent designation are eligible to
 48.10 receive funding. Priority must be given to
 48.11 proposals that maximize federal or local
 48.12 resources to finance the capital costs. The
 48.13 priority in Minnesota Statutes, section
 48.14 462A.202, subdivision 3a, for projects to
 48.15 increase the supply of affordable housing and
 48.16 the restrictions of Minnesota Statutes, section
 48.17 462A.202, subdivision 7, do not apply to this
 48.18 appropriation.

48.19 **Sec. 24. MINNESOTA HISTORICAL**
 48.20 **SOCIETY**

48.21 **Subdivision 1. Total Appropriation** **\$ 36,500,000**

48.22 To the Minnesota Historical Society for the
 48.23 purposes specified in this section.

48.24 **Subd. 2. Historic Fort Snelling** **34,000,000**

48.25 (a) To design, renovate, construct, furnish, and
 48.26 equip facilities to support visitor services and
 48.27 history programs at Historic Fort Snelling.

48.28 (b) This appropriation includes up to
 48.29 \$4,000,000 to design facilities to support
 48.30 visitor services and history programs at
 48.31 Historic Fort Snelling. Money for design is
 48.32 available the day following final enactment
 48.33 and is not contingent on demonstrating a
 48.34 nonstate contribution to the project. Upon

49.1 completion of the design, the unspent portion
 49.2 of the amount specified in this paragraph is
 49.3 available for the purposes of paragraph (c).

49.4 (c) The balance of this appropriation is to
 49.5 demolish the existing visitor center, renovate,
 49.6 construct, furnish, and equip facilities,
 49.7 including landscaping and wayfinding, at
 49.8 Historic Fort Snelling. This appropriation is
 49.9 not available until the commissioner of
 49.10 management and budget determines that an
 49.11 amount sufficient to complete the project has
 49.12 been committed from nonstate sources.

49.13 Subd. 3. **Historic Sites Asset Preservation** 2,500,000

49.14 For capital improvements and betterments at
 49.15 state historic sites, buildings, landscaping at
 49.16 historic buildings, exhibits, markers, and
 49.17 monuments, to be spent in accordance with
 49.18 Minnesota Statutes, section 16B.307. The
 49.19 society shall determine project priorities as
 49.20 appropriate based on need.

49.21 Sec. 25. **BOND SALE EXPENSES** \$ 1,126,000

49.22 To the commissioner of management and
 49.23 budget for bond sale expenses under
 49.24 Minnesota Statutes, section 16A.641,
 49.25 subdivision 8.

49.26 Sec. 26. **BOND SALE AUTHORIZATION.**

49.27 Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from
 49.28 the bond proceeds fund, the commissioner of management and budget shall sell and issue
 49.29 bonds of the state in an amount up to \$1,068,379,000 in the manner, upon the terms, and
 49.30 with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the
 49.31 Minnesota Constitution, article XI, sections 4 to 7.

49.32 Subd. 2. **Transportation fund.** To provide the money appropriated in this act from the
 49.33 state transportation fund, the commissioner of management and budget shall sell and issue

50.1 bonds of the state in an amount up to \$57,036,000 in the manner, upon the terms, and with
50.2 the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the
50.3 Minnesota Constitution, article XI, sections 4 to 7.

50.4 **Sec. 27. CANCELLATIONS; BOND SALE AUTHORIZATION REDUCTIONS.**

50.5 (a) The bond sale authorization in Laws 1990, chapter 610, article 1, section 30,
50.6 subdivision 1, as amended, is reduced by \$3,129.

50.7 (b) The bond sale authorization in Laws 1994, chapter 643, section 31, subdivision 1,
50.8 as amended, is reduced by \$24,480.

50.9 (c) The bond sale authorization in Laws 1997, Second Special Session chapter 2, section
50.10 12, as amended, is reduced by \$96,992.

50.11 (d) The bond sale authorization in Laws 1999, chapter 240, article 1, section 13,
50.12 subdivision 1, as amended, is reduced by \$212,472.

50.13 (e) The bond sale authorization in Laws 2000, chapter 492, article 1, section 26,
50.14 subdivision 1, as amended, is reduced by \$7,933,538.

50.15 (f) The bond sale authorization in Laws 2002, chapter 393, section 30, subdivision 1, as
50.16 amended, is reduced by \$188,471.

50.17 (g) The bond sale authorization in Laws 2002, First Special Session chapter 1, section
50.18 9, subdivision 1, is reduced by \$217,959.

50.19 (h) The bond sale authorization in Laws 2003, First Special Session chapter 19, article
50.20 3, section 2, is reduced by \$201,530.

50.21 (i) The bond sale authorization in Laws 2003, First Special Session chapter 19, article
50.22 4, section 4, is reduced by \$326,534.

50.23 (j) The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision
50.24 1, as amended, is reduced by \$3,366,628.

50.25 (k) The \$700,000 appropriation from the bond proceeds fund in Laws 2011, First Special
50.26 Session chapter 12, section 13, subdivision 8, for St. Louis Park noise barriers, is canceled
50.27 and the bond sale authorization in Laws 2011, First Special Session chapter 12, section 23,
50.28 subdivision 1, is reduced by the same amount.

50.29 (l) The \$2,285,000 appropriation from the bond proceeds fund in Laws 2012, First
50.30 Special Session chapter 1, article 1, section 3, subdivision 2, to the commissioner of public

51.1 safety for disaster relief, is canceled and the bond sale authorization in Laws 2012, First
 51.2 Special Session chapter 1, article 1, section 16, subdivision 1, is reduced by the same amount.

51.3 (m) \$1,380,000 of the appropriation from the bond proceeds fund in Laws 2012, First
 51.4 Special Session chapter 1, article 1, section 6, to the Public Facilities Authority for disaster
 51.5 relief, is canceled and the bond sale authorization in Laws 2012, First Special Session chapter
 51.6 1, article 1, section 16, subdivision 1, is reduced by the same amount.

51.7 (n) \$1,085,000 of the appropriation from the bond proceeds fund in Laws 2012, First
 51.8 Special Session chapter 1, article 1, section 9, subdivision 2, to the commissioner of natural
 51.9 resources for disaster relief, is canceled, and the bond sale authorization in Laws 2012, First
 51.10 Special Session chapter 1, article 1, section 16, subdivision 1, is reduced by the same amount.

51.11 (o) The \$300,000 appropriation from the general fund in Laws 2015, First Special Session
 51.12 chapter 5, article 1, section 14, subdivision 4, for Eagle's Healing Nest is canceled.

51.13 **Sec. 28. BOND SALE SCHEDULE.**

51.14 The commissioner of management and budget shall schedule the sale of state general
 51.15 obligation bonds so that, during the biennium ending June 30, 2019, no more than \$.....
 51.16 will need to be transferred from the general fund to the state bond fund to pay principal and
 51.17 interest due and to become due on outstanding state general obligation bonds. During the
 51.18 biennium, before each sale of state general obligation bonds, the commissioner of
 51.19 management and budget shall calculate the amount of debt service payments needed on
 51.20 bonds previously issued and shall estimate the amount of debt service payments that will
 51.21 be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of
 51.22 bonds scheduled to be sold so as to remain within the limit set by this section. The amount
 51.23 needed to make the debt service payments is appropriated from the general fund as provided
 51.24 in Minnesota Statutes, section 16A.641.

51.25 **Sec. 29. EFFECTIVE DATE.**

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

51.27 **ARTICLE 2**

51.28 **MISCELLANEOUS**

51.29 Section 1. Minnesota Statutes 2016, section 16A.967, is amended to read:

51.30 **16A.967 LEWIS AND CLARK APPROPRIATION BONDS.**

51.31 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

52.1 (b) "Appropriation bond" or "bond" means a bond, note, or other similar instrument of
52.2 the state payable during a biennium from one or more of the following sources:

52.3 (1) money appropriated by law from the general fund in any biennium for debt service
52.4 due with respect to obligations described in ~~subdivision 2, paragraph (e)~~ subdivisions 2a
52.5 and 2b;

52.6 (2) proceeds of the sale of obligations described in ~~subdivision 2, paragraph (e)~~
52.7 subdivisions 2a and 2b;

52.8 (3) payments received for that purpose under agreements and ancillary arrangements
52.9 described in subdivision 2, paragraph ~~(e)~~ (d); and

52.10 (4) investment earnings on amounts in clauses (1) to (3).

52.11 (c) "Debt service" means the amount payable in any biennium of principal, premium, if
52.12 any, and interest on appropriation bonds.

52.13 **Subd. 2. Authorization to issue appropriation bonds.** (a) Subject to the limitations of
52.14 this subdivision, the commissioner may sell and issue appropriation bonds of the state under
52.15 this section for public purposes as provided by law, ~~including, in particular, the financing~~
52.16 ~~of the land acquisition, design, engineering, and construction of facilities and infrastructure~~
52.17 ~~necessary to complete the next phase of the Lewis and Clark Regional Water System project,~~
52.18 ~~including completion of the pipeline to Magnolia, extension of the project to the~~
52.19 ~~Lincoln Pipestone Rural Water System connection near Adrian, and engineering, design,~~
52.20 ~~and easement acquisition for the final phase of the project to Worthington. No bonds shall~~
52.21 ~~be sold until the commissioner determines that a nonstate match of at least \$9,000,000 is~~
52.22 ~~committed to this project phase.~~ Grant agreements entered into under this section must
52.23 provide for reimbursement to the state from any federal money provided for the project,
52.24 consistent with the Lewis and Clark Regional Water System, Inc., agreement.

52.25 (b) The appropriation bonds may be issued and sold only after the commissioner
52.26 determines that the construction and administration for work done on the project will comply
52.27 with (1) all federal requirements and regulations associated with the Lewis and Clark Rural
52.28 Water System Act of 2000, and (2) the cooperative agreement between the United States
52.29 Department of the Interior and the Lewis and Clark Regional Water System, Inc. Proceeds
52.30 of the appropriation bonds must be credited to a special appropriation Lewis and Clark bond
52.31 proceeds fund in the state treasury. All income from investment of the bond proceeds, as
52.32 estimated by the commissioner, is appropriated to the commissioner for the payment of
52.33 principal and interest on the appropriation bonds.

53.1 ~~(e) Appropriation bonds may be sold and issued in amounts that, in the opinion of the~~
 53.2 ~~commissioner, are necessary to provide sufficient money, not to exceed \$19,000,000 net of~~
 53.3 ~~costs of issuance, for the purposes as provided under paragraph (a), and pay debt service~~
 53.4 ~~including capitalized interest, costs of issuance, costs of credit enhancement, or make~~
 53.5 ~~payments under other agreements entered into under paragraph (e).~~

53.6 ~~(d)~~ (c) Appropriation bonds may be issued in one or more issues or series on the terms
 53.7 and conditions the commissioner determines to be in the best interests of the state, but the
 53.8 term on any series of appropriation bonds may not exceed 25 years. The appropriation bonds
 53.9 of each issue and series thereof shall be dated and bear interest, and may be includable in
 53.10 or excludable from the gross income of the owners for federal income tax purposes.

53.11 ~~(e)~~ (d) At the time of, or in anticipation of, issuing the appropriation bonds, and at any
 53.12 time thereafter, so long as the appropriation bonds are outstanding, the commissioner may
 53.13 enter into agreements and ancillary arrangements relating to the appropriation bonds,
 53.14 including but not limited to trust indentures, grant agreements, lease or use agreements,
 53.15 operating agreements, management agreements, liquidity facilities, remarketing or dealer
 53.16 agreements, letter of credit agreements, insurance policies, guaranty agreements,
 53.17 reimbursement agreements, indexing agreements, or interest exchange agreements. Any
 53.18 payments made or received according to the agreement or ancillary arrangement shall be
 53.19 made from or deposited as provided in the agreement or ancillary arrangement. The
 53.20 determination of the commissioner included in an interest exchange agreement that the
 53.21 agreement relates to an appropriation bond shall be conclusive.

53.22 ~~(f)~~ (e) The commissioner may enter into written agreements or contracts relating to the
 53.23 continuing disclosure of information necessary to comply with or facilitate the issuance of
 53.24 appropriation bonds in accordance with federal securities laws, rules, and regulations,
 53.25 including Securities and Exchange Commission rules and regulations in Code of Federal
 53.26 Regulations, title 17, section 240.15c 2-12. An agreement may be in the form of covenants
 53.27 with purchasers and holders of appropriation bonds set forth in the order or resolution
 53.28 authorizing the issuance of the appropriation bonds, or a separate document authorized by
 53.29 the order or resolution.

53.30 ~~(g)~~ (f) The appropriation bonds are not subject to chapter 16C.

53.31 Subd. 2a. Project authorization. Appropriation bonds may be sold and issued in amounts
 53.32 that, in the opinion of the commissioner, are necessary to provide sufficient money to the
 53.33 Public Facilities Authority under subdivision 7, paragraph (a), not to exceed \$19,000,000
 53.34 net of costs of issuance, for the purposes as provided under this subdivision, and pay debt

54.1 service including capitalized interest, costs of issuance, costs of credit enhancement, or
54.2 make payments under other agreements entered into under subdivision 2, paragraph (d).
54.3 The bonds authorized by this subdivision are for the purposes of financing the land
54.4 acquisition, design, engineering, and construction of facilities and infrastructure necessary
54.5 to complete Phase 2 of the Lewis and Clark Regional Water System project, including
54.6 completion of the pipeline to Magnolia; extension of the project to the Lincoln-Pipestone
54.7 Rural Water System connection near Adrian; and engineering, design, and easement
54.8 acquisition for the final phase of the project to Worthington. No bonds shall be sold under
54.9 this subdivision until the commissioner determines that a nonstate match of at least
54.10 \$9,000,000 is committed to this project phase. Upon certification by the Lewis and Clark
54.11 Joint Powers Board that the bond sale authorization provided by this subdivision has fully
54.12 met the needs of Phase 2 of the project, and to the extent there is additional authorization
54.13 remaining, this authorization is also available for the purposes of and on the same conditions
54.14 as subdivision 2b.

54.15 Subd. 2b. **Additional project authorization.** Appropriation bonds may be sold and
54.16 issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient
54.17 money to the Public Facilities Authority under subdivision 7, paragraph (b), not to exceed
54.18 \$11,500,000 net of costs of issuance, for the purposes as provided under this subdivision,
54.19 and pay debt service including capitalized interest, costs of issuance, costs of credit
54.20 enhancement, or make payments under other agreements entered into under subdivision 2,
54.21 paragraph (d). The bonds authorized by this subdivision are for the purposes of financing
54.22 the land acquisition, design, engineering, and construction of facilities and infrastructure
54.23 necessary to complete Phase 3 of the Lewis and Clark Regional Water System project,
54.24 including extension of the project from the Lincoln-Pipestone Rural Water System connection
54.25 near Adrian to Worthington, construction of a reservoir in Nobles County and a meter
54.26 building in Worthington, and acquisition and installation of a supervisory control and data
54.27 acquisition (SCADA) system. No bonds shall be sold under this subdivision until the
54.28 commissioner determines that a nonstate match of at least \$9,000,000 is committed to the
54.29 final phase of the project.

54.30 **Subd. 3. Form; procedure.** (a) Appropriation bonds may be issued in the form of bonds,
54.31 notes, or other similar instruments, and in the manner provided in section 16A.672. In the
54.32 event that any provision of section 16A.672 conflicts with this section, this section shall
54.33 control.

54.34 (b) Every appropriation bond shall include a conspicuous statement of the limitation
54.35 established in subdivision 6.

55.1 (c) Appropriation bonds may be sold at either public or private sale upon such terms as
55.2 the commissioner shall determine are not inconsistent with this section and may be sold at
55.3 any price or percentage of par value. Any bid received may be rejected.

55.4 (d) Appropriation bonds must bear interest at a fixed or variable rate.

55.5 (e) Notwithstanding any other law, appropriation bonds issued under this section shall
55.6 be fully negotiable.

55.7 Subd. 4. **Refunding bonds.** The commissioner may issue appropriation bonds for the
55.8 purpose of refunding any appropriation bonds then outstanding, including the payment of
55.9 any redemption premiums on the bonds, any interest accrued or to accrue to the redemption
55.10 date, and costs related to the issuance and sale of the refunding bonds. The proceeds of any
55.11 refunding bonds may, in the discretion of the commissioner, be applied to the purchase or
55.12 payment at maturity of the appropriation bonds to be refunded, to the redemption of the
55.13 outstanding appropriation bonds on any redemption date, or to pay interest on the refunding
55.14 bonds and may, pending application, be placed in escrow to be applied to the purchase,
55.15 payment, retirement, or redemption. Any escrowed proceeds, pending such use, may be
55.16 invested and reinvested in obligations that are authorized investments under section 11A.24.
55.17 The income earned or realized on the investment may also be applied to the payment of the
55.18 appropriation bonds to be refunded or interest or premiums on the refunded appropriation
55.19 bonds, or to pay interest on the refunding bonds. After the terms of the escrow have been
55.20 fully satisfied, any balance of the proceeds and any investment income may be returned to
55.21 the general fund or, if applicable, the special appropriation Lewis and Clark bond proceeds
55.22 fund for use in any lawful manner. All refunding bonds issued under this subdivision must
55.23 be prepared, executed, delivered, and secured by appropriations in the same manner as the
55.24 appropriation bonds to be refunded.

55.25 Subd. 5. **Appropriation bonds as legal investments.** Any of the following entities may
55.26 legally invest any sinking funds, money, or other funds belonging to them or under their
55.27 control in any appropriation bonds issued under this section:

55.28 (1) the state, the investment board, public officers, municipal corporations, political
55.29 subdivisions, and public bodies;

55.30 (2) banks and bankers, savings and loan associations, credit unions, trust companies,
55.31 savings banks and institutions, investment companies, insurance companies, insurance
55.32 associations, and other persons carrying on a banking or insurance business; and

55.33 (3) personal representatives, guardians, trustees, and other fiduciaries.

56.1 Subd. 6. **No full faith and credit; state not required to make appropriations.** The
 56.2 appropriation bonds are not public debt of the state, and the full faith, credit, and taxing
 56.3 powers of the state are not pledged to the payment of the appropriation bonds or to any
 56.4 payment that the state agrees to make under this section. Appropriation bonds shall not be
 56.5 obligations paid directly, in whole or in part, from a tax of statewide application on any
 56.6 class of property, income, transaction, or privilege. Appropriation bonds shall be payable
 56.7 in each fiscal year only from amounts that the legislature may appropriate for debt service
 56.8 for any fiscal year, provided that nothing in this section shall be construed to require the
 56.9 state to appropriate money sufficient to make debt service payments with respect to the
 56.10 appropriation bonds in any fiscal year. Appropriation bonds shall be canceled and shall no
 56.11 longer be outstanding on the earlier of (1) the first day of a fiscal year for which the
 56.12 legislature shall not have appropriated amounts sufficient for debt service, or (2) the date
 56.13 of final payment of the principal of and interest on the appropriation bonds.

56.14 Subd. 7. **Appropriation of proceeds.** (a) The proceeds of appropriation bonds issued
 56.15 under subdivision 2a and interest credited to the special appropriation Lewis and Clark bond
 56.16 proceeds fund are appropriated as follows:

56.17 (1) to the ~~commissioner~~ Public Facilities Authority for a grant to the Lewis and Clark
 56.18 Joint Powers Board for payment of capital expenses for the purposes provided by as specified
 56.19 in subdivision 2, ~~paragraph (a),~~ 2a; and

56.20 (2) to the commissioner for debt service on the bonds including capitalized interest,
 56.21 nonsalary costs of issuance of the bonds, costs of credit enhancement of the bonds and
 56.22 payments under any agreements entered into under subdivision 2, paragraph ~~(e)~~ (d), each
 56.23 as permitted by state and federal law, ~~and such proceeds may be granted, loaned, or otherwise~~
 56.24 ~~provided for the public purposes provided by subdivision 2, paragraph (a).~~

56.25 (b) The proceeds of appropriation bonds issued under subdivision 2b and interest credited
 56.26 to the special Lewis and Clark appropriation bond proceeds fund are appropriated as follows:

56.27 (1) to the Public Facilities Authority for a grant to the Lewis and Clark Joint Powers
 56.28 Board for payment of capital expenses as specified in subdivision 2b; and

56.29 (2) to the commissioner for debt service on the bonds including capitalized interest,
 56.30 nonsalary costs of issuance of the bonds, costs of credit enhancement of the bonds, and
 56.31 payments under any agreements entered into under subdivision 2, paragraph (d), each as
 56.32 permitted by state and federal law.

56.33 Subd. 8. **Appropriation for debt service and other purposes.** (a) An amount, up to
 56.34 \$1,351,000 needed to pay principal and interest on appropriation bonds issued under this

57.1 ~~section~~ subdivision 2a is appropriated each fiscal year from the general fund to the
57.2 commissioner, subject to repeal, unallotment under section 16A.152, or cancellation,
57.3 otherwise pursuant to subdivision 6, for deposit into the bond payments account established
57.4 for such purpose in the special Lewis and Clark appropriation bond proceeds fund. The
57.5 appropriation is available beginning in fiscal year 2017 and through fiscal year 2038.

57.6 (b) An amount up to \$876,000 needed to pay principal and interest on appropriation
57.7 bonds issued under subdivision 2b is appropriated each fiscal year from the general fund
57.8 to the commissioner, subject to repeal, unallotment under section 16A.152, or cancellation,
57.9 otherwise pursuant to subdivision 6, for deposit into the bond payments account established
57.10 for such purpose in the special Lewis and Clark appropriation bond proceeds fund. The
57.11 appropriation is available beginning in fiscal year 2018 and through fiscal year 2039. The
57.12 appropriation in fiscal year 2018 is limited to \$438,000.

57.13 Subd. 9. **Waiver of immunity.** The waiver of immunity by the state provided for by
57.14 section 3.751, subdivision 1, shall be applicable to the appropriation bonds and any ancillary
57.15 contracts to which the commissioner is a party.

57.16 Sec. 2. Minnesota Statutes 2016, section 84.946, subdivision 2, is amended to read:

57.17 Subd. 2. **Standards.** (a) An appropriation for asset preservation may be used only for a
57.18 capital expenditure on a capital asset previously owned by the state, within the meaning of
57.19 generally accepted accounting principles as applied to public expenditures. The commissioner
57.20 of natural resources will consult with the commissioner of management and budget to the
57.21 extent necessary to ensure this and will furnish the commissioner of management and budget
57.22 a list of projects to be financed from the account in order of their priority. The legislature
57.23 assumes that many projects for preservation and replacement of portions of existing capital
57.24 assets will constitute betterments and capital improvements within the meaning of the
57.25 Constitution and capital expenditures under generally accepted accounting principles, and
57.26 will be financed more efficiently and economically under this section than by direct
57.27 appropriations for specific projects.

57.28 (b) An appropriation for asset preservation must not be used to acquire land or to acquire
57.29 or construct buildings or other facilities.

57.30 (c) Capital budget expenditures for natural resource asset preservation and replacement
57.31 projects must be for one or more of the following types of capital projects that support the
57.32 existing programmatic mission of the department: code compliance including health and
57.33 safety, Americans with Disabilities Act requirements, hazardous material abatement, access
57.34 improvement, or air quality improvement; building energy efficiency improvements using

58.1 current best practices; building or infrastructure repairs necessary to preserve the interior
 58.2 and exterior of existing buildings; projects to remove life safety hazards such as building
 58.3 code violations or structural defects; or renovation of other existing improvements to land,
 58.4 including but not limited to trails and bridges.

58.5 (d) Up to ten percent of an appropriation awarded under this section may be used for
 58.6 design costs for projects eligible to be funded from this account in anticipation of future
 58.7 funding from the account.

58.8 Sec. 3. Minnesota Statutes 2016, section 85.34, subdivision 1, is amended to read:

58.9 Subdivision 1. **Upper bluff; lease terms.** The commissioner of natural resources with
 58.10 the approval of the Executive Council may lease for purposes of restoration, preservation,
 58.11 historical, recreational, educational, and commercial use and development, that portion of
 58.12 Fort Snelling State Park known as the upper bluff consisting of officer's row, area J, the
 58.13 polo grounds, the adjacent golf course, and all buildings and improvements located thereon,
 58.14 all lying within an area bounded by Minneapolis-St. Paul International Airport, Trunk
 58.15 Highways numbered 5 and 55, and Bloomington Road. The lease or leases shall be in a
 58.16 form approved by the attorney general and for a term of not to exceed 99 years. The lease
 58.17 or leases may provide for the provision of capital improvements or other performance by
 58.18 the tenant or tenants in lieu of all or some of the payments of rent that would otherwise be
 58.19 required. Notwithstanding the continuing ownership of the upper bluff by the state, any
 58.20 lease of one or more buildings improved with state general obligation bond proceeds that
 58.21 exceeds 50 years shall be treated as a sale of the buildings for purposes of section 16A.695,
 58.22 subdivision 3. Any disposition proceeds payable to the commissioner upon execution of a
 58.23 lease relating to state bond-financed buildings at the upper bluff shall be applied according
 58.24 to section 16A.695, subdivision 3, and used to pay, redeem, or defease state general obligation
 58.25 bonds issued for purposes of improving those buildings. Any lease revenues paid to the
 58.26 commissioner subsequent to the payment, redemption, or defeasance of state general
 58.27 obligation bonds shall be used by the commissioner as further described in this section.

58.28 Sec. 4. **[219.016] CRUDE OIL AND HAZARDOUS MATERIALS RAIL SAFETY**
 58.29 **ACCOUNT.**

58.30 Subdivision 1. **Purpose.** A hazardous materials rail safety program is established for
 58.31 the purpose of reducing the risks associated with the transportation of hazardous material
 58.32 by rail.

59.1 Subd. 2. **Creation of account.** A hazardous materials rail safety program account is
 59.2 established in the bond proceeds fund. Money in the account may only be used for capital
 59.3 costs associated with planning, engineering, administration, and construction of public
 59.4 highway-rail grade crossing improvements on rail corridors transporting crude oil and other
 59.5 hazardous materials. Improvements may include upgrades to existing protection systems,
 59.6 the closing of crossings and necessary roadwork, and reconstruction of at-grade crossings
 59.7 to full grade separations.

59.8 Subd. 3. **Grants.** The commissioner may approve grants for financial assistance to
 59.9 eligible applicants for capital costs associated with hazardous materials rail safety projects
 59.10 on public highway-rail grade crossings. Qualifying capital costs include, but are not limited
 59.11 to, upgrades to existing protection systems, the closing of crossings and necessary roadwork,
 59.12 and reconstruction of at-grade crossings to full grade separations.

59.13 Subd. 4. **Eligible applicants.** Counties, statutory or home rule charter cities, or towns
 59.14 that are responsible for establishing and maintaining public highway-rail grade crossings
 59.15 on rail corridors transporting crude oil and other hazardous materials may apply to the
 59.16 commissioner for financial assistance for the purposes specified in this section.

59.17 Subd. 5. **Criteria for grant award.** The commissioner shall consider the following
 59.18 criteria to evaluate applications for a grant award for a hazardous materials rail safety project:

59.19 (1) whether the crossing was identified as a potential candidate for grade separation in
 59.20 the department's crude by rail grade crossing study (Improvements to Highway Grade
 59.21 Crossings and Rail Safety, December 2014);

59.22 (2) roadway traffic volumes and speeds;

59.23 (3) train volumes and speeds;

59.24 (4) adjacent land use;

59.25 (5) crash history;

59.26 (6) use of the crossing by emergency vehicles;

59.27 (7) use of the crossing by vehicles carrying hazardous materials; and

59.28 (8) local financial contributions to the project.

59.29 Sec. 5. Minnesota Statutes 2016, section 363A.36, is amended to read:

59.30 **363A.36 CERTIFICATES OF COMPLIANCE FOR PUBLIC CONTRACTS.**

60.1 Subdivision 1. **Scope of application.** (a) For all contracts for goods and services in
60.2 excess of \$100,000, no department or agency of the state shall accept any bid or proposal
60.3 for a contract or agreement from any business having more than 40 full-time employees
60.4 within this state on a single working day during the previous 12 months, unless the
60.5 commissioner is in receipt of the business' affirmative action plan for the employment of
60.6 minority persons, women, and qualified disabled individuals. No department or agency of
60.7 the state shall execute any such contract or agreement until the affirmative action plan has
60.8 been approved by the commissioner. Receipt of a certificate of compliance issued by the
60.9 commissioner shall signify that a firm or business has an affirmative action plan that has
60.10 been approved by the commissioner. A certificate shall be valid for a period of four years.
60.11 A municipality as defined in section 466.01, subdivision 1, that receives state money for
60.12 any reason is encouraged to prepare and implement an affirmative action plan for the
60.13 employment of minority persons, women, and the qualified disabled and submit the plan
60.14 to the commissioner.

60.15 (b) This paragraph applies to a contract for goods or services in excess of \$100,000 to
60.16 be entered into between a department or agency of the state and a business that is not subject
60.17 to paragraph (a), but that has more than 40 full-time employees on a single working day
60.18 during the previous 12 months in the state where the business has its primary place of
60.19 business. A department or agency of the state may not execute a contract or agreement with
60.20 a business covered by this paragraph unless the business has a certificate of compliance
60.21 issued by the commissioner under paragraph (a) or the business certifies that it is in
60.22 compliance with federal affirmative action requirements.

60.23 (c) This section does not apply to contracts entered into by the State Board of Investment
60.24 for investment options under section 356.645.

60.25 (d) The commissioner shall issue a certificate of compliance or notice of denial within
60.26 15 days of the application submitted by the business or firm.

60.27 (e) The requirements in paragraphs (a) and (b) apply to all contracts or agreements
60.28 executed by public officers or agencies for goods and services in excess of \$100,000 for
60.29 projects subject to section 16A.695.

60.30 Subd. 2. **Filing fee; account; appropriation.** The commissioner shall collect a \$150
60.31 fee for each certificate of compliance issued by the commissioner or the commissioner's
60.32 designated agent. The proceeds of the fee must be deposited in a human rights fee special
60.33 revenue account. Money in the account is appropriated to the commissioner to fund the cost
60.34 of issuing certificates and investigating grievances.

61.1 Subd. 3. **Revocation of certificate.** Certificates of compliance may be suspended or
 61.2 revoked by the commissioner if a holder of a certificate has not made a good faith effort to
 61.3 implement an affirmative action plan that has been approved by the commissioner. If a
 61.4 contractor does not effectively implement an affirmative action plan approved by the
 61.5 commissioner pursuant to subdivision 1, or fails to make a good faith effort to do so, the
 61.6 commissioner may refuse to approve subsequent plans submitted by that firm or business.

61.7 Subd. 4. **Revocation of contract.** A contract awarded by a department or agency of the
 61.8 state, or any other public officer or agency subject to section 16A.695, may be terminated
 61.9 or abridged by the department or agency, or other public officer or agency subject to section
 61.10 16A.695, because of suspension or revocation of a certificate based upon a contractor's
 61.11 failure to implement or make a good faith effort to implement an affirmative action plan
 61.12 approved by the commissioner under this section. If a contract is awarded to a person who
 61.13 does not have a contract compliance certificate required under subdivision 1, the
 61.14 commissioner may void the contract on behalf of the state.

61.15 Subd. 5. **Technical assistance.** In the case of a contractor whose certificate of compliance
 61.16 has been suspended, the commissioner shall provide technical assistance that may enable
 61.17 the contractor to be recertified within 90 days after the contractor's certificate has been
 61.18 suspended.

61.19 Sec. 6. Minnesota Statutes 2016, section 363A.44, subdivision 1, is amended to read:

61.20 Subdivision 1. **Scope.** (a) No department, agency of the state, the Metropolitan Council,
 61.21 or an agency subject to section 473.143, subdivision 1, shall execute a contract for goods
 61.22 or services or an agreement for goods or services in excess of \$500,000 with a business that
 61.23 has 40 or more full-time employees in this state or a state where the business has its primary
 61.24 place of business on a single day during the prior 12 months, unless the business has an
 61.25 equal pay certificate or it has certified in writing that it is exempt. A certificate is valid for
 61.26 four years.

61.27 (b) This section does not apply to a business with respect to a specific contract if the
 61.28 commissioner of administration determines that application of this section would cause
 61.29 undue hardship to the contracting entity. This section does not apply to a contract to provide
 61.30 goods and services to individuals under chapters 43A, 62A, 62C, 62D, 62E, 256B, 256I,
 61.31 256L, and 268A, with a business that has a license, certification, registration, provider
 61.32 agreement, or provider enrollment contract that is prerequisite to providing those goods and
 61.33 services. This section does not apply to contracts entered into by the State Board of
 61.34 Investment for investment options under section 352.965, subdivision 4.

62.1 (c) The requirements in paragraph (a) apply to all contracts or agreements executed by
 62.2 public officers or agencies for goods and services in excess of \$500,000 for projects subject
 62.3 to section 16A.695.

62.4 Sec. 7. Minnesota Statutes 2016, section 446A.072, is amended to read:

62.5 **446A.072 ~~WASTEWATER~~ WATER INFRASTRUCTURE FUNDING PROGRAM.**

62.6 Subdivision 1. **Establishment of program.** The authority will establish a ~~wastewater~~
 62.7 water infrastructure funding program to provide supplemental assistance to governmental
 62.8 units receiving funding through the clean water revolving fund program, the drinking water
 62.9 revolving fund program, or the United States Department of Agriculture Rural Economic
 62.10 and Community Development's (USDA/RECD) Water and Waste Disposal Loans and
 62.11 Grants program for the predesign, design, and construction of municipal wastewater ~~treatment~~
 62.12 and drinking water systems, including purchase of land and easements. The purpose of the
 62.13 program is to assist governmental units demonstrating financial need to build cost-effective
 62.14 projects to address existing environmental or public health problems. To implement the
 62.15 program, the authority shall establish a ~~wastewater~~ water infrastructure fund to provide
 62.16 grants ~~and loans~~ for the purposes authorized under title VI of the Federal Water Pollution
 62.17 Control Act and the federal Safe Drinking Water Act. The fund shall be credited with all
 62.18 investment income from the fund and all repayments of loans, grants, and penalties.

62.19 Subd. 3. **Program administration.** (a) The authority shall provide supplemental
 62.20 assistance, as provided in subdivision 5a to governmental units:

62.21 (1) whose projects are listed on the Pollution Control Agency's project priority list or
 62.22 the Department of Health's project priority list;

62.23 (2) that demonstrate their projects are a cost-effective solution to an existing
 62.24 environmental or public health problem; and

62.25 (3) whose projects are approved by the USDA/RECD or certified by the commissioner
 62.26 of the Pollution Control Agency or the Department of Health.

62.27 (b) For a governmental unit receiving grant funding from the USDA/RECD, applications
 62.28 must be made to the USDA/RECD with additional information submitted to the authority
 62.29 as required by the authority. Eligible project costs and affordability criteria shall be
 62.30 determined by the USDA/RECD.

62.31 (c) For a governmental unit not receiving grant funding from the USDA/RECD,
 62.32 application must be made to the authority on forms prescribed by the authority for the clean
 62.33 water revolving fund program or the drinking water revolving fund program with additional

63.1 information as required by the authority. In accordance with section 116.182, the Pollution
63.2 Control Agency or Department of Health shall:

63.3 (1) calculate the essential project component percentage based on the portion of project
63.4 costs necessary to convey or treat the existing wastewater flows and loadings or, for drinking
63.5 water projects, to provide safe drinking water to meet existing needs, which must be
63.6 multiplied by the total project cost to determine the eligible project cost for the program
63.7 under this section; and

63.8 (2) review and certify approved projects to the authority.

63.9 (d) Each fiscal year the authority shall make funds available for projects based on their
63.10 ranking on the Pollution Control Agency's project priority list or the Department of Health's
63.11 project priority list. The authority shall reserve funds for a project when the applicant receives
63.12 a funding commitment from the United States Department of Agriculture Rural Development
63.13 (USDA/RECD) or ~~submits plans and specifications to~~ the project is certified by the Pollution
63.14 Control Agency or Department of Health. Funds must be reserved in an amount based on
63.15 the project cost estimate submitted to the authority ~~prior to the appropriation of the funds~~
63.16 ~~and awarded based on the lesser of that amount or the as-bid cost~~ when the project is certified
63.17 or the as-bid cost, whichever is less.

63.18 Subd. 5a. **Type and amount of assistance.** (a) For a governmental unit receiving grant
63.19 funding from the USDA/RECD, the authority may provide assistance in the form of a grant
63.20 of up to 65 percent of the eligible grant need determined by USDA/RECD. A governmental
63.21 unit may not receive a grant under this paragraph for more than ~~\$4,000,000~~ \$5,000,000 per
63.22 project or ~~\$15,000~~ \$20,000 per existing connection, whichever is less, unless specifically
63.23 approved by law.

63.24 (b) For a governmental unit receiving a loan from the clean water revolving fund under
63.25 section 446A.07, the authority may provide assistance under this section in the form of a
63.26 grant if the average annual residential wastewater system cost after completion of the project
63.27 would otherwise exceed 1.4 percent of the median household income of the project service
63.28 area. In determining whether the average annual residential wastewater system cost would
63.29 exceed 1.4 percent, the authority must consider the total costs associated with building,
63.30 operating, and maintaining the wastewater system, including existing wastewater debt
63.31 service, debt service on the eligible project cost, and operation and maintenance costs. Debt
63.32 service costs for the proposed project are calculated based on the maximum loan term
63.33 permitted for the clean water revolving fund loan under section 446A.07, subdivision 7.
63.34 The amount of the grant is equal to 80 percent of the amount needed to reduce the average

64.1 annual residential wastewater system cost to 1.4 percent of median household income in
 64.2 the project service area, to a maximum of ~~\$4,000,000~~ \$5,000,000 per project or ~~\$15,000~~
 64.3 \$20,000 per existing connection, whichever is less, unless specifically approved by law.
 64.4 The eligible project cost is determined by multiplying the total project costs minus any other
 64.5 grants by the essential project component percentage calculated under subdivision 3,
 64.6 paragraph (c), clause (1). In no case may the amount of the grant exceed 80 percent of the
 64.7 eligible project cost.

64.8 (c) For a governmental unit receiving a loan from the drinking water revolving fund
 64.9 under section 446A.081, the authority may provide assistance under this section in the form
 64.10 of a grant if the average annual residential drinking water system cost after completion of
 64.11 the project would otherwise exceed 1.2 percent of the median household income of the
 64.12 project service area. In determining whether the average annual residential drinking water
 64.13 system cost would exceed 1.2 percent, the authority must consider the total costs associated
 64.14 with building, operating, and maintaining the drinking water system, including existing
 64.15 drinking water debt service, debt service on the eligible project cost, and operation and
 64.16 maintenance costs. Debt service costs for the proposed project are calculated based on the
 64.17 maximum loan term permitted for the drinking water revolving fund loan under section
 64.18 446A.081, subdivision 8, paragraph (c). The amount of the grant is equal to 80 percent of
 64.19 the amount needed to reduce the average annual residential drinking water system cost to
 64.20 1.2 percent of median household income in the project service area, to a maximum of
 64.21 \$5,000,000 per project or \$20,000 per existing connection, whichever is less, unless
 64.22 specifically approved by law. The eligible project cost is determined by multiplying the
 64.23 total project costs minus any other grants by the essential project component percentage
 64.24 calculated under subdivision 3, paragraph (c), clause (1). In no case may the amount of the
 64.25 grant exceed 80 percent of the eligible project cost.

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

64.32 ~~Subd. 5b. Special assessment deferral. A governmental unit receiving a loan under~~
 64.33 ~~subdivision 5a that levies special assessments to repay the loan under subdivision 5a or~~
 64.34 ~~section 446A.07 may defer payment of such assessments under the provisions of sections~~
 64.35 ~~435.193 to 435.195.~~

65.1 Subd. 6. **Disbursements.** Disbursements of grants ~~or loans~~ awarded under this section
 65.2 by the authority to recipients must be made for eligible project costs as incurred by the
 65.3 recipients, and must be made by the authority in accordance with the project financing
 65.4 agreement and applicable state and federal laws and rules governing the payments.

65.5 ~~Subd. 7. **Loan repayments.** Notwithstanding the limitations set forth in section 475.54,~~
 65.6 ~~subdivision 1, this subdivision shall govern the maturities and mandatory sinking fund~~
 65.7 ~~redemptions of the loans under this section. A governmental unit receiving a loan under~~
 65.8 ~~this section shall repay the loan in semiannual payment amounts determined by the authority.~~
 65.9 ~~The payment amount must be based on the average payments on the governmental unit's~~
 65.10 ~~clean water revolving fund loan or, if greater, the minimum amount required to fully repay~~
 65.11 ~~the loan by the maturity date. Payments must begin within one year of the date of the~~
 65.12 ~~governmental unit's final payment on the clean water revolving fund loan. The final maturity~~
 65.13 ~~date of the loan under this section must be no later than 20 years from the date of the first~~
 65.14 ~~payment on the loan under this section and no later than 40 years from the date of the first~~
 65.15 ~~payment on the clean water revolving fund loan.~~

65.16 Subd. 8. **Eligibility.** A governmental unit is eligible for assistance under this section
 65.17 only after applying for grant funding from other sources and funding has been obtained,
 65.18 rejected, or the authority has determined that the potential funding is unlikely.

65.19 Subd. 9. **Funding limitation.** Supplemental assistance may not be used to reduce the
 65.20 ~~sewer~~ service charges of a significant ~~wastewater contributor~~ industrial user that has a
 65.21 separate service charge agreement with the recipient, or a single user that has caused the
 65.22 need for the project or whose current or projected ~~flow and load exceed~~ usage exceeds
 65.23 one-half of the current wastewater ~~treatment plant's~~ or drinking water system capacity.

65.24 Subd. 11. **Report on needs.** By February 1 of each even-numbered year, the authority,
 65.25 in conjunction with the Pollution Control Agency and Department of Health, shall prepare
 65.26 a report to the Finance Division of the senate Environment and Natural Resources Committee
 65.27 and the house of representatives Environment and Natural Resources Finance Committee
 65.28 on wastewater and drinking water funding assistance needs of governmental units under
 65.29 this section.

65.30 Subd. 12. **System replacement fund.** Each governmental unit receiving a ~~loan or grant~~
 65.31 under this section shall establish a system replacement fund and shall annually deposit a
 65.32 minimum of \$.50 per 1,000 gallons of flow for major rehabilitation ~~or~~ expansion, or
 65.33 replacement of the treatment wastewater or drinking water system, ~~or replacement of the~~
 65.34 ~~treatment system at the end of its useful life.~~ Money must remain in the account for the life

66.1 of the corresponding project loan from the authority or USDA/RECD, unless use of the
 66.2 fund is approved in writing by the authority for major rehabilitation, expansion, or
 66.3 replacement of the ~~treatment~~ wastewater or drinking water system. By March 1 each year
 66.4 during the life of the loan, each recipient shall submit a report to the authority regarding the
 66.5 amount deposited and the fund balance for the prior calendar year. A recipient is not required
 66.6 to maintain a fund balance greater than the amount of the grant received. Failure to comply
 66.7 with the requirements of this subdivision shall result in the authority assessing a penalty
 66.8 fee to the recipient equal to one percent of the supplemental assistance amount for each
 66.9 year of noncompliance. ~~Failure to make the required deposit or pay the penalty fee as~~
 66.10 ~~required constitutes a default on the loan.~~

66.11 Subd. 14. **Consistency with land use plans.** A governmental unit applying for a project
 66.12 in an unsewered area shall include in its application to the authority a certification from the
 66.13 county in which the project is located that:

66.14 (1) the project is consistent with the county comprehensive land use plan, if the county
 66.15 has adopted one;

66.16 (2) the project is consistent with the county water plan, if the county has adopted one;
 66.17 and

66.18 (3) the county has adopted specific land use ordinances or controls so as to meet or
 66.19 exceed the requirements of Minnesota Rules, part 7082.0050.

66.20 Sec. 8. Minnesota Statutes 2016, section 446A.073, is amended to read:

66.21 **446A.073 POINT SOURCE IMPLEMENTATION GRANTS.**

66.22 Subdivision 1. **Program established.** When money is appropriated for grants under this
 66.23 program, the authority shall award grants up to a maximum of ~~\$3,000,000~~ \$7,000,000 to
 66.24 governmental units to cover ~~up to one-half~~ 80 percent of the cost of water infrastructure
 66.25 projects made necessary by:

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

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

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

67.4 (4) a total nitrogen concentration or mass limit of that requires discharging ten milligrams
 67.5 per liter or less ~~for a land-based treatment system~~ at permitted design flow.

67.6 Subd. 2. **Grant application.** Application for a grant must be made to the authority on
 67.7 forms prescribed by the authority ~~for the total maximum daily load grant program, with~~
 67.8 ~~additional information as required by the authority,~~ including a project schedule and cost
 67.9 estimate for the work necessary to comply with the ~~point source wasteload allocation~~
 67.10 requirements listed in subdivision 1. The Pollution Control Agency shall:

67.11 ~~(1) in accordance with section 116.182, calculate the essential project component~~
 67.12 ~~percentage, which must be multiplied by the total project cost to determine the eligible~~
 67.13 ~~project cost; and~~

67.14 ~~(2)~~ review and certify to the authority those projects that have plans and specifications
 67.15 approved under section 115.03, subdivision 1, paragraph (f).

67.16 Subd. 3. **Project priorities.** ~~When money is appropriated for grants under this program,~~
 67.17 The authority shall accept applications under this program during the month of July ~~and.~~
 67.18 When a project is certified by the Pollution Control Agency, the authority shall reserve
 67.19 money for projects expected to proceed with construction by the end of the fiscal year the
 67.20 project in the order listed on the Pollution Control Agency's project priority list and in an
 67.21 amount based on the cost estimate submitted to the authority ~~in the grant application~~ when
 67.22 the project is certified or the as-bid costs, whichever is less. Notwithstanding Minnesota
 67.23 Rules, chapter 7077, the Pollution Control Agency may rank a drinking water infrastructure
 67.24 project on the agency's project priority list if the project is necessary to meet an applicable
 67.25 requirement in subdivision 1.

67.26 Subd. 4. **Grant approval.** The authority must make a grant for an eligible project only
 67.27 after:

67.28 (1) the applicant has submitted the as-bid cost for the water infrastructure project;

67.29 (2) the Pollution Control Agency has ~~approved the as-bid costs and~~ certified the grant
 67.30 eligible portion of the project; and

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

68.1 Subd. 5. **Grant disbursement.** Disbursement of a grant must be made for eligible project
68.2 costs as incurred by the governmental unit and in accordance with a project financing
68.3 agreement and applicable state and federal laws and rules governing the payments.

68.4 Sec. 9. Minnesota Statutes 2016, section 446A.081, subdivision 9, is amended to read:

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

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

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

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

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

68.18 (5) to earn interest on fund accounts;

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

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

68.24 (8) notwithstanding Minnesota Rules, part 7380.0280, to provide principal forgiveness
68.25 or grants to the extent permitted under the federal Safe Drinking Water Act and other federal
68.26 law, based on the criteria and requirements established for drinking water projects under
68.27 the water infrastructure funding program under section 446A.072;

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

69.1 (10) to provide principal forgiveness, or grants for 50 percent of the project cost up to
 69.2 a maximum of \$10,000 for projects needed to comply with national primary drinking water
 69.3 standards for an existing community or noncommunity public water system.

69.4 ~~(b) Principal forgiveness or grants under paragraph (a), clause (8), must only be provided~~
 69.5 ~~if the average annual residential drinking water system cost after completion of the project~~
 69.6 ~~would otherwise exceed 1.2 percent of the median household income in the project service~~
 69.7 ~~area. In determining whether the average annual residential drinking water system cost~~
 69.8 ~~would exceed 1.2 percent, the authority must consider the total costs associated with building,~~
 69.9 ~~operating, and maintaining the drinking water system, including debt service and operation~~
 69.10 ~~and maintenance costs. Debt service costs for the proposed project must be calculated based~~
 69.11 ~~on the maximum loan term permitted for the drinking water revolving fund loan under this~~
 69.12 ~~section. The amount of the principal forgiveness or grant must be equal to 80 percent of the~~
 69.13 ~~amount needed to reduce the average annual residential drinking water system cost to 1.2~~
 69.14 ~~percent of median household income in the project service area, to a maximum of \$4,000,000~~
 69.15 ~~or \$15,000 per connection, whichever is less, and not to exceed 80 percent of the total project~~
 69.16 ~~cost.~~

69.17 ~~(e)~~ (b) Principal forgiveness or grants provided under paragraph (a), clause (9), may not
 69.18 exceed 25 percent of the eligible project costs as determined by the Department of Health
 69.19 for project components directly related to green infrastructure, water or energy efficiency
 69.20 improvements, or other environmentally innovative activities, up to a maximum of
 69.21 \$1,000,000.

69.22 ~~(d) The authority may reduce the percentage of median household income at which a~~
 69.23 ~~loan term could extend to 30 years under subdivision 8, paragraph (c), and at which principal~~
 69.24 ~~forgiveness or grants could be provided under paragraph (b) if it determines that the federal~~
 69.25 ~~money allotted to the state cannot be fully utilized without the reduction. If it determines~~
 69.26 ~~that the reduction is necessary to fully utilize the federal money, the authority must effect~~
 69.27 ~~the change through its approval of the annual intended use plan.~~

69.28 Sec. 10. Minnesota Statutes 2016, section 446A.12, subdivision 1, is amended to read:

69.29 Subdivision 1. **Bonding authority.** The authority may issue negotiable bonds in a
 69.30 principal amount that the authority determines necessary to provide sufficient funds for
 69.31 achieving its purposes, including the making of loans and purchase of securities, the payment
 69.32 of interest on bonds of the authority, the establishment of reserves to secure its bonds, the
 69.33 payment of fees to a third party providing credit enhancement, and the payment of all other
 69.34 expenditures of the authority incident to and necessary or convenient to carry out its corporate

70.1 purposes and powers, but not including the making of grants. Bonds of the authority may
 70.2 be issued as bonds or notes or in any other form authorized by law. The principal amount
 70.3 of bonds issued and outstanding under this section at any time may not exceed
 70.4 ~~\$1,500,000,000~~ \$2,000,000,000, excluding bonds for which refunding bonds or crossover
 70.5 refunding bonds have been issued, and excluding any bonds issued for the credit enhanced
 70.6 bond program or refunding or crossover refunding bonds issued under the program. The
 70.7 principal amount of bonds issued and outstanding under section 446A.087, may not exceed
 70.8 \$500,000,000, excluding bonds for which refunding bonds or crossover refunding bonds
 70.9 have been issued.

70.10 Sec. 11. Minnesota Statutes 2016, section 462A.37, subdivision 1, is amended to read:

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

70.13 (b) "Abandoned property" has the meaning given in section 117.025, subdivision 5.

70.14 (c) "Community land trust" means an entity that meets the requirements of section
 70.15 462A.31, subdivisions 1 and 2.

70.16 (d) "Debt service" means the amount payable in any fiscal year of principal, premium,
 70.17 if any, and interest on housing infrastructure bonds and the fees, charges, and expenses
 70.18 related to the bonds.

70.19 (e) "Foreclosed property" means residential property where foreclosure proceedings
 70.20 have been initiated or have been completed and title transferred or where title is transferred
 70.21 in lieu of foreclosure.

70.22 (f) "Housing infrastructure bonds" means bonds issued by the agency under this chapter
 70.23 that are qualified 501(c)(3) bonds, within the meaning of Section 145(a) of the Internal
 70.24 Revenue Code, finance qualified residential rental projects within the meaning of Section
 70.25 142(d) of the Internal Revenue Code, or are tax-exempt bonds that are not private activity
 70.26 bonds, within the meaning of Section 141(a) of the Internal Revenue Code, for the purpose
 70.27 of financing or refinancing affordable housing authorized under this chapter.

70.28 (g) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

70.29 (h) "Senior" means a person 55 years of age or older with an annual income not greater
 70.30 than 50 percent of:

70.31 (1) the metropolitan area median income for persons in the metropolitan area; or

70.32 (2) the statewide median income for persons outside the metropolitan area.

71.1 (i) "Senior housing" means housing intended and operated for occupancy by at least one
 71.2 senior per unit with at least 80 percent of the units occupied by at least one senior per unit,
 71.3 and for which there is publication of, and adherence to, policies and procedures that
 71.4 demonstrate an intent by the owner or manager to provide housing for seniors. Senior
 71.5 housing may be developed in conjunction with and as a distinct portion of mixed-income
 71.6 senior housing developments that use a variety of public or private financing sources.

71.7 ~~(h)~~ (j) "Supportive housing" means housing that is not time-limited and provides or
 71.8 coordinates with linkages to services necessary for residents to maintain housing stability
 71.9 and maximize opportunities for education and employment.

71.10 Sec. 12. Minnesota Statutes 2016, section 462A.37, subdivision 2, is amended to read:

71.11 Subd. 2. **Authorization.** (a) The agency may issue up to \$30,000,000 in aggregate
 71.12 principal amount of housing infrastructure bonds in one or more series to which the payment
 71.13 made under this section may be pledged. The housing infrastructure bonds authorized in
 71.14 this subdivision may be issued to fund loans, on terms and conditions the agency deems
 71.15 appropriate, made for one or more of the following purposes:

71.16 (1) to finance the costs of the construction, acquisition, and rehabilitation of supportive
 71.17 housing for individuals and families who are without a permanent residence;

71.18 (2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned
 71.19 housing to be used for affordable rental housing and the costs of new construction of rental
 71.20 housing on abandoned or foreclosed property where the existing structures will be demolished
 71.21 or removed;

71.22 (3) to finance that portion of the costs of acquisition of property that is attributable to
 71.23 the land to be leased by community land trusts to low- and moderate-income homebuyers;
 71.24 ~~and~~

71.25 (4) to finance the costs of acquisition and rehabilitation of federally assisted rental
 71.26 housing and for the refinancing of costs of the construction, acquisition, and rehabilitation
 71.27 of federally assisted rental housing, including providing funds to refund, in whole or in part,
 71.28 outstanding bonds previously issued by the agency or another government unit to finance
 71.29 or refinance such costs; and

71.30 (5) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction
 71.31 of senior housing.

72.1 (b) Among comparable proposals for permanent supportive housing, preference shall
 72.2 be given to permanent supportive housing for veterans and other individuals or families
 72.3 who:

72.4 (1) either have been without a permanent residence for at least 12 months or at least four
 72.5 times in the last three years; or

72.6 (2) are at significant risk of lacking a permanent residence for 12 months or at least four
 72.7 times in the last three years.

72.8 (c) Among comparable proposals for senior housing, the agency must give priority to
 72.9 requests for projects that:

72.10 (1) demonstrate a commitment to maintaining the housing financed as affordable to
 72.11 seniors;

72.12 (2) leverage other sources of funding to finance the project, including the use of
 72.13 low-income housing tax credits;

72.14 (3) provide access to services to residents and demonstrate the ability to increase physical
 72.15 supports and support services as residents age and experience increasing levels of disability;

72.16 (4) provide a service plan containing the elements of clause (3) reviewed by the housing
 72.17 authority, economic development authority, public housing authority, or community
 72.18 development agency that has an area of operation for the jurisdiction in which the project
 72.19 is located; and

72.20 (5) include households with incomes that do not exceed 30 percent of the median
 72.21 household income for the metropolitan area.

72.22 To the extent practicable, the agency shall balance the loans made between projects in the
 72.23 metropolitan area and projects outside the metropolitan area. Of the loans made to projects
 72.24 outside the metropolitan area, the agency shall, to the extent practicable, balance the loans
 72.25 made between projects in counties or cities with a population of 20,000 or less, as established
 72.26 by the most recent decennial census, and projects in counties or cities with populations in
 72.27 excess of 20,000.

72.28 Sec. 13. Minnesota Statutes 2016, section 462A.37, subdivision 2a, is amended to read:

72.29 Subd. 2a. **Additional authorization.** In addition to the amount authorized in subdivision
 72.30 2, the agency may issue up to ~~\$80,000,000~~ \$97,000,000 of housing infrastructure bonds in
 72.31 one or more series to which the payments made under this section may be pledged.

73.1 Sec. 14. Minnesota Statutes 2016, section 462A.37, subdivision 2b, is amended to read:

73.2 Subd. 2b. **Additional authorization.** In addition to the amount authorized in subdivisions
73.3 2 and 2a, the agency may issue up to ~~\$10,000,000~~ \$13,000,000 of housing infrastructure
73.4 bonds in one or more series to which the payments made under this section may be pledged.

73.5 Sec. 15. Minnesota Statutes 2016, section 462A.37, is amended by adding a subdivision
73.6 to read:

73.7 Subd. 2c. **Additional authorization.** In addition to the amount authorized in subdivisions
73.8 2, 2a, and 2b, the agency may issue up to \$35,000,000 in housing infrastructure bonds in
73.9 one or more series to which the payments under this section may be pledged.

73.10 Sec. 16. Minnesota Statutes 2016, section 462A.37, subdivision 5, is amended to read:

73.11 Subd. 5. **Additional appropriation.** (a) The agency must certify annually to the
73.12 commissioner of management and budget the actual amount of annual debt service on each
73.13 series of bonds issued under subdivisions 2a ~~and~~, 2b, and 2c.

73.14 (b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure
73.15 bonds issued under subdivision 2a remain outstanding, the commissioner of management
73.16 and budget must transfer to the housing infrastructure bond account established under section
73.17 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$6,400,000
73.18 annually. The amounts necessary to make the transfers are appropriated from the general
73.19 fund to the commissioner of management and budget.

73.20 (c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure
73.21 bonds issued under subdivision 2b remain outstanding, the commissioner of management
73.22 and budget must transfer to the housing infrastructure bond account established under section
73.23 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$800,000
73.24 annually. The amounts necessary to make the transfers are appropriated from the general
73.25 fund to the commissioner of management and budget.

73.26 (d) Each July 15, beginning in 2018 and through 2039, if any housing infrastructure
73.27 bonds issued under subdivision 2c remain outstanding, the commissioner of management
73.28 and budget must transfer to the housing infrastructure bond account established under section
73.29 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$1,250,000
73.30 in fiscal year 2018 and \$2,500,000 annually thereafter. The amounts necessary to make the
73.31 transfers are appropriated from the general fund to the commissioner of management and
73.32 budget.

74.1 ~~(d)~~ (e) The agency may pledge to the payment of the housing infrastructure bonds the
74.2 payments to be made by the state under this section.

74.3 Sec. 17. Laws 2014, chapter 294, article 1, section 17, subdivision 12, is amended to read:

74.4 Subd. 12. **West St. Paul - ~~North Urban~~ River to**
74.5 **River Regional Trail Bridge Greenway** 2,000,000

74.6 For a grant to the city of West St. Paul to
74.7 predesign, design, and construct a ~~pedestrian~~
74.8 ~~bridge for the North Urban Regional Trail as~~
74.9 ~~an overpass~~ grade-separated crossing of Robert
74.10 Street in the area near Wentworth Avenue in
74.11 West St. Paul for the River to River Regional
74.12 Greenway. This appropriation may also be
74.13 used to acquire property or purchase
74.14 rights-of-way needed for ~~bridge~~ construction.
74.15 A nonstate match is not required.

74.16 Sec. 18. Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 7,
74.17 is amended to read:

74.18 Subd. 7. **Richfield - 77th Street Underpass** 10,000,000

74.19 For a grant to the city of Richfield for
74.20 right-of-way acquisition ~~and construction of~~
74.21 for an extension of 77th Street under marked
74.22 Trunk Highway 77/Cedar Avenue in the city
74.23 of Richfield to provide local and regional
74.24 access between Richfield, the Minneapolis/St.
74.25 Paul International Airport, the city of
74.26 Bloomington, and the Mall of America. After
74.27 right-of-way acquisition is completed, the city
74.28 may use any remaining money appropriated
74.29 in this subdivision for construction of the
74.30 extension. Notwithstanding Minnesota
74.31 Statutes, section 16A.642, the bond sale
74.32 authorization and appropriation of bond
74.33 proceeds for the project in this subdivision are
74.34 available until December 31, 2021.

75.1 Sec. 19. **REPEALER.**

75.2 Minnesota Statutes 2016, section 123A.446, is repealed.

75.3 Sec. 20. **EFFECTIVE DATE.**

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

APPENDIX
Article locations in 17-4443

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APPENDIX
Repealed Minnesota Statutes: 17-4443

123A.446 STATE BOND AUTHORIZATION.

To provide money for the cooperative secondary facilities grant program, the commissioner of management and budget, upon the request of the commissioner of education, shall issue and sell bonds of the state up to the amount of \$14,000,000 in the manner, upon the terms and with the effect prescribed by sections 16A.631 to 16A.675 and the Minnesota Constitution, article XI, sections 4 to 7.