

This Document can be made available in alternative formats upon request

State of Minnesota
HOUSE OF REPRESENTATIVES
NINETIETH SESSION

H. F. No. 892

02/06/2017 Authored by Urdahl, Lillie, Heintzeman and Pierson
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; 219.166; 256E.37; 363A.36; 363A.44,
1.8 subdivision 1; 446A.072; 446A.073; 446A.081, subdivision 9; 446A.12, subdivision
1.9 1; 462A.37, subdivisions 1, 2, 2a, 2b, 5, by adding a subdivision; Laws 2015,
1.10 chapter 75, article 1, section 3, subdivision 3; proposing coding for new law in
1.11 Minnesota Statutes, chapters 16A; 174; 219; repealing Minnesota Statutes 2016,
1.12 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** **\$ 154,334,000**

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)** **55,000,000**

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

2.16 **Subd. 3. Chemical Sciences and Advanced**
 2.17 **Materials Science Building** **28,267,000**

2.18 To design, construct, furnish, and equip a new
 2.19 laboratory building on the Duluth campus,
 2.20 including classrooms and research and
 2.21 undergraduate instructional laboratories.

2.22 **Subd. 4. Health Sciences Education Facility** **66,667,000**

2.23 To demolish obsolete health sciences facilities
 2.24 and to design, renovate, furnish, equip, and
 2.25 construct a health science education facility
 2.26 on the Twin Cities campus to meet the needs
 2.27 of the Medical School and the Academic
 2.28 Health Center.

2.29 **Subd. 5. Plant Growth Research Facility** **4,400,000**

2.30 To demolish the existing biological sciences
 2.31 greenhouse and to predesign, design,
 2.32 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** **\$ 201,887,000**

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)** **80,000,000**

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>18,897,000</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; to renovate and</u>	
4.7	<u>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>11,223,000</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 converting 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. Riverland Community College, Albert**
5.14 **Lea** 7,427,000
- 5.15 To design, construct, furnish, and equip the
5.16 renovation and expansion of the Trade and
5.17 Industrial Education Center on the Albert Lea
5.18 campus of Riverland Community College.
- 5.19 **Subd. 9. Rochester Community and Technical**
5.20 **College** 21,713,000
- 5.21 To complete design, demolish Memorial and
5.22 Plaza Halls, construct, equip, and furnish an
5.23 academic building expansion, and renovate,
5.24 equip, and furnish replacement space for
5.25 classrooms, labs, and office spaces.
- 5.26 **Subd. 10. South Central College, North Mankato** 9,600,000
- 5.27 To design, renovate, renew, furnish, and equip
5.28 laboratory, classroom and office spaces on the
5.29 North Mankato campus.
- 5.30 **Subd. 11. St. Cloud State University** 18,572,000
- 5.31 To construct, renovate, furnish, and equip
5.32 Eastman Hall for the relocation of
5.33 consolidated student health services and
5.34 academic programs.

6.1 Subd. 12. Winona State University, Education
 6.2 Village, Phase 2

25,306,000

6.3 To complete design, construct, renovate,
 6.4 furnish, and equip Phase 2 of the Education
 6.5 Village project, including the renovation of
 6.6 Cathedral and Wabasha Halls and Wabasha
 6.7 Rec, and remove obsolete portions of Wabasha
 6.8 Rec and the Annex building between
 6.9 Cathedral School and Wabasha Rec.

6.10 Subd. 13. Debt Service

6.11 (a) Except as provided in paragraph (b), the
 6.12 Board of Trustees shall pay the debt service
 6.13 on one-third of the principal amount of state
 6.14 bonds sold to finance projects authorized by
 6.15 this section. After each sale of general
 6.16 obligation bonds, the commissioner of
 6.17 management and budget shall notify the board
 6.18 of the amounts assessed for each year for the
 6.19 life of the bonds.

6.20 (b) The board need not pay debt service on
 6.21 bonds sold to finance HEAPR. Where a
 6.22 nonstate match is required, the debt service is
 6.23 due on a principal amount equal to one-third
 6.24 of the total project cost, less the match
 6.25 committed before the bonds are sold.

6.26 (c) The commissioner of management and
 6.27 budget shall reduce the board's assessment
 6.28 each year by one-third of the net income from
 6.29 investment of general obligation bond
 6.30 proceeds in proportion to the amount of
 6.31 principal and interest otherwise required to be
 6.32 paid by the board. The board shall pay its
 6.33 resulting net assessment to the commissioner
 6.34 of management and budget by December 1
 6.35 each year. If the board fails to make a payment

7.1 when due, the commissioner of management
 7.2 and budget shall reduce allotments for
 7.3 appropriations from the general fund otherwise
 7.4 available to the board and apply the amount
 7.5 of the reduction to cover the missed debt
 7.6 service payment. The commissioner of
 7.7 management and budget shall credit the
 7.8 payments received from the board to the bond
 7.9 debt service account in the state bond fund
 7.10 each December 1 before money is transferred
 7.11 from the general fund under Minnesota
 7.12 Statutes, section 16A.641, subdivision 10.

7.13 **Subd. 14. Unspent Appropriations**

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

7.30 (b) The unspent portion of an appropriation
 7.31 for a project in this section that is complete is
 7.32 available for HEAPR under this subdivision,
 7.33 at the same campus as the project for which
 7.34 the original appropriation was made and the
 7.35 debt service requirement under this section is

8.1 reduced accordingly. Minnesota Statutes,
 8.2 section 16A.642, applies from the date of the
 8.3 original appropriation to the unspent amount
 8.4 transferred.

8.5 **Sec. 4. EDUCATION**

8.6 **Subdivision 1. Total Appropriation** **\$ 17,570,000**

8.7 To the commissioner of education for the
 8.8 purposes specified in this section.

8.9 **Subd. 2. Red Lake Independent School District**
 8.10 **No. 38 - Facility Projects** **14,070,000**

8.11 (a) This appropriation is from the maximum
 8.12 effort school loan fund for a capital loan to
 8.13 Independent School District No. 38, Red Lake,
 8.14 as provided in Minnesota Statutes, sections
 8.15 126C.60 to 126C.72. This appropriation is to
 8.16 complete design and construction of a
 8.17 connection structure between the Red Lake
 8.18 Early Learning Childhood Center and Red
 8.19 Lake Elementary School; renovations to
 8.20 various classrooms, labs, and support rooms;
 8.21 updating of mechanical systems; and
 8.22 expansion of the cafeteria. Before any capital
 8.23 loan contract is approved under this
 8.24 subdivision, the district must provide
 8.25 documentation acceptable to the commissioner
 8.26 of education on how the capital loan will be
 8.27 used.

8.28 (b) The commissioner of administration may
 8.29 provide project management services to assist
 8.30 the Department of Education with oversight
 8.31 of the project. No money for construction may
 8.32 be distributed by the commissioner of
 8.33 education to the recipient school district until
 8.34 bids have been received on 100 percent of the

9.1 construction documents and satisfactory
 9.2 documentation has been submitted to the
 9.3 commissioner of education indicating the
 9.4 project can be fully completed with money
 9.5 available for the project.

9.6 (c) Notwithstanding the timelines in Minnesota
 9.7 Statutes, section 126C.69, subdivision 11,
 9.8 Independent School District No. 38, Red Lake,
 9.9 must submit the question authorizing the
 9.10 borrowing of money for the facilities to voters
 9.11 of the district at the first general election after
 9.12 the effective date of this section.

9.13 (d) Notwithstanding Minnesota Statutes,
 9.14 section 126C.69, subdivision 6, the application
 9.15 submitted by Independent School District No.
 9.16 38 on September 1, 2015, shall be considered
 9.17 a sufficient application for this loan. The local
 9.18 portion for this capital loan is \$79,185 under
 9.19 Minnesota Statutes, section 126C.69,
 9.20 subdivision 9. This amount shall be disbursed
 9.21 for the approved project prior to the state loan
 9.22 reimbursement payments to the school district.

9.23 **Subd. 3. Library Construction Grants** 2,000,000

9.24 For library construction grants under
 9.25 Minnesota Statutes, section 134.45.

9.26 **Subd. 4. Olmsted County - Dyslexia Institute of**
 9.27 **Minnesota** 1,500,000

9.28 For a grant to Olmsted County to acquire land
 9.29 for, and to predesign, design, construct,
 9.30 furnish, and equip a facility in Olmsted County
 9.31 to support the local, regional, and national
 9.32 literacy work of the Dyslexia Institute of
 9.33 Minnesota, subject to Minnesota Statutes,
 9.34 section 16A.695. This appropriation is not
 9.35 available until the commissioner of

10.1 management and budget determines that an
 10.2 equal amount is committed from nonstate
 10.3 sources.

10.4 **Sec. 5. MINNESOTA STATE ACADEMIES**

10.5 **Subdivision 1. Total Appropriation** **\$ 2,650,000**

10.6 To the commissioner of administration for the
 10.7 purposes specified in this section.

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

10.9 For capital asset preservation improvements
 10.10 and betterments on both campuses of the
 10.11 Minnesota State Academies, to be spent in
 10.12 accordance with Minnesota Statutes, section
 10.13 16B.307.

10.14 **Subd. 3. Campus Track** **600,000**

10.15 For the construction of a track located on the
 10.16 Minnesota State Academy for the Blind
 10.17 campus, subject to Minnesota Statutes, section
 10.18 16A.695. This appropriation is not available
 10.19 until the commissioner of management and
 10.20 budget determines that an amount sufficient
 10.21 to complete the project is committed from
 10.22 nonstate sources.

10.23 **Subd. 4. Security Corridor** **50,000**

10.24 For predesign for a safety corridor on the
 10.25 Minnesota State Academy for the Deaf
 10.26 campus.

10.27 **Sec. 6. PERPICH CENTER FOR ARTS**
 10.28 **EDUCATION**

\$ 2,300,000

10.29 To the commissioner of administration for
 10.30 capital asset preservation improvements and
 10.31 betterments at the Perpich Center for Arts
 10.32 Education, to be spent in accordance with
 10.33 Minnesota Statutes, section 16B.307.

11.1 **Sec. 7. NATURAL RESOURCES**11.2 **Subdivision 1. Total Appropriation** **\$ 79,763,000**11.3 (a) To the commissioner of natural resources11.4 for the purposes specified in this section.11.5 (b) The appropriations in this section are11.6 subject to the requirements of the natural11.7 resources capital improvement program under11.8 Minnesota Statutes, section 86A.12, unless11.9 this section or the statutes referred to in this11.10 section provide more specific standards,11.11 criteria, or priorities for projects than11.12 Minnesota Statutes, section 86A.12.11.13 (c) Design-build may be utilized for the11.14 reconstruction of the Soudan Underground11.15 Mine.11.16 **Subd. 2. Natural Resources Asset Preservation** **34,000,000**11.17 For the renovation of state-owned facilities11.18 and recreational assets operated by the11.19 commissioner of natural resources to be spent11.20 in accordance with Minnesota Statutes, section11.21 84.946. Notwithstanding Minnesota Statutes,11.22 section 84.946: (1) the commissioner may use11.23 this appropriation to replace buildings if,11.24 considering the embedded energy in the11.25 building, that is the most energy-efficient and11.26 carbon-reducing method of renovation; and11.27 (2) this appropriation may be used for projects11.28 to remove life safety hazards such as building11.29 code violations or structural defects.11.30 **Subd. 3. Flood Hazard Mitigation** **6,500,000**11.31 (a) For the state share of flood hazard11.32 mitigation grants for publicly owned capital11.33 improvements to prevent or alleviate flood

12.1 damage under Minnesota Statutes, section
12.2 103F.161.

12.3 (b) Levee projects, to the extent practical, shall
12.4 meet the state standard of three feet above the
12.5 100-year flood elevation.

12.6 (c) Project priorities shall be determined by
12.7 the commissioner as appropriate and based on
12.8 need.

12.9 (d) This appropriation includes money for the
12.10 following municipal projects: Montevideo and
12.11 Halstad.

12.12 (e) For any project listed in this subdivision
12.13 that the commissioner determines is not ready
12.14 to proceed or does not expend all the money
12.15 allocated to it, the commissioner may allocate
12.16 that project's money to a project on the
12.17 commissioner's priority list.

12.18 (f) To the extent that the cost of a project
12.19 exceeds two percent of the median household
12.20 income in a municipality or township
12.21 multiplied by the number of households in the
12.22 municipality or township, this appropriation
12.23 is also for the local share of the project.

12.24 **Subd. 4. Buildings and Facilities Development** 2,000,000

12.25 To design and construct office and storage
12.26 buildings, to replace buildings that are in poor
12.27 condition, outdated, and no longer support the
12.28 work of the department. This appropriation
12.29 includes money to predesign a consolidated
12.30 office in Bemidji.

12.31 **Subd. 5. Dam Renovation, Repair, Removal** 7,000,000

12.32 (a) For design, engineering, and construction
12.33 to repair, reconstruct, or remove dams and to

- 13.1 respond to dam safety emergencies. The
 13.2 commissioner shall determine project priorities
 13.3 as appropriate under Minnesota Statutes,
 13.4 sections 103G.511 and 103G.515.
- 13.5 (b) This appropriation includes money for the
 13.6 Bronson Dam in Lake Bronson State Park. If
 13.7 the commissioner determines that the Bronson
 13.8 project is not ready to proceed, this
 13.9 appropriation may be used for other projects
 13.10 on the commissioner's priority list.
- 13.11 **Subd. 6. RIM Critical Habitat** 2,000,000
- 13.12 To provide the state match for the critical
 13.13 habitat private sector matching account under
 13.14 Minnesota Statutes, section 84.943.
- 13.15 **Subd. 7. Fish Hatchery Development** 1,000,000
- 13.16 For improvements and system upgrades of a
 13.17 capital nature to hatchery facilities owned by
 13.18 the state and operated by the commissioner of
 13.19 natural resources under Minnesota Statutes,
 13.20 section 97A.045, subdivision 1, to prevent the
 13.21 spread of invasive species and pathogens.
- 13.22 **Subd. 8. Mille Lacs Lake Fisheries Management**
 13.23 **Station** 3,500,000
- 13.24 To design and construct a fishery management
 13.25 station near Lake Mille Lacs to provide office,
 13.26 hatchery, and storage space.
- 13.27 **Subd. 9. Reforestation and Stand Improvement** 2,000,000
- 13.28 To provide for reforestation and stand
 13.29 improvement on state forest lands to meet the
 13.30 reforestation requirements of Minnesota
 13.31 Statutes, section 89.002, subdivision 2,
 13.32 including purchasing native seeds and native
 13.33 seedlings, planting, seeding, site preparation,

- 14.1 and protection on state lands administered by
 14.2 the commissioner.
- 14.3 **Subd. 10. Native Prairie Bank Acquisition and**
 14.4 **Development** 2,000,000
- 14.5 To acquire native prairie bank easements
 14.6 under Minnesota Statutes, section 84.96, and
 14.7 to develop and restore prairie bank lands.
- 14.8 **Subd. 11. Itasca State Park Renovations** 3,000,000
- 14.9 To provide for the renovation of buildings and
 14.10 infrastructure and for natural resources
 14.11 restoration in Itasca State Park. Projects
 14.12 include safety and accessibility improvements,
 14.13 rehabilitation of the historic Nicollet Court
 14.14 building, and erosion protection at the
 14.15 headwaters.
- 14.16 **Subd. 12. Wildlife Management Areas/ Aquatic**
 14.17 **Management Areas Acquisition and**
 14.18 **Development** 9,500,000
- 14.19 To acquire wildlife management areas and
 14.20 aquatic management areas and for
 14.21 improvements to develop, protect, or improve
 14.22 habitat under Minnesota Statutes, section
 14.23 86A.05, subdivisions 8 and 14.
- 14.24 **Subd. 13. State Park Campground Renovations** 1,000,000
- 14.25 To rehabilitate and provide enhancements to
 14.26 campgrounds, including meeting code
 14.27 requirements and improving safety and
 14.28 accessibility. This appropriation is for the
 14.29 campground at Jay Cooke State Park and
 14.30 high-priority work at other campgrounds.
- 14.31 **Subd. 14. Park, State Recreation Area, and Trail**
 14.32 **Development** 2,000,000
- 14.33 For acquisition and development of
 14.34 recreational features in state parks, state
 14.35 recreation areas, and state trails. Priority

- 15.1 projects include Heartland Trail-Tower Hill,
 15.2 Gitchi-Gami Trail at Tofte, Paul Bunyan Trail
 15.3 at Bemidji, and design of the Lake Vermilion
 15.4 visitor center.
- 15.5 **Subd. 15. Scientific and Natural Area Acquisition**
 15.6 **and Development** 1,000,000
- 15.7 To acquire land for scientific and natural areas
 15.8 and for improvements to develop, protect, or
 15.9 improve scientific and natural areas under
 15.10 Minnesota Statutes, sections 84.033 and
 15.11 86A.05, subdivision 5.
- 15.12 **Subd. 16. Two Harbors - Small Craft Harbor**
 15.13 **Facility** 763,000
- 15.14 For a grant to the City of Two Harbors to
 15.15 design and engineer a small craft harbor within
 15.16 the City of Two Harbors. This appropriation
 15.17 is not available until the commissioner of
 15.18 management and budget confirms that an
 15.19 amount sufficient to complete the project is
 15.20 committed from nonstate sources.
- 15.21 **Subd. 17. St. Paul - Shade Tree Reforestation** 1,500,000
- 15.22 For a grant to St. Paul for the planting of
 15.23 publicly owned shade trees on public land to
 15.24 provide environmental benefits; replace trees
 15.25 lost to forest pests, disease, or storm; or to
 15.26 establish a more diverse community forest
 15.27 better able to withstand disease and forest
 15.28 pests. For purposes of this appropriation,
 15.29 "shade tree" means a woody perennial grown
 15.30 primarily for aesthetic or environmental
 15.31 purposes with minimal to residual timber value
 15.32 and no intent to harvest the tree for its wood.
 15.33 Any tree planted with funding under this
 15.34 subdivision must be a species native to
 15.35 Minnesota.

16.1 **Subd. 18. Lake County - Prospectors ATV Trail**
 16.2 **System** 1,000,000

16.3 For a grant to Lake County for construction,
 16.4 including bridges, of the Prospectors ATV
 16.5 Trail System linking the communities of Ely,
 16.6 Babbitt, Embarrass, and Tower; Bear Head
 16.7 Lake and Lake Vermilion-Soudan
 16.8 Underground Mine State Parks; the Taconite
 16.9 State Trail; and the Lake County Regional
 16.10 ATV Trail System. This appropriation is not
 16.11 available until the commissioner of
 16.12 management and budget determines that an
 16.13 equal amount is committed from other sources.

16.14 **Subd. 19. Unspent Appropriations**

16.15 The unspent portion of an appropriation for a
 16.16 project in this section that is complete, upon
 16.17 written notice to the commissioner of
 16.18 management and budget, is available for asset
 16.19 preservation under Minnesota Statutes, section
 16.20 84.946. Minnesota Statutes, section 16A.642,
 16.21 applies from the date of the original
 16.22 appropriation to the unspent amount
 16.23 transferred.

16.24 **Sec. 8. POLLUTION CONTROL AGENCY**

16.25 **Subdivision 1. Total Appropriation** **\$ 57,000,000**

16.26 To the Pollution Control Agency for the
 16.27 purposes specified in this section.

16.28 **Subd. 2. St. Louis River Cleanup** **25,400,000**

16.29 To design and implement contaminated
 16.30 sediment management actions identified in
 16.31 the St. Louis River remedial action plan to
 16.32 restore water quality in the St. Louis River
 16.33 Area of Concern.

16.34 **Subd. 3. Closed Landfill Cleanup** **11,350,000**

- 17.1 To design and construct remedial systems and
 17.2 acquire land at closed landfills throughout the
 17.3 state in accordance with the closed landfill
 17.4 program under Minnesota Statutes, sections
 17.5 115B.39 to 115B.42. The agency must follow
 17.6 the agency priorities, which includes a
 17.7 construction project at the waste disposal
 17.8 engineering (WDE) site in Anoka County.
- 17.9 **Subd. 4. Capital Assistance Program** **20,250,000**
- 17.10 (a) This appropriation is for the solid waste
 17.11 capital assistance grant program under
 17.12 Minnesota Statutes, section 115A.54, in order
 17.13 to complete a regional integrated solid waste
 17.14 management system.
- 17.15 (b) Of this appropriation, \$9,250,000 is for a
 17.16 grant to Polk County, \$8,500,000 is for a grant
 17.17 to Clay County, and \$2,500,000 is for a grant
 17.18 to McLeod County.
- 17.19 **Sec. 9. AGRICULTURE** **\$ 2,908,000**
- 17.20 From the general fund in fiscal year 2018 to
 17.21 the commissioner of agriculture for equipment
 17.22 and instruments for the agriculture laboratory.
 17.23 This appropriation is available until June 30,
 17.24 2022.
- 17.25 \$690,000 of this appropriation is for a grant
 17.26 to the Agricultural Utilization Research
 17.27 Institute (AURI) for construction of a
 17.28 development kitchen, sensory lab, and safety
 17.29 and security upgrades at AURI's Marshall
 17.30 facility and for updated equipment and
 17.31 renovations at the Waseca facility.
- 17.32 **Sec. 10. RURAL FINANCE AUTHORITY** **\$ 35,000,000**

18.1 For the purposes set forth in the Minnesota
 18.2 Constitution, article XI, section 5, paragraph
 18.3 (h), to the Rural Finance Authority to purchase
 18.4 participation interests in or to make direct
 18.5 agricultural loans to farmers under Minnesota
 18.6 Statutes, chapter 41B. This appropriation is
 18.7 from the bond proceeds account in the rural
 18.8 finance administration fund and is for the
 18.9 beginning farmer program under Minnesota
 18.10 Statutes, section 41B.039; the loan
 18.11 restructuring program under Minnesota
 18.12 Statutes, section 41B.04; the seller-sponsored
 18.13 program under Minnesota Statutes, section
 18.14 41B.042; the agricultural improvement loan
 18.15 program under Minnesota Statutes, section
 18.16 41B.043; and the livestock expansion loan
 18.17 program under Minnesota Statutes, section
 18.18 41B.045. All debt service on bond proceeds
 18.19 used to finance this appropriation must be
 18.20 repaid by the Rural Finance Authority under
 18.21 Minnesota Statutes, section 16A.643. Loan
 18.22 participations must be priced to provide full
 18.23 interest and principal coverage and a reserve
 18.24 for potential losses. Priority for loans must be
 18.25 given first to basic beginning farmer loans,
 18.26 second to seller-sponsored loans, and third to
 18.27 agricultural improvement loans.

18.28 **Sec. 11. BOARD OF WATER AND SOIL**
 18.29 **RESOURCES**

18.30	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 40,000,000</u>
18.31	<u>To the Board of Water and Soil Resources for</u>	
18.32	<u>the purposes specified in this section.</u>	
18.33	<u>Subd. 2. Reinvest in Minnesota (RIM) Reserve</u>	
18.34	<u>Program</u>	<u>30,000,000</u>

19.1 (a) To acquire conservation easements from
 19.2 landowners to preserve, restore, create, and
 19.3 enhance wetlands and associated uplands of
 19.4 prairie and grasslands, and restore and enhance
 19.5 rivers and streams, riparian lands, and
 19.6 associated uplands of prairie and grasslands
 19.7 in order to protect soil and water quality,
 19.8 support fish and wildlife habitat, reduce flood
 19.9 damage, and provide other public benefits.

19.10 The provisions of Minnesota Statutes, section
 19.11 103F.515, apply to this program.

19.12 (b) The board shall give priority to leveraging
 19.13 federal money by enrolling targeted new lands
 19.14 or enrolling environmentally sensitive lands
 19.15 that have expiring federal conservation
 19.16 agreements.

19.17 (c) The board is authorized to enter into new
 19.18 agreements and amend past agreements with
 19.19 landowners as required by Minnesota Statutes,
 19.20 section 103F.515, subdivision 5, to allow for
 19.21 restoration. Of this appropriation, up to five
 19.22 percent may be used for restoration and
 19.23 enhancement.

19.24 **Subd. 3. Local Government Roads Wetland**
 19.25 **Replacement Program**

10,000,000

19.26 To acquire land or permanent easements and
 19.27 to restore, create, enhance, and preserve
 19.28 wetlands to replace those wetlands drained or
 19.29 filled as a result of the repair, reconstruction,
 19.30 replacement, or rehabilitation of existing
 19.31 public roads as required by Minnesota
 19.32 Statutes, section 103G.222, subdivision 1,
 19.33 paragraphs (l) and (m). The board may vary
 19.34 the priority order of Minnesota Statutes,
 19.35 section 103G.222, subdivision 3, paragraph

20.1 (a), to implement an in-lieu fee agreement
 20.2 approved by the U.S. Army Corps of
 20.3 Engineers under section 404 of the Clean
 20.4 Water Act. The purchase price paid for
 20.5 acquisition of land or perpetual easement must
 20.6 be a fair market value as determined by the
 20.7 board. The board may enter into agreements
 20.8 with the federal government, other state
 20.9 agencies, political subdivisions, nonprofit
 20.10 organizations, fee title owners, or other
 20.11 qualified private entities to acquire wetland
 20.12 replacement credits in accordance with
 20.13 Minnesota Rules, chapter 8420.

20.14 **Sec. 12. MINNESOTA ZOOLOGICAL**
 20.15 **GARDEN**

20.16 **Subdivision 1. Total Appropriation** **\$ 24,680,000**

20.17 To the Minnesota Zoological Garden Board
 20.18 for the purposes specified in this section.

20.19 **Subd. 2. Asset Preservation** **4,000,000**

20.20 For capital asset preservation improvements
 20.21 and betterments to infrastructure and exhibits
 20.22 at the Minnesota Zoo, to be spent in
 20.23 accordance with Minnesota Statutes, section
 20.24 16B.307.

20.25 **Subd. 3. Heart of the Zoo II** **20,680,000**

20.26 To complete the Heart of the Zoo II project,
 20.27 including renovation of the snow monkey
 20.28 exhibit and surrounding public spaces and
 20.29 construction of a meerkat exhibit.

20.30 **Sec. 13. ADMINISTRATION**

20.31 **Subdivision 1. Total Appropriation** **\$ 38,228,000**

20.32 To the commissioner of administration for the
 20.33 purposes specified in this section.

21.1	<u>Subd. 2. Capitol Complex - Physical Security</u>	
21.2	<u>Upgrades</u>	<u>18,500,000</u>
21.3	<u>For the design, construction, and equipping</u>	
21.4	<u>required to upgrade the physical security</u>	
21.5	<u>elements and systems for the buildings listed</u>	
21.6	<u>below, their attached tunnel systems, and their</u>	
21.7	<u>surrounding grounds, and parking facilities as</u>	
21.8	<u>identified in the 2014 Minnesota State Capitol</u>	
21.9	<u>Complex Physical Security Study conducted</u>	
21.10	<u>by Miller Dunwiddie Architecture. Work</u>	
21.11	<u>includes but is not limited to the installation</u>	
21.12	<u>of bollards, blast protection, infrastructure</u>	
21.13	<u>security screen walls, door access controls,</u>	
21.14	<u>emergency call stations, security kiosks,</u>	
21.15	<u>locking devices, and traffic control. This</u>	
21.16	<u>appropriation includes money for work</u>	
21.17	<u>associated with the following buildings:</u>	
21.18	<u>Administration, Centennial, Judicial,</u>	
21.19	<u>Ag/Health Lab, Minnesota History Center,</u>	
21.20	<u>Minnesota History Center Loading Dock,</u>	
21.21	<u>Capitol Complex Power Plant and Shops,</u>	
21.22	<u>Stassen, State Office, and Veterans Service.</u>	
21.23	<u>Subd. 3. Centennial Parking Ramp</u>	<u>10,878,000</u>
21.24	<u>For structural repairs throughout the</u>	
21.25	<u>Centennial parking ramp, including damaged</u>	
21.26	<u>post-tension cables and the vapor barrier under</u>	
21.27	<u>the top deck green space, and installation of</u>	
21.28	<u>a deck surface protection coating and a storm</u>	
21.29	<u>water retention basin.</u>	
21.30	<u>Subd. 4. Visitor and Staff Parking Facilities</u>	<u>3,500,000</u>
21.31	<u>To acquire property, prepare design documents</u>	
21.32	<u>and demolish existing structures, complete</u>	
21.33	<u>hazardous materials abatement and cleanup,</u>	
21.34	<u>and design, construct, and equip additional</u>	

22.1 visitor and staff surface parking in the Capitol
22.2 Area.

22.3 **Subd. 5. Capitol Complex Monuments and**
22.4 **Memorials**

350,000

22.5 To design and complete critical repairs to the
22.6 Peace Officers and Roy Wilkins memorials
22.7 located on the Capitol complex.

22.8 **Subd. 6. Capital Asset Preservation and**
22.9 **Replacement Account**

5,000,000

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

22.12 **Sec. 14. MN.IT**

\$ 1,432,000

22.13 To the commissioner of administration to
22.14 predesign, design, construct, renovate, furnish,
22.15 and equip existing state data center facilities
22.16 at the Bureau of Criminal Apprehension's
22.17 Maryland Avenue office building, at the
22.18 Centennial Office Building, and at the
22.19 Department of Revenue's Stassen Office
22.20 Building for the purpose of decommissioning
22.21 and repurposing into usable office space.

22.22 **Sec. 15. MINNESOTA AMATEUR SPORTS**
22.23 **COMMISSION**

22.24 **Subdivision 1. Total Appropriation**

\$ 5,582,000

22.25 To the Minnesota Amateur Sports
22.26 Commission for the purposes specified in this
22.27 section.

22.28 **Subd. 2. National Sports Center Expansion**

5,082,000

22.29 To prepare a site for, including demolition,
22.30 and to construct maintenance facilities,
22.31 parking lots, roads, athletic fields, and other
22.32 infrastructure necessary to complete the

- 23.1 tournament field expansion at the National
 23.2 Sports Center in Blaine.
- 23.3 **Subd. 3. Asset Preservation** 500,000
- 23.4 For asset preservation improvements and
 23.5 betterments of a capital nature at the National
 23.6 Sports Center in Blaine, to be spent in
 23.7 accordance with Minnesota Statutes, section
 23.8 16B.307.
- 23.9 **Sec. 16. MILITARY AFFAIRS**
- 23.10 **Subdivision 1. Total Appropriation** **\$ 10,500,000**
- 23.11 To the adjutant general for the purposes
 23.12 specified in this section.
- 23.13 **Subd. 2. Asset Preservation** 2,500,000
- 23.14 For asset preservation improvements and
 23.15 betterments of a capital nature at military
 23.16 affairs facilities statewide, to be spent in
 23.17 accordance with Minnesota Statutes, section
 23.18 16B.307.
- 23.19 **Subd. 3. St. Cloud Armory** 4,500,000
- 23.20 To complete design, renovation, expansion,
 23.21 furnishing, and equipping of the St. Cloud
 23.22 Readiness Center. The renovation includes
 23.23 but is not limited to: installing HVAC systems,
 23.24 improving life/safety systems, increasing
 23.25 energy efficiency, and upgrading the facility
 23.26 to serve a dual gender force.
- 23.27 **Subd. 4. Brainerd Armory** 3,500,000
- 23.28 To complete design, renovation, expansion,
 23.29 furnishing, and equipping of the Brainerd
 23.30 Readiness Center. The renovation includes
 23.31 but is not limited to: installing HVAC systems,
 23.32 improving life/safety systems, increasing

24.1 energy efficiency, and upgrading the facility
 24.2 to serve a dual gender force.

24.3 **Subd. 5. Unspent Appropriations**

24.4 The unspent portion of an appropriation for a
 24.5 project in this section that is complete, upon
 24.6 written notice to the commissioner of
 24.7 management and budget, is available for
 24.8 statewide asset preservation under Minnesota
 24.9 Statutes, section 16B.307. Minnesota Statutes,
 24.10 section 16A.642, applies from the date of the
 24.11 original appropriation to the unspent amount
 24.12 transferred.

24.13 **Sec. 17. PUBLIC SAFETY**

24.14 **Subdivision 1. Total Appropriation** **\$ 39,323,000**

24.15 To the commissioner of public safety for the
 24.16 purposes specified in this section.

24.17 **Subd. 2. State Emergency Operations Center** **33,302,000**

24.18 For the design, site development, construction,
 24.19 and equipping of a new state emergency
 24.20 operations center (SEOC) for the Department
 24.21 of Public Safety at Arden Hills. The facility
 24.22 will serve as the location for coordinating state
 24.23 support to local governments during
 24.24 emergencies and disasters. It will also be a
 24.25 critical continuity of government (COG)
 24.26 facility for state government leaders during
 24.27 an incident at the Capitol complex.

24.28 **Subd. 3. Camp Ripley Training Facility** **3,521,000**

24.29 To design and construct a joint emergency
 24.30 railroad and pipeline emergency response
 24.31 training facility at Camp Ripley, including the
 24.32 construction of stations and capital

25.1 infrastructure needed for mock disaster
25.2 training.

25.3 **Subd. 4. Minneapolis Emergency Operations**
25.4 **Training Facility (EOTF) Enhancement** 2,500,000

25.5 For a grant to the city of Minneapolis for the
25.6 predesign, design, engineering, and
25.7 construction of the expansion of the
25.8 Emergency Operation Center and Fire
25.9 Training Facility. This appropriation is not
25.10 available until the commissioner of
25.11 management and budget determines that an
25.12 equal amount is committed to the project from
25.13 nonstate sources.

25.14 **Sec. 18. TRANSPORTATION**

25.15 **Subdivision 1. Total Appropriation** **\$ 343,476,000**

25.16 To the commissioner of transportation for the
25.17 purposes specified in this section.

25.18 **Subd. 2. Local Bridge Replacement and**
25.19 **Rehabilitation** 70,000,000

25.20 From the bond proceeds account in the state
25.21 transportation fund to match federal money
25.22 and to replace or rehabilitate local deficient
25.23 bridges as provided in Minnesota Statutes,
25.24 section 174.50.

25.25 **Subd. 3. Local Road Improvement Fund Grants** 115,500,000

25.26 (a) From the bond proceeds account in the
25.27 state transportation fund as provided in
25.28 Minnesota Statutes, section 174.50, for grants
25.29 under Minnesota Statutes, section 174.52,
25.30 subdivision 2, for construction and
25.31 reconstruction of local roads with statewide
25.32 or regional significance under Minnesota
25.33 Statutes, section 174.52, subdivision 4, or for
25.34 grants to counties to assist in paying the costs

26.1 of rural road safety capital improvement
 26.2 projects on county state-aid highways under
 26.3 Minnesota Statutes, section 174.52,
 26.4 subdivision 4a.

26.5 (b) Of this amount, \$25,000,000 is for a grant
 26.6 to Hennepin County for design, right-of-way
 26.7 acquisition, engineering, and construction of
 26.8 public improvements related to the Interstate
 26.9 Highway 35W and Lake Street access project
 26.10 and related improvements within the Interstate
 26.11 Highway 35W corridor. This appropriation is
 26.12 not available until the commissioner of
 26.13 management and budget determines that an
 26.14 amount sufficient to complete the Interstate
 26.15 Highway 35W and Lake Street access project
 26.16 has been committed to the project.

26.17 (c) Of this amount, \$20,500,000 is for a grant
 26.18 to Ramsey County for preliminary and final
 26.19 design, environmental documentation, and
 26.20 construction of the interchange of marked
 26.21 Interstate Highway 694 and Rice Street in
 26.22 Ramsey County.

26.23 **Subd. 4. Rail Grade Separation on Crude Oil**
 26.24 **Rail Corridors**

69,624,000

26.25 (a) To design and construct rail safety projects
 26.26 at highway railroad grade crossings in
 26.27 accordance with Minnesota Statutes, section
 26.28 219.016. Of this appropriation:

26.29 (1) \$42,262,000 is for a grant to the city of
 26.30 Moorhead for environmental analysis, design,
 26.31 engineering, removal of an existing structure,
 26.32 and construction of a rail grade crossing
 26.33 separation in the vicinity of 21st Street South;

26.34 (2) \$14,762,000 is for a grant to the city of
 26.35 Red Wing for environmental analysis, design,

27.1 engineering, removal of an existing structure,
 27.2 and construction of a rail grade crossing
 27.3 separation at Sturgeon Lake Road; and
 27.4 (3) \$12,600,000 is for a grant to Anoka County
 27.5 for environmental analysis, design,
 27.6 engineering, removal of an existing structure,
 27.7 and construction of a rail grade crossing
 27.8 separation at Anoka County State-Aid
 27.9 Highway 78, known as Hanson Boulevard, in
 27.10 Coon Rapids.

27.11 (b) Any unspent portion of this appropriation
 27.12 after completion of any project in this
 27.13 subdivision may be used for additional grants
 27.14 in accordance with Minnesota Statutes, section
 27.15 219.016.

27.16 **Subd. 5. Railroad Warning Devices** 5,000,000

27.17 To design, construct, and equip replacement
 27.18 of active highway-rail grade warning devices
 27.19 that have reached the end of their useful life.

27.20 **Subd. 6. Facilities Capital Program** 40,000,000

27.21 From the bond proceeds account in the trunk
 27.22 highway fund for the transportation facilities
 27.23 capital program under Minnesota Statutes,
 27.24 section 174.13, which supports the agency's
 27.25 building infrastructure needs.

27.26 **Subd. 7. Passenger Rail Program** 1,000,000

27.27 To implement capital improvements and
 27.28 betterments for intercity passenger rail projects
 27.29 as identified in the statewide freight and
 27.30 passenger rail plan under Minnesota Statutes,
 27.31 section 174.03, subdivision 1b, that are
 27.32 determined to be eligible for United States
 27.33 Department of Transportation funding.
 27.34 Notwithstanding any law to the contrary, a

- 28.1 portion or phase of an intercity passenger rail
 28.2 project may be accomplished with one or more
 28.3 state appropriations and an intercity passenger
 28.4 rail project need not be completed with any
 28.5 one appropriation. Capital improvements and
 28.6 betterments include preliminary engineering,
 28.7 project administration, design, engineering,
 28.8 environmental analysis, and mitigation,
 28.9 acquisition of land and right-of-way, and
 28.10 construction.
- 28.11 **Subd. 8. Rail Quiet Zones** 10,000,000
- 28.12 For grants under Minnesota Statutes, section
 28.13 219.166. Up to ten percent of this
 28.14 appropriation may be used for eligible
 28.15 activities necessary to support the
 28.16 implementation and delivery of the program.
- 28.17 **Subd. 9. Port Development Assistance** 10,000,000
- 28.18 For grants under Minnesota Statutes, chapter
 28.19 457A. Any improvements made with the
 28.20 proceeds of these grants must be publicly
 28.21 owned.
- 28.22 **Subd. 10. Stone Arch Bridge** 2,500,000
- 28.23 From the general fund in fiscal year 2018 for
 28.24 plan development, repairs and rehabilitation,
 28.25 and construction oversight of the Stone Arch
 28.26 Bridge in Minneapolis.
- 28.27 **Subd. 11. Duluth Airport Authority** 6,619,000
- 28.28 From the state airports fund in fiscal year 2018
 28.29 for a grant to the Duluth Airport Authority to
 28.30 provide the federal match to design and
 28.31 construct runway infrastructure at the Duluth
 28.32 International Airport in accordance with
 28.33 Minnesota Statutes, section 360.017. For the
 28.34 purposes of this appropriation, the

29.1 commissioner may waive the requirements of
 29.2 Minnesota Statutes, section 360.305,
 29.3 subdivision 4, paragraph (b). This
 29.4 appropriation is available until and must be
 29.5 encumbered by June 30, 2019.

29.6 **Subd. 12. Rochester International Airport** 2,333,000

29.7 From the state airports fund in fiscal year 2018
 29.8 for a grant to the city of Rochester to design,
 29.9 construct, renovate, and improve the Rochester
 29.10 International Airport, in accordance with
 29.11 Minnesota Statutes, section 360.017. For the
 29.12 purposes of this appropriation, the
 29.13 commissioner may waive the requirements of
 29.14 Minnesota Statutes, section 360.305,
 29.15 subdivision 4, paragraph (b). This
 29.16 appropriation is available until and must be
 29.17 encumbered by June 30, 2019.

29.18 **Subd. 13. St. Cloud Regional Airport Study** 250,000

29.19 Notwithstanding Minnesota Statutes, section
 29.20 360.017, from the state airports fund in fiscal
 29.21 year 2018 for a grant to the city of St. Cloud
 29.22 for an air transport optimization planning
 29.23 study for the St. Cloud Regional Airport. The
 29.24 study must be comprehensive and
 29.25 market-based, using economic development
 29.26 and air service expertise to research, analyze,
 29.27 and develop models and strategies that
 29.28 maximize the return on investments made to
 29.29 enhance the use and impact of the St. Cloud
 29.30 Regional Airport. By January 5, 2018, the city
 29.31 of St. Cloud shall submit a report to the
 29.32 governor and the chairs and ranking minority
 29.33 members of the legislative committees with
 29.34 jurisdiction over capital investment,
 29.35 transportation, and economic development

- 30.1 with recommendations based on the findings
 30.2 of the study.
- 30.3 **Subd. 14. International Falls-Koochiching**
 30.4 **County Airport Commission** 3,000,000
- 30.5 For a grant to the International
 30.6 Falls-Koochiching County Airport
 30.7 Commission to demolish the remainder of the
 30.8 existing terminal building, for site preparation,
 30.9 and to design, construct, furnish, and equip
 30.10 Phase II of a new terminal building. This
 30.11 appropriation is not available until at least
 30.12 \$1,500,000 is committed to the project from
 30.13 nonstate sources.
- 30.14 **Subd. 15. Ramsey County Rail Grade Separation** 1,000,000
- 30.15 For a grant to the Ramsey County Regional
 30.16 Railroad Authority for environmental analysis
 30.17 and design of rail grade separation of Union
 30.18 Pacific and Burlington Northern Santa Fe track
 30.19 between Westminster Junction and Division
 30.20 Street/Hoffman Interlocking in St. Paul. This
 30.21 appropriation is not available until the
 30.22 commissioner determines that an equal amount
 30.23 has been committed to the project from
 30.24 nonstate sources.
- 30.25 **Subd. 16. Grand Rapids Pedestrian Bridge** 750,000
- 30.26 For a grant to the city of Grand Rapids to
 30.27 design the construction of a bridge over the
 30.28 Mississippi River for pedestrian and bicycle
 30.29 use to provide a safe alternative route to the
 30.30 existing marked Trunk Highway 169 vehicle
 30.31 bridge, and to serve as a connection to existing
 30.32 trail systems on each side of the river. This
 30.33 appropriation is not available until the
 30.34 commissioner determines that an equal amount

- 31.1 has been committed to the project from
 31.2 nonstate sources.
- 31.3 **Subd. 17. Minnesota Rail Service Improvement** 1,000,000
- 31.4 This is a onetime appropriation from the rail
 31.5 service improvement account in the special
 31.6 revenue fund to the commissioner of
 31.7 transportation for a grant to the city of Grand
 31.8 Rapids to fund rail planning studies, design,
 31.9 and preliminary engineering relating to the
 31.10 construction of a freight rail line located in the
 31.11 counties of Itasca, St. Louis, and Lake to serve
 31.12 local producers and shippers. The city of
 31.13 Grand Rapids shall collaborate with the Itasca
 31.14 Economic Development Corporation and the
 31.15 Itasca County Regional Railroad Authority in
 31.16 the activities funded with the proceeds of this
 31.17 grant. This appropriation is available until June
 31.18 30, 2022.
- 31.19 **Subd. 18. Virginia - Highway 53 Utility**
 31.20 **Relocation** 4,900,000
- 31.21 From the general fund for grants to the city of
 31.22 Virginia and the city of Virginia Public
 31.23 Utilities Commission to acquire land for and
 31.24 to predesign, design, construct, furnish, and
 31.25 equip relocated public utilities, including
 31.26 sanitary and storm water sewers and water,
 31.27 electrical, and gas utilities, and to demolish
 31.28 and remove old utility infrastructure, all
 31.29 associated with the relocation of marked Trunk
 31.30 Highway 53. This appropriation does not
 31.31 require a nonstate contribution.
- 31.32 **Sec. 19. METROPOLITAN COUNCIL**
- 31.33 **Subdivision 1. Total Appropriation** **\$ 39,455,000**

32.1 To the Metropolitan Council for the purposes
32.2 specified in this section.

32.3 **Subd. 2. Metropolitan Regional Parks and Trails**
32.4 **Capital Improvements**

10,000,000

32.5 For the cost of improvements and betterments
32.6 of a capital nature and acquisition by the
32.7 council and local government units of regional
32.8 recreational open-space lands in accordance
32.9 with the council's policy plan as provided in
32.10 Minnesota Statutes, section 473.147. This
32.11 appropriation must not be used to purchase
32.12 easements.

32.13 **Subd. 3. Metropolitan Cities Inflow and**
32.14 **Infiltration Grants**

5,000,000

32.15 For grants to cities within the metropolitan
32.16 area, as defined in Minnesota Statutes, section
32.17 473.121, subdivision 2, for capital
32.18 improvements in municipal wastewater
32.19 collection systems to reduce the amount of
32.20 inflow and infiltration to the Metropolitan
32.21 Council's metropolitan sanitary sewer disposal
32.22 system. Grants from this appropriation are for
32.23 up to 50 percent of the cost to mitigate inflow
32.24 and infiltration in the publicly owned
32.25 municipal wastewater collection systems. To
32.26 be eligible for a grant, a city must be identified
32.27 by the council as a contributor of excessive
32.28 inflow and infiltration in the metropolitan
32.29 disposal system or have a measured flow rate
32.30 within 20 percent of its allowable
32.31 council-determined inflow and infiltration
32.32 limits. The council must award grants based
32.33 on applications from cities that identify
32.34 eligible capital costs and include a timeline
32.35 for inflow and infiltration mitigation

- 33.1 construction, pursuant to guidelines
 33.2 established by the council.
- 33.3 **Subd. 4. St. Paul - Como Zoo Project** 15,455,000
- 33.4 For a grant to the city of St. Paul for predesign,
 33.5 design, and engineering of Phase I of the
 33.6 renovation of seal and sea lion habitat at the
 33.7 Como Zoo. The renovated habitat will support
 33.8 the zoo education programs. This
 33.9 appropriation is not available until the
 33.10 commissioner of management and budget
 33.11 determines that at least \$1,100,000 is
 33.12 committed to the project from nonstate
 33.13 sources.
- 33.14 **Subd. 5. St. Paul - Environmental Learning**
 33.15 **Center** 3,000,000
- 33.16 For a grant to the city of St. Paul to design an
 33.17 Environmental Learning Center project and
 33.18 adjacent site development in Crosby Farms
 33.19 Regional Park. The project will integrate
 33.20 environmental education, river access, and
 33.21 river and nature-based recreation, along with
 33.22 increasing safe access to and awareness by the
 33.23 public of the Mississippi River. The
 33.24 Environmental Learning Center is an
 33.25 opportunity to build on the history and
 33.26 interconnectedness to the river, create an
 33.27 authentic, signature destination that positions
 33.28 the state nationally and internationally,
 33.29 improve the quality of life for residents and
 33.30 visitors, and cultivate a constituency that
 33.31 values the river and will care for it into the
 33.32 future.
- 33.33 **Subd. 6. St. Paul - Wakan Tipi Center** 3,000,000
- 33.34 For a grant to the city of St. Paul to predesign,
 33.35 design, furnish, and equip Wakan Tipi Center

34.1 in the Bruce Vento Nature Sanctuary in St.
 34.2 Paul that will be used for programs that the
 34.3 city determines meet regional and city park
 34.4 purpose requirements. The city may enter into
 34.5 a lease or management agreement under
 34.6 Minnesota Statutes, section 16A.695, to
 34.7 operate the programs in the center. This
 34.8 appropriation is not available until the
 34.9 commissioner of management and budget
 34.10 determines that at least an equal amount is
 34.11 committed to the project from nonstate
 34.12 sources.

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

34.14 For a grant to Washington County to complete
 34.15 engineering and environmental analysis related
 34.16 to the Gateway Corridor transitway. This
 34.17 appropriation is not available until the
 34.18 commissioner of management and budget
 34.19 determines that an amount sufficient to
 34.20 complete the project has been committed to
 34.21 the project from nonstate sources.

34.22 **Sec. 20. HEALTH** **\$ 2,335,000**

34.23 From the general fund in fiscal year 2018 to
 34.24 the commissioner of health for equipment and
 34.25 instruments for the public health laboratory.
 34.26 This appropriation is available until June 30,
 34.27 2022.

34.28 **Sec. 21. HUMAN SERVICES**

34.29 **Subdivision 1. Total Appropriation** **\$ 141,960,000**

34.30 To the commissioner of administration, or
 34.31 another named agency, for the purposes
 34.32 specified in this section.

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

35.1 To complete design, remodel, construct,
 35.2 furnish, and equip the second phase of the
 35.3 two-phase project to remodel existing and to
 35.4 develop new residential, program, activity,
 35.5 and ancillary facilities for the Minnesota
 35.6 Security Hospital on the upper campus of the
 35.7 St. Peter Regional Treatment Center. This
 35.8 appropriation includes money to: demolish,
 35.9 renovate, and remodel existing space;
 35.10 construct new space; address fire and life
 35.11 safety, and other building code deficiencies;
 35.12 replace or renovate interior finishes; purchase
 35.13 furnishings, fixtures, and equipment; replace
 35.14 or renovate the Minnesota Security Hospital
 35.15 building's HVAC, plumbing, electrical,
 35.16 security, and life safety systems; tuck-point;
 35.17 replace windows and doors; design and abate
 35.18 asbestos and hazardous materials; and
 35.19 complete site work necessary to support the
 35.20 programmed use of the facilities on the St.
 35.21 Peter Regional Treatment Center upper
 35.22 campus.

35.23 **Subd. 3. Anoka Metro Regional Treatment**
 35.24 **Center - Safety and Security Renovations**

2,250,000

35.25 To provide security upgrades of a capital
 35.26 nature at the Anoka Metro Regional Treatment
 35.27 Center campus, including but not limited to
 35.28 control centers, electronic monitoring and
 35.29 perimeter security equipment, new or updated
 35.30 security fencing, and other building security
 35.31 renovations. This appropriation includes
 35.32 money for: predesign, design, furnishing,
 35.33 fixtures, and equipment; construction of safety
 35.34 and security improvements to courtyards on
 35.35 residential treatment units; securely enclosing
 35.36 the nursing station on Unit G; and installing

36.1 a campus-wide closed-circuit television video
 36.2 security system, a facility-wide personal
 36.3 duress alarm system, a key control system,
 36.4 and an electronic access control system.

36.5 **Subd. 4. Minnesota Sex Offender Program – St.**
 36.6 **Peter**

14,500,000

36.7 To complete design, construct, renovate,
 36.8 furnish, and equip the second phase of a
 36.9 multiphase project to develop additional
 36.10 residential, program, activity, and ancillary
 36.11 facilities for the Minnesota Sex Offender
 36.12 Program on the lower campus of the St. Peter
 36.13 Regional Treatment Center. This appropriation
 36.14 includes money to complete design, renovate,
 36.15 construct, furnish, and equip the north wing
 36.16 of Green Acres; the west, south, and north
 36.17 wings of Sunrise; and the Tomlinson building.
 36.18 This appropriation also includes money to:
 36.19 replace or renovate HVAC, plumbing,
 36.20 electrical, security, and life safety systems;
 36.21 address fire and life safety, and other building
 36.22 code deficiencies; replace windows and doors;
 36.23 tuck-point exterior building envelopes;
 36.24 reconfigure and remodel space; design and
 36.25 abate asbestos and other hazardous materials;
 36.26 remove or demolish nonfunctioning building
 36.27 components; and complete site work necessary
 36.28 to support the programmed use of facilities.

36.29 **Subd. 5. Minnesota Sex Offender Program –**
 36.30 **Less Restrictive Alternatives**

12,420,000

36.31 To acquire land for, and to predesign, design,
 36.32 construct, furnish, and equip two new
 36.33 community-based residential treatment
 36.34 facilities, including any necessary site work,
 36.35 for the Minnesota Sex Offender Program as

- 37.1 less restrictive alternatives to the program's
 37.2 existing secure facilities.
- 37.3 **Subd. 6. St. Paul - Dorothy Day Opportunity**
 37.4 **Center** 12,000,000
- 37.5 To the commissioner of human services for a
 37.6 grant to the city of St. Paul to predesign,
 37.7 design, construct, furnish, and equip an
 37.8 opportunity center to serve as an integrated
 37.9 one-stop delivery system connecting persons
 37.10 at risk of becoming homeless, and persons
 37.11 working to move up and out of homelessness,
 37.12 and to provide services that improve their
 37.13 health, income, housing stability, or
 37.14 well-being, subject to Minnesota Statutes,
 37.15 section 16A.695. This appropriation may be
 37.16 used to acquire property for these purposes.
 37.17 This appropriation is not available until the
 37.18 commissioner of management and budget has
 37.19 determined that at least an equal amount has
 37.20 been committed to the project from nonstate
 37.21 sources.
- 37.22 **Subd. 7. Early Childhood Learning Child**
 37.23 **Facilities** 15,000,000
- 37.24 To the commissioner of human services for
 37.25 grants under Minnesota Statutes, section
 37.26 256E.37, to construct and rehabilitate early
 37.27 childhood learning facilities.
- 37.28 **Subd. 8. Perspectives Family Center** 2,000,000
- 37.29 From the general fund to the commissioner of
 37.30 human services in fiscal year 2018 for a grant
 37.31 to Perspectives, Inc., to predesign, design,
 37.32 construct, furnish, and equip the expansion
 37.33 and renovation of the existing Perspectives
 37.34 Family Center facility in St. Louis Park. The
 37.35 expanded and renovated facility must be used

38.1 to promote the public welfare by providing
 38.2 any or all of the following programs and
 38.3 services: (1) supportive housing programs for
 38.4 homeless women and their children; (2) mental
 38.5 and chemical health programs; (3)
 38.6 employment services; (4) academic, social
 38.7 skills, and nutritional programs for homeless
 38.8 and at-risk children; (5) an all-day therapeutic
 38.9 early childhood development program for
 38.10 homeless and at-risk children; and (6) a
 38.11 culturally sensitive safe and nurturing
 38.12 environment for at-risk children to meet with
 38.13 their nonresidential parents. This appropriation
 38.14 is not available until the commissioner of
 38.15 management and budget has determined that
 38.16 at least an equal amount has been expended
 38.17 or committed to the project from nonstate
 38.18 sources. Nonstate money spent on the project
 38.19 since May 1, 2015, shall be included in the
 38.20 determination of nonstate commitments to the
 38.21 project.

38.22 **Subd. 9. Child and Adolescent Behavioral Health**
 38.23 **Services**

7,530,000

38.24 To predesign, design, construct, furnish, and
 38.25 equip a new community-based 16-bed
 38.26 psychiatric hospital facility to house the Child
 38.27 and Adolescent Behavioral Health Services
 38.28 (CABHS) program to be located in or near the
 38.29 city of Willmar. This appropriation includes
 38.30 funds for land purchase, surveying, predesign
 38.31 and design fees, construction administration,
 38.32 project management, site work, site and
 38.33 building infrastructure, construction, and
 38.34 furniture, fixtures, and equipment.

38.35 Notwithstanding any law to the contrary, the
 38.36 16 hospital beds licensed to the CABHS's

39.1 facility on January 1, 2017, by the Department
 39.2 of Health, may transfer to this new facility
 39.3 upon completion, and approved inspection by
 39.4 the Departments of Health and Human
 39.5 Services.

39.6 **Subd. 10. Minneapolis - People's Center** 2,750,000

39.7 From the general fund to the commissioner of
 39.8 human services for a grant to the People's
 39.9 Center in Minneapolis to design, renovate,
 39.10 improve, construct, and equip a facility that
 39.11 provides medical, dental, mental health, and
 39.12 wellness services to all patients, regardless of
 39.13 their ability to pay. This appropriation is not
 39.14 available until the commissioner of
 39.15 management and budget confirms that at least
 39.16 \$1,500,000 is committed to the project from
 39.17 nonstate sources.

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

39.19 From the general fund in fiscal year 2018 for
 39.20 a grant to the Minneapolis American Indian
 39.21 Center to predesign the renovation of the
 39.22 center on Franklin Avenue, taking into account
 39.23 and protecting the significant and unique art
 39.24 and features of the center.

39.25 **Subd. 12. Minneapolis - The Family Partnership** 1,600,000

39.26 From the general fund in fiscal year 2018 to
 39.27 the commissioner of human services for a
 39.28 grant to the Family Partnership in Minneapolis
 39.29 to predesign and design a facility to provide
 39.30 mental health, early childhood education, and
 39.31 other services to support children and families.
 39.32 This appropriation is not available until at least
 39.33 an equal amount of money is committed from
 39.34 nonstate resources. This appropriation is
 39.35 available until the project is completed or

40.1 abandoned, subject to Minnesota Statutes,
40.2 section 16A.642.

40.3 **Subd. 13. Hermantown - Arrowhead Regional**
40.4 **Health and Wellness Center** 8,000,000

40.5 For a grant to the city of Hermantown to
40.6 prepare the middle school site on the
40.7 Hermantown School District campus,
40.8 including demolition of a portion of the middle
40.9 school, and to design, construct a new addition
40.10 to the middle school building, and renovate
40.11 the remaining existing building, furnish, and
40.12 equip the facility as the Arrowhead Regional
40.13 Health and Wellness Center. The city may
40.14 enter into lease or management agreements
40.15 under Minnesota Statutes, section 16A.695,
40.16 for operation of the center. This appropriation
40.17 is not available until at least an equal amount
40.18 is committed to the project from nonstate
40.19 sources.

40.20 **Subd. 14. Asset Preservation** 1,500,000

40.21 For asset preservation improvements and
40.22 betterments of a capital nature at Department
40.23 of Human Services facilities statewide, to be
40.24 spent in accordance with Minnesota Statutes,
40.25 section 16B.307.

40.26 **Sec. 22. VETERANS AFFAIRS**

40.27 **Subdivision 1. Total Appropriation** **\$ 12,851,000**

40.28 To the commissioner of administration for the
40.29 purposes specified in this section.

40.30 **Subd. 2. Asset Preservation** 5,000,000

40.31 For asset preservation improvements and
40.32 betterments of a capital nature at the veterans
40.33 homes in Minneapolis, Hastings, Fergus Falls,
40.34 Silver Bay, and Luverne, to be spent in

41.1	<u>accordance with Minnesota Statutes, section</u>		
41.2	<u>16B.307.</u>		
41.3	<u>Subd. 3. Minneapolis Veterans Home Truss</u>		
41.4	<u>Bridge Project</u>		<u>7,851,000</u>
41.5	<u>To design, construct, renovate, and equip the</u>		
41.6	<u>historic truss bridge on the Minneapolis</u>		
41.7	<u>Veterans Home campus, including asbestos</u>		
41.8	<u>and hazardous materials abatement and</u>		
41.9	<u>associated site work.</u>		
41.10	Sec. 23. <u>CORRECTIONS</u>		
41.11	<u>Subdivision 1. Total Appropriation</u>	\$	<u>56,653,000</u>
41.12	<u>To the commissioner of administration for the</u>		
41.13	<u>purposes specified in this section.</u>		
41.14	<u>Subd. 2. Asset Preservation</u>		<u>20,000,000</u>
41.15	<u>For asset preservation improvements and</u>		
41.16	<u>betterments of a capital nature at Minnesota</u>		
41.17	<u>correctional facilities statewide, to be spent in</u>		
41.18	<u>accordance with Minnesota Statutes, section</u>		
41.19	<u>16B.307.</u>		
41.20	<u>Subd. 3. Minnesota Correctional Facility - St.</u>		
41.21	<u>Cloud</u>		<u>23,400,000</u>
41.22	<u>(a) For capital improvements at the Minnesota</u>		
41.23	<u>Correctional Facility - St. Cloud, as provided</u>		
41.24	<u>in the following paragraphs.</u>		
41.25	<u>(b) \$19,000,000 of this appropriation is to</u>		
41.26	<u>construct and equip a new intake unit and a</u>		
41.27	<u>loading dock with a secure connection to a</u>		
41.28	<u>new central warehouse at the facility.</u>		
41.29	<u>(c) \$4,400,000 of this appropriation is to</u>		
41.30	<u>remove and replace deteriorated mortar with</u>		
41.31	<u>new mortar on the granite perimeter wall</u>		
41.32	<u>surrounding the facility.</u>		
41.33	<u>Subd. 4. Minnesota Correctional Facility -</u>		
41.34	<u>Willow River</u>		<u>1,500,000</u>

- 42.1 To design, construct, renovate, furnish, and
 42.2 equip new and existing buildings to increase
 42.3 living unit and programming capacity for the
 42.4 challenge incarceration program by at least 45
 42.5 beds at the Minnesota Correctional Facility –
 42.6 Willow River.
- 42.7 **Subd. 5. Minnesota Correctional Facility - Togo** 2,000,000
- 42.8 To design, construct, renovate, furnish, and
 42.9 equip existing buildings, including
 42.10 improvements to the wastewater and septic
 42.11 systems, and to increase the program capacity
 42.12 for the challenge incarceration program by at
 42.13 least 30 beds at the Minnesota Correctional
 42.14 Facility – Togo.
- 42.15 **Subd. 6. Minnesota Correctional Facility - Lino**
 42.16 **Lakes** 5,000,000
- 42.17 To design, renovate, and equip an existing
 42.18 vacant building into an offender living unit
 42.19 that will add at least 60 beds to the capacity
 42.20 at the Minnesota Correctional Facility – Lino
 42.21 Lakes. The renovation includes removal of
 42.22 hazardous materials, upgrades to comply with
 42.23 current building codes, and construction of
 42.24 functional living and program space.
- 42.25 **Subd. 7. Minnesota Correctional Facility - Moose**
 42.26 **Lake** 1,900,000
- 42.27 To expand and renovate the outdated master
 42.28 control center to improve security and
 42.29 efficiency at the Minnesota Correctional
 42.30 Facility – Moose Lake. The renovation
 42.31 includes updating fire alarm panels and
 42.32 mechanical and electrical systems and
 42.33 improving visibility of the visiting area.
- 42.34 **Subd. 8. Northeast Regional Corrections Center** 2,853,000

43.1 For a grant to the Arrowhead Regional
 43.2 Corrections Joint Powers Board to demolish
 43.3 an existing facility and update, renovate, and
 43.4 expand buildings used for vocational and
 43.5 educational programming at the Northeast
 43.6 Regional Corrections Center. This project will
 43.7 expand the processing facility, add a
 43.8 packaging facility, and improve farm
 43.9 operations and vocational buildings, including
 43.10 the replacement or repair of roofs and air
 43.11 handling systems. Nonstate contributions to
 43.12 improvements at the center made before or
 43.13 after the enactment of this subdivision are
 43.14 considered to be a sufficient match, and no
 43.15 further nonstate match is required.

43.16 **Subd. 9. Unspent Appropriations**

43.17 The unspent portion of an appropriation for a
 43.18 Department of Corrections project in this
 43.19 section that is complete, upon written notice
 43.20 to the commissioner of management and
 43.21 budget, is available for asset preservation
 43.22 under Minnesota Statutes, section 16B.307.
 43.23 Minnesota Statutes, section 16A.642, applies
 43.24 from the date of the original appropriation to
 43.25 the unspent amount transferred.

43.26 **Sec. 24. EMPLOYMENT AND ECONOMIC**
 43.27 **DEVELOPMENT**

43.28 **Subdivision 1. Total Appropriation** **\$ 117,945,000**

43.29 To the commissioner of employment and
 43.30 economic development for the purposes
 43.31 specified in this section.

43.32 **Subd. 2. Asset Preservation** **1,342,000**

43.33 For asset preservation improvements and
 43.34 betterments of a capital nature at the South

- 44.1 Minneapolis WorkForce Center, to be spent
 44.2 in accordance with Minnesota Statutes, section
 44.3 16B.307.
- 44.4 **Subd. 3. Transportation Economic Development** 10,000,000
- 44.5 For grants under Minnesota Statutes, section
 44.6 116J.436.
- 44.7 **Subd. 4. Innovative Business Development Public**
 44.8 **Infrastructure Grants** 5,000,000
- 44.9 For grants under Minnesota Statutes, section
 44.10 116J.435.
- 44.11 **Subd. 5. Greater Minnesota Business**
 44.12 **Development Public Infrastructure Grants** 21,000,000
- 44.13 For grants under Minnesota Statutes, section
 44.14 116J.431.
- 44.15 **Subd. 6. Anoka County - Regional Warehouse,**
 44.16 **Distribution, and Office Facility** 18,000,000
- 44.17 For a grant to Anoka County to predesign,
 44.18 design, purchase land for, construct, furnish,
 44.19 and equip a regional charitable food
 44.20 warehouse, distribution, and office facility in
 44.21 the city of Fridley. The county may enter into
 44.22 lease or management agreements under
 44.23 Minnesota Statutes, section 16A.695, for
 44.24 operation of the facility. This appropriation is
 44.25 not available until the commissioner
 44.26 determines that an equal amount has been
 44.27 committed to the project from nonstate
 44.28 sources. Amounts expended for this project
 44.29 by nonstate sources since June 1, 2016, shall
 44.30 count toward the nonstate match.
- 44.31 **Subd. 7. Bemidji - Regional Dental Facility** 4,500,000
- 44.32 For a grant to the city of Bemidji to acquire
 44.33 land for and to predesign, design, construct,
 44.34 renovate, furnish, and equip a regional dental
 44.35 facility in Bemidji, subject to Minnesota

45.1 Statutes, section 16A.695. This appropriation
 45.2 is not available until the commissioner of
 45.3 management and budget has determined that
 45.4 at least \$3,000,000 has been committed to the
 45.5 project from nonstate sources. The value of
 45.6 the land purchased or acquired by the city after
 45.7 January 1, 2016, for this facility shall count
 45.8 toward the nonstate match.

45.9 **Subd. 8. Eagle's Healing Nest** 300,000

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

45.12 **Subd. 9. Hennepin County - Regional Medical** 25,932,000
 45.13 **Examiner's Facility**

45.14 For a grant to Hennepin County to design,
 45.15 construct, furnish, and equip a 67,000 square
 45.16 foot regional, state-of-the-art medical
 45.17 examiner's facility. The facility shall: (1)
 45.18 provide forensic death investigation and
 45.19 autopsy services for Dakota, Hennepin, and
 45.20 Scott Counties with the flexibility to
 45.21 accommodate future partner counties and
 45.22 agencies; (2) serve as a teaching facility for
 45.23 the state, on the science of forensic pathology;
 45.24 and (3) be located in southern Hennepin
 45.25 County at a site that best supports access needs
 45.26 for the three founding counties and reasonable
 45.27 scene response times for the geographic
 45.28 service area. This appropriation is not
 45.29 available until the commissioner of
 45.30 management and budget determines that an
 45.31 amount sufficient to complete the project has
 45.32 been committed from nonstate sources.

45.33 **Subd. 10. Litchfield - Phase 2 Power Generation** 3,000,000
 45.34 **Improvements**

- 46.1 For a grant to the city of Litchfield to design
 46.2 and construct electrical generation
 46.3 improvements in the city of Litchfield to
 46.4 expand the current standby capacity, including
 46.5 replacement of two old generators. This
 46.6 appropriation is not available until the
 46.7 commissioner of management and budget
 46.8 determines that at least an equal amount is
 46.9 committed to the project from nonstate
 46.10 sources.
- 46.11 **Subd. 11. Madelia - Public Infrastructure** 98,000
- 46.12 For a grant to the city of Madelia for
 46.13 improvements of a capital nature to repair and
 46.14 replace public infrastructure damaged by a
 46.15 fire in Madelia in February 2016. This
 46.16 appropriation does not require a nonstate
 46.17 contribution.
- 46.18 **Subd. 12. Melrose - Public Infrastructure** 3,850,000
- 46.19 (a) For a grant to the city of Melrose. Of this
 46.20 appropriation:
- 46.21 (b) \$2,950,000 is for the construction of an
 46.22 electric substation and loop. This portion of
 46.23 the appropriation is not available until the
 46.24 commissioner determines that an amount
 46.25 sufficient to complete the project has been
 46.26 committed from nonstate sources; and
- 46.27 (c) \$900,000 is for improvements of a capital
 46.28 nature to repair and replace public
 46.29 infrastructure damaged by a fire in Melrose
 46.30 in September 2016. This portion of the
 46.31 appropriation does not require a nonstate
 46.32 contribution.
- 46.33 **Subd. 13. Polk County - North Country Food**
 46.34 **Bank** 3,000,000

47.1 For a grant to Polk County to predesign,
 47.2 design, construct, renovate, furnish, and equip
 47.3 a regional charitable food warehouse,
 47.4 distribution, and office facility in the city of
 47.5 Crookston, subject to Minnesota Statutes,
 47.6 section 16A.695. This appropriation is not
 47.7 available until the commissioner of
 47.8 management and budget determines that an
 47.9 equal amount has been committed to the
 47.10 project from nonstate sources. The value of
 47.11 the land purchased or acquired by the county
 47.12 after January 1, 2013, for this facility shall
 47.13 count toward the nonstate match.

47.14 **Subd. 14. Red Wing - River Town Renaissance** 4,480,000

47.15 For a grant to the city of Red Wing to
 47.16 complete removal and replacement of 250
 47.17 linear feet of the harbor retaining wall; to
 47.18 design, construct, furnish, and equip the
 47.19 renovation of the historic T.B. Sheldon
 47.20 Performing Arts Theater; and to design and
 47.21 construct transient riverboat docking facilities,
 47.22 levee wall extension, and levee promenade
 47.23 improvements at Levee Park. This
 47.24 appropriation is not available until the
 47.25 commissioner of management and budget
 47.26 determines that an amount sufficient to
 47.27 complete the project has been committed from
 47.28 nonstate sources.

47.29 **Subd. 15. St. James - Public Infrastructure** 3,443,000

47.30 For a grant to the city of St. James. Of this
 47.31 amount, \$2,193,000 is for engineering,
 47.32 right-of-way acquisition, and reconstruction
 47.33 of streets, sidewalks, storm water and sanitary
 47.34 sewer, water mains, lighting, utilities, and
 47.35 other capital improvements of publicly owned

48.1 infrastructure required for the reconstruction
 48.2 of marked Trunk Highway 4 in the city of St.
 48.3 James, and \$1,250,000 is to replace the storm
 48.4 sewer drain that serves St. James Lake and the
 48.5 entire southern section of the city of St. James.

48.6 **Subd. 16. St. Paul - RiverCentre Parking Ramp** 1,000,000

48.7 For a grant to the city of St. Paul for predesign
 48.8 and design for a new RiverCentre parking
 48.9 ramp to replace the existing RiverCentre
 48.10 parking ramp. This appropriation is not
 48.11 available until the commissioner of
 48.12 management and budget determines that an
 48.13 equal amount has been committed to the
 48.14 project from nonstate sources. Predesign and
 48.15 design costs paid by the RiverCentre since
 48.16 January 1, 2017, count toward the match
 48.17 requirement.

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

48.20 For a grant to the city of St. Paul for predesign,
 48.21 design, and construction work to replace
 48.22 water-damaged elements of the Science
 48.23 Museum of Minnesota's exterior envelope and
 48.24 some resultant interior damage caused by
 48.25 latent design and construction defects, subject
 48.26 to Minnesota Statutes, section 16A.695. This
 48.27 appropriation is not available until the
 48.28 commissioner of management and budget
 48.29 determines that an equal amount has been
 48.30 committed to the project from nonstate
 48.31 sources. Capital costs paid by the Science
 48.32 Museum of Minnesota since January 1, 2014,
 48.33 relating to the water intrusion damage, shall
 48.34 count towards the match requirement.

48.35 **Sec. 25. PUBLIC FACILITIES AUTHORITY**

- 49.1 **Subdivision 1. Total Appropriation** **\$ 167,866,000**
- 49.2 To the Public Facilities Authority for the
- 49.3 purposes specified in this section. The Public
- 49.4 Facilities Authority may use the funds in this
- 49.5 section or other available funds to amend
- 49.6 project financing agreements awarded after
- 49.7 July 1, 2016, based on program changes in
- 49.8 article 2, sections 9 and 10.
- 49.9 **Subd. 2. State Match for Federal Grants** **25,000,000**
- 49.10 To match federal grants for the clean water
- 49.11 revolving fund under Minnesota Statutes,
- 49.12 section 446A.07, and the drinking water
- 49.13 revolving fund under Minnesota Statutes,
- 49.14 section 446A.081. This appropriation must be
- 49.15 used for qualified capital projects.
- 49.16 **Subd. 3. Water Infrastructure Funding Program** **80,000,000**
- 49.17 (a) For grants to eligible municipalities under
- 49.18 the water infrastructure funding program under
- 49.19 Minnesota Statutes, section 446A.072.
- 49.20 (b) \$55,000,000 is for wastewater projects
- 49.21 listed on the Pollution Control Agency's
- 49.22 project priority list in the fundable range under
- 49.23 the clean water revolving fund program.
- 49.24 (c) \$25,000,000 is for drinking water projects
- 49.25 listed on the Department of Health's project
- 49.26 priority list in the fundable range under the
- 49.27 drinking water revolving fund program.
- 49.28 (d) After all eligible projects under paragraph
- 49.29 (b) or (c) have been funded, the Public
- 49.30 Facilities Authority may transfer any
- 49.31 remaining, uncommitted money to eligible
- 49.32 projects under a program defined in paragraph
- 49.33 (b) or (c) based on that program's project
- 49.34 priority list.

50.1	<u>Subd. 4. Point Source Implementation Grants</u>	
50.2	<u>Program</u>	<u>62,000,000</u>
50.3	<u>For grants to eligible municipalities under the</u>	
50.4	<u>point source implementation grants program</u>	
50.5	<u>under Minnesota Statutes, section 446A.073.</u>	
50.6	<u>This appropriation must be used for qualified</u>	
50.7	<u>capital projects.</u>	
50.8	<u>Subd. 5. Dennison - Sewage Treatment System</u>	
50.9	<u>Improvements</u>	<u>726,000</u>
50.10	<u>For a grant to the city of Dennison to</u>	
50.11	<u>predesign, design, and construct a new lift</u>	
50.12	<u>station and make sewage pond improvements.</u>	
50.13	<u>This appropriation does not require a nonstate</u>	
50.14	<u>contribution.</u>	
50.15	<u>Subd. 6. Lilydale - Highway 13 Storm Water</u>	
50.16	<u>Conveyance</u>	<u>140,000</u>
50.17	<u>From the general fund in fiscal year 2018 for</u>	
50.18	<u>a grant to the city of Lilydale to design,</u>	
50.19	<u>acquire, construct, and install a storm water</u>	
50.20	<u>sewer and drop structure along Trunk</u>	
50.21	<u>Highway 13 in Lilydale that will be large</u>	
50.22	<u>enough to effectively collect water from</u>	
50.23	<u>springs and storm water runoff from above</u>	
50.24	<u>the road and safely convey the water to below</u>	
50.25	<u>the bluff. The city must coordinate this project</u>	
50.26	<u>with the Department of Transportation's Trunk</u>	
50.27	<u>Highway 13 project. The appropriation and</u>	
50.28	<u>project also include capital repairs and</u>	
50.29	<u>improvements to existing drainage structures</u>	
50.30	<u>along the Big Rivers Regional Trail at the base</u>	
50.31	<u>of the bluff. This appropriation does not</u>	
50.32	<u>require a nonstate contribution.</u>	
50.33	<u>Sec. 26. MINNESOTA HOUSING FINANCE</u>	
50.34	<u>AGENCY</u>	<u>\$ 20,000,000</u>

51.1 For transfer to the housing development fund
 51.2 to finance the costs of rehabilitation to
 51.3 preserve public housing under Minnesota
 51.4 Statutes, section 462A.202, subdivision 3a.
 51.5 For purposes of this section, "public housing"
 51.6 means housing for low-income persons and
 51.7 households financed by the federal
 51.8 government and owned and operated by the
 51.9 public housing authorities and agencies formed
 51.10 by cities and counties. Public housing
 51.11 authorities receiving a public housing
 51.12 assessment composite score of 80 or above or
 51.13 an equivalent designation are eligible to
 51.14 receive funding. Priority must be given to
 51.15 proposals that maximize federal or local
 51.16 resources to finance the capital costs. The
 51.17 priority in Minnesota Statutes, section
 51.18 462A.202, subdivision 3a, for projects to
 51.19 increase the supply of affordable housing and
 51.20 the restrictions of Minnesota Statutes, section
 51.21 462A.202, subdivision 7, do not apply to this
 51.22 appropriation.

51.23 Sec. 27. **MINNESOTA HISTORICAL**
 51.24 **SOCIETY**

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

51.26 To the Minnesota Historical Society for the
 51.27 purposes specified in this section.

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

51.29 (a) To design, renovate, construct, furnish, and
 51.30 equip facilities to support visitor services and
 51.31 history programs at Historic Fort Snelling.

51.32 (b) This appropriation includes up to
 51.33 \$4,000,000 to design facilities to support
 51.34 visitor services and history programs at

52.1 Historic Fort Snelling. Money for design is
 52.2 available the day following final enactment
 52.3 and is not contingent on demonstrating a
 52.4 nonstate contribution to the project. Upon
 52.5 completion of the design, the unspent portion
 52.6 of the amount specified in this paragraph is
 52.7 available for the purposes of paragraph (c).

52.8 (c) The balance of this appropriation is to
 52.9 demolish the existing visitor center, renovate,
 52.10 construct, furnish, and equip facilities,
 52.11 including landscaping and wayfinding, at
 52.12 Historic Fort Snelling. This appropriation is
 52.13 not available until the commissioner of
 52.14 management and budget determines that an
 52.15 amount sufficient to complete the project has
 52.16 been committed from nonstate sources.

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

52.18 For capital improvements and betterments at
 52.19 state historic sites, buildings, landscaping at
 52.20 historic buildings, exhibits, markers, and
 52.21 monuments, to be spent in accordance with
 52.22 Minnesota Statutes, section 16B.307. The
 52.23 society shall determine project priorities as
 52.24 appropriate based on need.

52.25 **Sec. 28. BOND SALE EXPENSES**

52.26 Subdivision 1. **Total Appropriation** \$ 1,562,000

52.27 To the commissioner of management and
 52.28 budget for the purposes specified in this
 52.29 section.

52.30 Subd. 2. **Bond Proceeds Fund** 1,522,000

52.31 From the bond proceeds fund for bond sale
 52.32 expenses under Minnesota Statutes, section
 52.33 16A.641, subdivision 8.

53.1 Subd. 3. **Trunk Highway Fund** 40,000

53.2 From the bond proceeds account in the trunk

53.3 highway fund for bond sale expenses under

53.4 Minnesota Statutes, sections 16A.641,

53.5 subdivision 8, and 167.50, subdivision 4.

53.6 Sec. 29. **BOND SALE AUTHORIZATION.**

53.7 Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from

53.8 the bond proceeds fund, the commissioner of management and budget shall sell and issue

53.9 bonds of the state in an amount up to \$1,394,859,000 in the manner, upon the terms, and

53.10 with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the

53.11 Minnesota Constitution, article XI, sections 4 to 7.

53.12 Subd. 2. **Transportation fund.** To provide the money appropriated in this act from the

53.13 state transportation fund, the commissioner of management and budget shall sell and issue

53.14 bonds of the state in an amount up to \$185,500,000 in the manner, upon the terms, and with

53.15 the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the

53.16 Minnesota Constitution, article XI, sections 4 to 7.

53.17 Subd. 3. **Trunk highway fund.** To provide the money appropriated in this act from the

53.18 bond proceeds account in the trunk highway fund, the commissioner of management and

53.19 budget shall sell and issue bonds of the state in an amount up to \$40,040,000 in the manner,

53.20 upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to

53.21 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the

53.22 amounts requested by the commissioner of transportation. The proceeds of the bonds, except

53.23 accrued interest and any premium received from the sale of the bonds, must be deposited

53.24 in the bond proceeds account in the trunk highway fund.

53.25 Subd. 4. **Maximum effort school loan fund.** To provide the money appropriated in this

53.26 act from the maximum effort school loan fund, the commissioner of management and budget

53.27 shall sell and issue bonds of the state in an amount up to \$14,070,000 in the manner, upon

53.28 the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675,

53.29 and by the Minnesota Constitution, article XI, sections 4 to 7.

53.30 Sec. 30. **CANCELLATIONS; BOND SALE AUTHORIZATION REDUCTIONS.**

53.31 (a) The bond sale authorization in Laws 1990, chapter 610, article 1, section 30,

53.32 subdivision 1, as amended, is reduced by \$3,129.

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

54.3 (c) The bond sale authorization in Laws 1997, Second Special Session chapter 2, section
54.4 12, as amended, is reduced by \$96,992.

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

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

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

54.11 (g) The bond sale authorization in Laws 2002, First Special Session chapter 1, section
54.12 9, subdivision 1, s reduced by \$217,959.

54.13 (h) The bond sale authorization in Laws 2003, First Special Session chapter 19, article
54.14 3, section 2, is reduced by \$201,530.

54.15 (i) The bond sale authorization in Laws 2003, First Special Session chapter 19, article
54.16 4, section 4, is reduced by \$326,534.

54.17 (j) The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision
54.18 1, as amended, is reduced by \$3,366,628.

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

54.23 (l) The \$2,285,000 appropriation from the bond proceeds fund in Laws 2012, First
54.24 Special Session chapter 1, article 1, section 3, subdivision 2, to the commissioner of public
54.25 safety for disaster relief, is canceled and the bond sale authorization in Laws 2012, First
54.26 Special Session chapter 1, article 1, section 16, subdivision 1, is reduced by the same amount.

54.27 (m) \$1,380,000 of the appropriation from the bond proceeds fund in Laws 2012, First
54.28 Special Session chapter 1, article 1, section 6, to the Public Facilities Authority for disaster
54.29 relief, is canceled and the bond sale authorization in Laws 2012, First Special Session chapter
54.30 1, article 1, section 16, subdivision 1, is reduced by the same amount.

54.31 (n) \$1,085,000 of the appropriation from the bond proceeds fund in Laws 2012, First
54.32 Special Session chapter 1, article 1, section 9, subdivision 2, to the commissioner of natural

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

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

55.5 Sec. 31. **BOND SALE SCHEDULE.**

55.6 The commissioner of management and budget shall schedule the sale of state general
 55.7 obligation bonds so that, during the biennium ending June 30, 2018, no more than
 55.8 \$1,188,820,000 will need to be transferred from the general fund to the state bond fund to
 55.9 pay principal and interest due and to become due on outstanding state general obligation
 55.10 bonds. During the biennium, before each sale of state general obligation bonds, the
 55.11 commissioner of management and budget shall calculate the amount of debt service payments
 55.12 needed on bonds previously issued and shall estimate the amount of debt service payments
 55.13 that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the
 55.14 amount of bonds scheduled to be sold so as to remain within the limit set by this section.
 55.15 The amount needed to make the debt service payments is appropriated from the general
 55.16 fund as provided in Minnesota Statutes, section 16A.641.

55.17 Sec. 32. **EFFECTIVE DATE.**

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

55.19 **ARTICLE 2**

55.20 **MISCELLANEOUS**

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

55.22 **16A.967 LEWIS AND CLARK APPROPRIATION BONDS.**

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

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

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

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

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

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

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

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

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

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

56.32 ~~(d)~~ (c) Appropriation bonds may be issued in one or more issues or series on the terms
 56.33 and conditions the commissioner determines to be in the best interests of the state, but the
 56.34 term on any series of appropriation bonds may not exceed 25 years. The appropriation bonds

57.1 of each issue and series thereof shall be dated and bear interest, and may be includable in
 57.2 or excludable from the gross income of the owners for federal income tax purposes.

57.3 ~~(e)~~ (d) At the time of, or in anticipation of, issuing the appropriation bonds, and at any
 57.4 time thereafter, so long as the appropriation bonds are outstanding, the commissioner may
 57.5 enter into agreements and ancillary arrangements relating to the appropriation bonds,
 57.6 including but not limited to trust indentures, grant agreements, lease or use agreements,
 57.7 operating agreements, management agreements, liquidity facilities, remarketing or dealer
 57.8 agreements, letter of credit agreements, insurance policies, guaranty agreements,
 57.9 reimbursement agreements, indexing agreements, or interest exchange agreements. Any
 57.10 payments made or received according to the agreement or ancillary arrangement shall be
 57.11 made from or deposited as provided in the agreement or ancillary arrangement. The
 57.12 determination of the commissioner included in an interest exchange agreement that the
 57.13 agreement relates to an appropriation bond shall be conclusive.

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

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

57.23 Subd. 2a. **Project authorization.** Appropriation bonds may be sold and issued in amounts
 57.24 that, in the opinion of the commissioner, are necessary to provide sufficient money to the
 57.25 Public Facilities Authority under subdivision 7, paragraph (a), not to exceed \$19,000,000
 57.26 net of costs of issuance, for the purposes as provided under this subdivision, and pay debt
 57.27 service including capitalized interest, costs of issuance, costs of credit enhancement, or
 57.28 make payments under other agreements entered into under subdivision 2, paragraph (d).
 57.29 The bonds authorized by this subdivision are for the purposes of financing the land
 57.30 acquisition, design, engineering, and construction of facilities and infrastructure necessary
 57.31 to complete Phase 2 of the Lewis and Clark Regional Water System project, including
 57.32 completion of the pipeline to Magnolia; extension of the project to the Lincoln-Pipestone
 57.33 Rural Water System connection near Adrian; and engineering, design, and easement
 57.34 acquisition for the final phase of the project to Worthington. No bonds shall be sold under
 57.35 this subdivision until the commissioner determines that a nonstate match of at least

58.1 \$9,000,000 is committed to this project phase. Upon certification by the Lewis and Clark
58.2 Joint Powers Board that the bond sale authorization provided by this subdivision has fully
58.3 met the needs of Phase 2 of the project, and to the extent there is additional authorization
58.4 remaining, this authorization is also available for the purposes of and on the same conditions
58.5 as subdivision 2b.

58.6 Subd. 2b. **Additional project authorization.** Appropriation bonds may be sold and
58.7 issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient
58.8 money to the Public Facilities Authority under subdivision 7, paragraph (b), not to exceed
58.9 \$11,500,000 net of costs of issuance, for the purposes as provided under this subdivision,
58.10 and pay debt service including capitalized interest, costs of issuance, costs of credit
58.11 enhancement, or make payments under other agreements entered into under subdivision 2,
58.12 paragraph (d). The bonds authorized by this subdivision are for the purposes of financing
58.13 the land acquisition, design, engineering, and construction of facilities and infrastructure
58.14 necessary to complete Phase 3 of the Lewis and Clark Regional Water System project,
58.15 including extension of the project from the Lincoln-Pipestone Rural Water System connection
58.16 near Adrian to Worthington, construction of a reservoir in Nobles County and a meter
58.17 building in Worthington, and acquisition and installation of a supervisory control and data
58.18 acquisition (SCADA) system. No bonds shall be sold under this subdivision until the
58.19 commissioner determines that a nonstate match of at least \$9,000,000 is committed to the
58.20 final phase of the project.

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

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

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

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

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

58.33 **Subd. 4. Refunding bonds.** The commissioner may issue appropriation bonds for the
58.34 purpose of refunding any appropriation bonds then outstanding, including the payment of

59.1 any redemption premiums on the bonds, any interest accrued or to accrue to the redemption
 59.2 date, and costs related to the issuance and sale of the refunding bonds. The proceeds of any
 59.3 refunding bonds may, in the discretion of the commissioner, be applied to the purchase or
 59.4 payment at maturity of the appropriation bonds to be refunded, to the redemption of the
 59.5 outstanding appropriation bonds on any redemption date, or to pay interest on the refunding
 59.6 bonds and may, pending application, be placed in escrow to be applied to the purchase,
 59.7 payment, retirement, or redemption. Any escrowed proceeds, pending such use, may be
 59.8 invested and reinvested in obligations that are authorized investments under section 11A.24.
 59.9 The income earned or realized on the investment may also be applied to the payment of the
 59.10 appropriation bonds to be refunded or interest or premiums on the refunded appropriation
 59.11 bonds, or to pay interest on the refunding bonds. After the terms of the escrow have been
 59.12 fully satisfied, any balance of the proceeds and any investment income may be returned to
 59.13 the general fund or, if applicable, the special appropriation Lewis and Clark bond proceeds
 59.14 fund for use in any lawful manner. All refunding bonds issued under this subdivision must
 59.15 be prepared, executed, delivered, and secured by appropriations in the same manner as the
 59.16 appropriation bonds to be refunded.

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

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

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

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

59.26 **Subd. 6. No full faith and credit; state not required to make appropriations.** The
 59.27 appropriation bonds are not public debt of the state, and the full faith, credit, and taxing
 59.28 powers of the state are not pledged to the payment of the appropriation bonds or to any
 59.29 payment that the state agrees to make under this section. Appropriation bonds shall not be
 59.30 obligations paid directly, in whole or in part, from a tax of statewide application on any
 59.31 class of property, income, transaction, or privilege. Appropriation bonds shall be payable
 59.32 in each fiscal year only from amounts that the legislature may appropriate for debt service
 59.33 for any fiscal year, provided that nothing in this section shall be construed to require the
 59.34 state to appropriate money sufficient to make debt service payments with respect to the

60.1 appropriation bonds in any fiscal year. Appropriation bonds shall be canceled and shall no
 60.2 longer be outstanding on the earlier of (1) the first day of a fiscal year for which the
 60.3 legislature shall not have appropriated amounts sufficient for debt service, or (2) the date
 60.4 of final payment of the principal of and interest on the appropriation bonds.

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

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

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

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

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

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

60.24 Subd. 8. **Appropriation for debt service and other purposes.** (a) An amount, up to
 60.25 \$1,351,000 needed to pay principal and interest on appropriation bonds issued under this
 60.26 section subdivision 2a is appropriated each fiscal year from the general fund to the
 60.27 commissioner, subject to repeal, unallotment under section 16A.152, or cancellation,
 60.28 otherwise pursuant to subdivision 6, for deposit into the bond payments account established
 60.29 for such purpose in the special Lewis and Clark appropriation bond proceeds fund. The
 60.30 appropriation is available beginning in fiscal year 2017 and through fiscal year 2038.

60.31 (b) An amount up to \$876,000 needed to pay principal and interest on appropriation
 60.32 bonds issued under subdivision 2b is appropriated each fiscal year from the general fund
 60.33 to the commissioner, subject to repeal, unallotment under section 16A.152, or cancellation,

61.1 otherwise pursuant to subdivision 6, for deposit into the bond payments account established
 61.2 for such purpose in the special Lewis and Clark appropriation bond proceeds fund. The
 61.3 appropriation is available beginning in fiscal year 2018 and through fiscal year 2039. The
 61.4 appropriation in fiscal year 2018 is limited to \$438,000.

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

61.8 **Sec. 2. [16A.968] DULUTH STEAM PLANT APPROPRIATION BONDS.**

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

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

61.12 (1) money appropriated by law from the general fund in any biennium for debt service
 61.13 due with respect to obligations described in subdivision 2, paragraph (a);

61.14 (2) proceeds of the sale of obligations described in subdivision 2, paragraph (a);

61.15 (3) payments received for that purpose under agreements and ancillary arrangements
 61.16 described in subdivision 2, paragraph (d); and

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

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

61.20 Subd. 2. **Authorization to issue appropriation bonds.** (a) Subject to the limitations of
 61.21 this subdivision, the commissioner may sell and issue appropriation bonds of the state under
 61.22 this section for public purposes as provided by law, including, in particular, for the purposes
 61.23 of financing the predesign, design, engineering, renovation, construction, furnishing, and
 61.24 equipping of facilities and infrastructure to upgrade the Duluth district heating facility and
 61.25 systems, including conversion of the distribution system along Superior Street from steam
 61.26 with no condensate return, to closed-loop hot water. Appropriation bonds may be sold and
 61.27 issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient
 61.28 money to the commissioner of employment and economic development under subdivision
 61.29 7, not to exceed \$21,000,000 net of costs of issuance, for the purposes as provided under
 61.30 this subdivision, and to pay debt service including capitalized interest, costs of issuance,
 61.31 costs of credit enhancement, or make payments under other agreements entered into under

62.1 paragraph (d). No bonds shall be sold under this subdivision until the commissioner
62.2 determines that amounts sufficient to complete the project have been committed.

62.3 (b) Proceeds of the appropriation bonds must be credited to a special appropriation
62.4 Duluth Steam Plant bond proceeds fund in the state treasury. All income from investment
62.5 of the bond proceeds, as estimated by the commissioner, is appropriated to the commissioner
62.6 for the payment of principal and interest on the appropriation bonds.

62.7 (c) Appropriation bonds may be issued in one or more issues or series on the terms and
62.8 conditions the commissioner determines to be in the best interests of the state, but the term
62.9 on any series of appropriation bonds may not exceed 21 years. The appropriation bonds of
62.10 each issue and series thereof shall be dated and bear interest, and may be includable in or
62.11 excludable from the gross income of the owners for federal income tax purposes.

62.12 (d) At the time of, or in anticipation of, issuing the appropriation bonds, and at any time
62.13 thereafter, so long as the appropriation bonds are outstanding, the commissioner may enter
62.14 into agreements and ancillary arrangements relating to the appropriation bonds, including
62.15 but not limited to trust indentures, grant agreements, lease or use agreements, operating
62.16 agreements, management agreements, liquidity facilities, remarketing or dealer agreements,
62.17 letter of credit agreements, insurance policies, guaranty agreements, reimbursement
62.18 agreements, indexing agreements, or interest exchange agreements. Any payments made
62.19 or received according to the agreement or ancillary arrangement shall be made from or
62.20 deposited as provided in the agreement or ancillary arrangement. The determination of the
62.21 commissioner included in an interest exchange agreement that the agreement relates to an
62.22 appropriation bond shall be conclusive.

62.23 (e) The commissioner may enter into written agreements or contracts relating to the
62.24 continuing disclosure of information necessary to comply with or facilitate the issuance of
62.25 appropriation bonds in accordance with federal securities laws, rules, and regulations,
62.26 including Securities and Exchange Commission rules and regulations in Code of Federal
62.27 Regulations, title 17, section 240.15c 2-12. An agreement may be in the form of covenants
62.28 with purchasers and holders of appropriation bonds set forth in the order or resolution
62.29 authorizing the issuance of the appropriation bonds, or a separate document authorized by
62.30 the order or resolution.

62.31 (f) The appropriation bonds are not subject to chapter 16C.

62.32 Subd. 3. **Form; procedure.** (a) Appropriation bonds may be issued in the form of bonds,
62.33 notes, or other similar instruments, and in the manner provided in section 16A.672. In the

63.1 event that any provision of section 16A.672 conflicts with this section, this section shall
63.2 control.

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

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

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

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

63.11 Subd. 4. **Refunding bonds.** The commissioner may issue appropriation bonds for the
63.12 purpose of refunding any appropriation bonds then outstanding, including the payment of
63.13 any redemption premiums on the bonds, any interest accrued or to accrue to the redemption
63.14 date, and costs related to the issuance and sale of the refunding bonds. The proceeds of any
63.15 refunding bonds may, in the discretion of the commissioner, be applied to the purchase or
63.16 payment at maturity of the appropriation bonds to be refunded, to the redemption of the
63.17 outstanding appropriation bonds on any redemption date, or to pay interest on the refunding
63.18 bonds and may, pending application, be placed in escrow to be applied to the purchase,
63.19 payment, retirement, or redemption. Any escrowed proceeds, pending such use, may be
63.20 invested and reinvested in obligations that are authorized investments under section 11A.24.
63.21 The income earned or realized on the investment may also be applied to the payment of the
63.22 appropriation bonds to be refunded or interest or premiums on the refunded appropriation
63.23 bonds, or to pay interest on the refunding bonds. After the terms of the escrow have been
63.24 fully satisfied, any balance of the proceeds and any investment income may be returned to
63.25 the general fund or, if applicable, the special appropriation Duluth Steam Plant proceeds
63.26 fund for use in any lawful manner. All refunding bonds issued under this subdivision must
63.27 be prepared, executed, delivered, and secured by appropriations in the same manner as the
63.28 appropriation bonds to be refunded.

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

63.32 (1) the state, the Investment Board, public officers, municipal corporations, political
63.33 subdivisions, and public bodies;

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

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

64.5 Subd. 6. **No full faith and credit; state not required to make appropriations.** The
 64.6 appropriation bonds are not public debt of the state, and the full faith, credit, and taxing
 64.7 powers of the state are not pledged to the payment of the appropriation bonds or to any
 64.8 payment that the state agrees to make under this section. Appropriation bonds shall not be
 64.9 obligations paid directly, in whole or in part, from a tax of statewide application on any
 64.10 class of property, income, transaction, or privilege. Appropriation bonds shall be payable
 64.11 in each fiscal year only from amounts that the legislature may appropriate for debt service
 64.12 for any fiscal year, provided that nothing in this section shall be construed to require the
 64.13 state to appropriate money sufficient to make debt service payments with respect to the
 64.14 appropriation bonds in any fiscal year. Appropriation bonds shall be canceled and shall no
 64.15 longer be outstanding on the earlier of (1) the first day of a fiscal year for which the
 64.16 legislature shall not have appropriated amounts sufficient for debt service, or (2) the date
 64.17 of final payment of the principal of and interest on the appropriation bonds.

64.18 Subd. 7. **Appropriation of proceeds.** The proceeds of appropriation bonds issued under
 64.19 subdivision 2, paragraph (a), and interest credited to the special appropriation Duluth Steam
 64.20 Plant bond proceeds fund are appropriated as follows:

64.21 (1) to the commissioner of employment and economic development for a grant to the
 64.22 city of Duluth for payment of capital expenses as specified in subdivision 2, paragraph (a);
 64.23 and

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

64.28 Subd. 8. **Appropriation for debt service and other purposes.** An amount, up to
 64.29 \$1,600,000 needed to pay principal and interest on appropriation bonds issued under
 64.30 subdivision 2, paragraph (a), is appropriated each fiscal year from the general fund to the
 64.31 commissioner, subject to repeal, unallotment under section 16A.152, or cancellation,
 64.32 otherwise pursuant to subdivision 6, for deposit into the bond payments account established
 64.33 for such purpose in the special Duluth Steam Plant appropriation bond proceeds fund. The

65.1 appropriation is available beginning in fiscal year 2018 and through fiscal year 2039. The
65.2 appropriation in fiscal year 2018 is limited to \$800,000.

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

65.6 Sec. 3. Minnesota Statutes 2016, section 84.946, subdivision 2, is amended to read:

65.7 Subd. 2. **Standards.** (a) An appropriation for asset preservation may be used only for a
65.8 capital expenditure on a capital asset previously owned by the state, within the meaning of
65.9 generally accepted accounting principles as applied to public expenditures. The commissioner
65.10 of natural resources will consult with the commissioner of management and budget to the
65.11 extent necessary to ensure this and will furnish the commissioner of management and budget
65.12 a list of projects to be financed from the account in order of their priority. The legislature
65.13 assumes that many projects for preservation and replacement of portions of existing capital
65.14 assets will constitute betterments and capital improvements within the meaning of the
65.15 Constitution and capital expenditures under generally accepted accounting principles, and
65.16 will be financed more efficiently and economically under this section than by direct
65.17 appropriations for specific projects.

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

65.20 (c) Capital budget expenditures for natural resource asset preservation and replacement
65.21 projects must be for one or more of the following types of capital projects that support the
65.22 existing programmatic mission of the department: code compliance including health and
65.23 safety, Americans with Disabilities Act requirements, hazardous material abatement, access
65.24 improvement, or air quality improvement; building energy efficiency improvements using
65.25 current best practices; building or infrastructure repairs necessary to preserve the interior
65.26 and exterior of existing buildings; projects to remove life safety hazards such as building
65.27 code violations or structural defects; or renovation of other existing improvements to land,
65.28 including but not limited to trails and bridges.

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

66.1 Sec. 4. Minnesota Statutes 2016, section 85.34, subdivision 1, is amended to read:

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

66.21 Sec. 5. [174.13] TRANSPORTATION FACILITIES CAPITAL PROGRAM.

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

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

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

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

66.28 Projects under the transportation facilities capital program are funded by proceeds from the
 66.29 sale of trunk highway bonds or from other funds appropriated for the purposes of this section.

66.30 (b) A transportation facilities capital account is established in the trunk highway fund.

66.31 The account consists of all money appropriated from the trunk highway fund for the purposes
 66.32 of this section and any other money donated, allotted, transferred, or otherwise provided to

67.1 the account by law. Money in the account is appropriated to the commissioner for the
67.2 purposes specified and consistent with the standards and criteria set forth in this section.

67.3 (c) A transportation facilities capital account is established in the bond proceeds account
67.4 of the trunk highway fund. The account consists of trunk highway bond proceeds appropriated
67.5 to the commissioner. Money in the account may only be expended on trunk highway
67.6 purposes, which includes the purposes in this section.

67.7 Subd. 2. **Standards.** (a) Article XIV, section 11, of the Minnesota Constitution states
67.8 that trunk highway bonds may be issued to finance the construction, improvement, and
67.9 maintenance of the public highway system in the state. The legislature assumes that many
67.10 projects for preservation and replacement of portions of existing capital assets constitute
67.11 the construction, improvement, and maintenance of the public highway system within the
67.12 meaning of the Minnesota Constitution and capital expenditures under generally accepted
67.13 accounting principles, and shall be financed more efficiently and economically under the
67.14 program than by direct appropriations for specific projects.

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

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

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

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

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

67.31 (2) the urgency in ensuring the safe use of existing buildings;

67.32 (3) the project's total life-cycle cost;

- 68.1 (4) additional criteria for priorities otherwise specified in state law, statute, or rule that
68.2 applies to a category listed in the act making an appropriation for the program; and
68.3 (5) any other criteria the commissioner deems necessary

68.4 Sec. 6. [219.016] CRUDE OIL AND HAZARDOUS MATERIALS RAIL SAFETY
68.5 ACCOUNT.

68.6 Subdivision 1. Purpose. A hazardous materials rail safety program is established for
68.7 the purpose of reducing the risks associated with the transportation of hazardous material
68.8 by rail.

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

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

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

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

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

68.30 (2) roadway traffic volumes and speeds;

68.31 (3) train volumes and speeds;

68.32 (4) adjacent land use;

- 69.1 (5) crash history;
 69.2 (6) use of the crossing by emergency vehicles;
 69.3 (7) use of the crossing by vehicles carrying hazardous materials; and
 69.4 (8) local financial contributions to the project.

69.5 Sec. 7. Minnesota Statutes 2016, section 219.166, is amended to read:

69.6 **219.166 ESTABLISHMENT OF QUIET ZONES.**

69.7 Subdivision 1. **Eligible applicants.** A county, statutory or home rule charter city, or
 69.8 town may apply to the Federal Railroad Administration for the establishment of a "quiet
 69.9 zone" at a public highway-rail grade crossing in which the sounding of horns, whistles, or
 69.10 other audible warnings by locomotives is regulated or prohibited. All quiet zones, regulations,
 69.11 and ordinances adopted under this section must conform to federal law and the regulations
 69.12 of the Federal Railroad Administration under ~~United States~~ Code of Federal Regulations,
 69.13 title 49, ~~section 20153~~ parts 222 and 229.

69.14 Subd. 2. **Purpose of program.** A public highway-rail grade crossing quiet zone program
 69.15 is established for the purpose of improving and rehabilitating railroad rights-of-way and
 69.16 other public and private rail facilities, including necessary safety-related capital improvements
 69.17 at public highway-rail grade crossings where quiet zones are established.

69.18 Subd. 3. **Creation of account.** A public highway-rail grade crossing quiet zone account
 69.19 is established in the bond proceeds fund. Money in the account may only be used for capital
 69.20 costs associated with the establishment of a quiet zone at a public highway-rail grade
 69.21 crossing.

69.22 Subd. 4. **Eligible applicants for state assistance.** Counties, statutory or home rule
 69.23 charter cities, or towns that are responsible for traffic control or law enforcement at a public
 69.24 highway-rail grade crossing qualify as eligible applicants to the Federal Railroad
 69.25 Administration (FRA) for the establishment of a quiet zone may apply to the commissioner
 69.26 for financial assistance for establishment of a quiet zone.

69.27 Subd. 5. **Grants.** The commissioner may approve grants for financial assistance to
 69.28 eligible applicants for capital costs associated with the establishment of a quiet zone at a
 69.29 public highway-rail grade crossing. Qualifying capital costs include, but are not limited to,
 69.30 the installation of grade crossing active warning devices and other traffic control devices
 69.31 and associated roadwork necessary to meet the FRA criteria for approval of the quiet zone.

70.1 Subd. 6. **Criteria for grant award.** The commissioner shall consider the following
 70.2 criteria to evaluate applications for a grant award for a quiet zone project:

70.3 (1) the number of residents that will benefit from the establishment of the quiet zone
 70.4 through a reduction in train horn noise;

70.5 (2) the number of existing grade crossings that will be closed, thereby improving public
 70.6 safety;

70.7 (3) evidence that the project meets FRA qualifications and requirements for a quiet zone,
 70.8 without the need for additional annual review by FRA per federal quiet zone regulations;

70.9 (4) nonstate financial participation as a percentage of total project cost; and

70.10 (5) the amount of state financial participation per resident benefiting from the project.

70.11 Sec. 8. Minnesota Statutes 2016, section 256E.37, is amended to read:

70.12 **256E.37 EARLY CHILDHOOD LEARNING AND CHILD PROTECTION**
 70.13 **FACILITIES.**

70.14 Subdivision 1. **Grant authority.** The commissioner may make grants to state agencies
 70.15 and political subdivisions to construct or rehabilitate facilities for early childhood programs;
 70.16 ~~erisis nurseries, or parenting time centers.~~ The following requirements apply:

70.17 (1) The facilities must be owned by the state or a political subdivision, but may be leased
 70.18 under section 16A.695 to organizations that operate the programs. The commissioner must
 70.19 prescribe the terms and conditions of the leases.

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

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

70.26 ~~(4) At least 80 percent of grant funds must be distributed to facilities located in counties~~
 70.27 ~~not included in the definition under section 473.121, subdivision 4.~~

70.28 Subd. 2. **Grant priority.** (a) The commissioner must give priority to:

70.29 (1) projects located in counties not included in the definition under section 473.121,
 70.30 subdivision 4;

71.1 (2) projects in counties or municipalities with the highest percentage of children living
71.2 in poverty;

71.3 ~~(2)~~ (3) grants that involve collaboration among sponsors of programs under this section;
71.4 and

71.5 ~~(3)~~ (4) where feasible, grants for programs that utilize Youthbuild under sections
71.6 116L.361 to 116L.366 for at least 25 percent of each grant awarded or \$50,000 of the labor
71.7 portion of the construction, whichever is less, if:

71.8 ~~(i) the work is appropriate for Youthbuild, as mutually agreed upon by the grantee and
71.9 the local Youthbuild program, considering safety and skills needed;~~

71.10 ~~(ii) it is demonstrated by Youthbuild that using Youthbuild will not increase the overall
71.11 cost of the project; and~~

71.12 ~~(iii) eligible programs consult with appropriate labor organizations to deliver education
71.13 and training.~~

71.14 (b) The commissioner may give priority to:

71.15 (1) projects that collaborate with child care providers, including all-day and school-age
71.16 child care programs, special needs care, sick child care, nontraditional hour care, and
71.17 programs that include services to refugee and immigrant families; and

71.18 ~~(2) grants for programs that will increase their child care workers' wages as a result of
71.19 the grant; and~~

71.20 ~~(3)~~ (2) projects that will improve the quality of early childhood programs.

71.21 Sec. 9. Minnesota Statutes 2016, section 363A.36, is amended to read:

71.22 **363A.36 CERTIFICATES OF COMPLIANCE FOR PUBLIC CONTRACTS.**

71.23 Subdivision 1. **Scope of application.** (a) For all contracts for goods and services in
71.24 excess of \$100,000, no department or agency of the state shall accept any bid or proposal
71.25 for a contract or agreement from any business having more than 40 full-time employees
71.26 within this state on a single working day during the previous 12 months, unless the
71.27 commissioner is in receipt of the business' affirmative action plan for the employment of
71.28 minority persons, women, and qualified disabled individuals. No department or agency of
71.29 the state shall execute any such contract or agreement until the affirmative action plan has
71.30 been approved by the commissioner. Receipt of a certificate of compliance issued by the
71.31 commissioner shall signify that a firm or business has an affirmative action plan that has
71.32 been approved by the commissioner. A certificate shall be valid for a period of four years.

72.1 A municipality as defined in section 466.01, subdivision 1, that receives state money for
 72.2 any reason is encouraged to prepare and implement an affirmative action plan for the
 72.3 employment of minority persons, women, and the qualified disabled and submit the plan
 72.4 to the commissioner.

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

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

72.15 (d) The commissioner shall issue a certificate of compliance or notice of denial within
 72.16 15 days of the application submitted by the business or firm.

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

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

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

72.31 Subd. 4. **Revocation of contract.** A contract awarded by a department or agency of the
 72.32 state, or any other public officer or agency subject to section 16A.695, may be terminated
 72.33 or abridged by the department or agency, or other public officer or agency subject to section
 72.34 16A.695, because of suspension or revocation of a certificate based upon a contractor's

73.1 failure to implement or make a good faith effort to implement an affirmative action plan
 73.2 approved by the commissioner under this section. If a contract is awarded to a person who
 73.3 does not have a contract compliance certificate required under subdivision 1, the
 73.4 commissioner may void the contract on behalf of the state.

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

73.9 Sec. 10. Minnesota Statutes 2016, section 363A.44, subdivision 1, is amended to read:

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

73.17 (b) This section does not apply to a business with respect to a specific contract if the
 73.18 commissioner of administration determines that application of this section would cause
 73.19 undue hardship to the contracting entity. This section does not apply to a contract to provide
 73.20 goods and services to individuals under chapters 43A, 62A, 62C, 62D, 62E, 256B, 256I,
 73.21 256L, and 268A, with a business that has a license, certification, registration, provider
 73.22 agreement, or provider enrollment contract that is prerequisite to providing those goods and
 73.23 services. This section does not apply to contracts entered into by the State Board of
 73.24 Investment for investment options under section 352.965, subdivision 4.

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

73.28 Sec. 11. Minnesota Statutes 2016, section 446A.072, is amended to read:

73.29 **446A.072 ~~WASTEWATER~~ WATER INFRASTRUCTURE FUNDING PROGRAM.**

73.30 Subdivision 1. **Establishment of program.** The authority will establish a ~~wastewater~~
 73.31 water infrastructure funding program to provide supplemental assistance to governmental
 73.32 units receiving funding through the clean water revolving fund program, the drinking water

74.1 revolving fund program, or the United States Department of Agriculture Rural Economic
74.2 and Community Development's (USDA/RECD) Water and Waste Disposal Loans and
74.3 Grants program for the predesign, design, and construction of municipal wastewater ~~treatment~~
74.4 and drinking water systems, including purchase of land and easements. The purpose of the
74.5 program is to assist governmental units demonstrating financial need to build cost-effective
74.6 projects to address existing environmental or public health problems. To implement the
74.7 program, the authority shall establish a ~~wastewater~~ water infrastructure fund to provide
74.8 grants ~~and loans~~ for the purposes authorized under title VI of the Federal Water Pollution
74.9 Control Act and the federal Safe Drinking Water Act. The fund shall be credited with all
74.10 investment income from the fund and all repayments of loans, grants, and penalties.

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

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

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

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

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

74.23 (c) For a governmental unit not receiving grant funding from the USDA/RECD,
74.24 application must be made to the authority on forms prescribed by the authority for the clean
74.25 water revolving fund program or the drinking water revolving fund program with additional
74.26 information as required by the authority. In accordance with section 116.182, the Pollution
74.27 Control Agency or Department of Health shall:

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

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

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

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

75.16 (b) For a governmental unit receiving a loan from the clean water revolving fund under
 75.17 section 446A.07, the authority may provide assistance under this section in the form of a
 75.18 grant if the average annual residential wastewater system cost after completion of the project
 75.19 would otherwise exceed 1.4 percent of the median household income of the project service
 75.20 area. In determining whether the average annual residential wastewater system cost would
 75.21 exceed 1.4 percent, the authority must consider the total costs associated with building,
 75.22 operating, and maintaining the wastewater system, including existing wastewater debt
 75.23 service, debt service on the eligible project cost, and operation and maintenance costs. Debt
 75.24 service costs for the proposed project are calculated based on the maximum loan term
 75.25 permitted for the clean water revolving fund loan under section 446A.07, subdivision 7.
 75.26 The amount of the grant is equal to 80 percent of the amount needed to reduce the average
 75.27 annual residential wastewater system cost to 1.4 percent of median household income in
 75.28 the project service area, to a maximum of ~~\$4,000,000~~ \$5,000,000 per project or ~~\$15,000~~
 75.29 \$20,000 per existing connection, whichever is less, unless specifically approved by law.
 75.30 The eligible project cost is determined by multiplying the total project costs minus any other
 75.31 grants by the essential project component percentage calculated under subdivision 3,
 75.32 paragraph (c), clause (1). In no case may the amount of the grant exceed 80 percent of the
 75.33 eligible project cost.

75.34 (c) For a governmental unit receiving a loan from the drinking water revolving fund
 75.35 under section 446A.081, the authority may provide assistance under this section in the form

76.1 of a grant if the average annual residential drinking water system cost after completion of
 76.2 the project would otherwise exceed 1.2 percent of the median household income of the
 76.3 project service area. In determining whether the average annual residential drinking water
 76.4 system cost would exceed 1.2 percent, the authority must consider the total costs associated
 76.5 with building, operating, and maintaining the drinking water system, including existing
 76.6 drinking water debt service, debt service on the eligible project cost, and operation and
 76.7 maintenance costs. Debt service costs for the proposed project are calculated based on the
 76.8 maximum loan term permitted for the drinking water revolving fund loan under section
 76.9 446A.081, subdivision 8, paragraph (c). The amount of the grant is equal to 80 percent of
 76.10 the amount needed to reduce the average annual residential drinking water system cost to
 76.11 1.2 percent of median household income in the project service area, to a maximum of
 76.12 \$5,000,000 per project or \$20,000 per existing connection, whichever is less, unless
 76.13 specifically approved by law. The eligible project cost is determined by multiplying the
 76.14 total project costs minus any other grants by the essential project component percentage
 76.15 calculated under subdivision 3, paragraph (c), clause (1). In no case may the amount of the
 76.16 grant exceed 80 percent of the eligible project cost.

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

76.23 ~~Subd. 5b. **Special assessment deferral.** A governmental unit receiving a loan under~~
 76.24 ~~subdivision 5a that levies special assessments to repay the loan under subdivision 5a or~~
 76.25 ~~section 446A.07 may defer payment of such assessments under the provisions of sections~~
 76.26 ~~435.193 to 435.195.~~

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

76.31 ~~Subd. 7. **Loan repayments.** Notwithstanding the limitations set forth in section 475.54,~~
 76.32 ~~subdivision 1, this subdivision shall govern the maturities and mandatory sinking fund~~
 76.33 ~~redemptions of the loans under this section. A governmental unit receiving a loan under~~
 76.34 ~~this section shall repay the loan in semiannual payment amounts determined by the authority.~~
 76.35 ~~The payment amount must be based on the average payments on the governmental unit's~~

77.1 ~~clean water revolving fund loan or, if greater, the minimum amount required to fully repay~~
 77.2 ~~the loan by the maturity date. Payments must begin within one year of the date of the~~
 77.3 ~~governmental unit's final payment on the clean water revolving fund loan. The final maturity~~
 77.4 ~~date of the loan under this section must be no later than 20 years from the date of the first~~
 77.5 ~~payment on the loan under this section and no later than 40 years from the date of the first~~
 77.6 ~~payment on the clean water revolving fund loan.~~

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

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

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

77.21 Subd. 12. **System replacement fund.** Each governmental unit receiving a ~~loan or grant~~
 77.22 under this section shall establish a system replacement fund and shall annually deposit a
 77.23 minimum of \$.50 per 1,000 gallons of flow for major rehabilitation ~~or~~ expansion, or
 77.24 replacement of the ~~treatment~~ wastewater or drinking water system, ~~or replacement of the~~
 77.25 ~~treatment system at the end of its useful life.~~ Money must remain in the account for the life
 77.26 of the corresponding project loan from the authority or USDA/RECD, unless use of the
 77.27 fund is approved in writing by the authority for major rehabilitation, expansion, or
 77.28 replacement of the ~~treatment~~ wastewater or drinking water system. By March 1 each year
 77.29 during the life of the loan, each recipient shall submit a report to the authority regarding the
 77.30 amount deposited and the fund balance for the prior calendar year. A recipient is not required
 77.31 to maintain a fund balance greater than the amount of the grant received. Failure to comply
 77.32 with the requirements of this subdivision shall result in the authority assessing a penalty
 77.33 fee to the recipient equal to one percent of the supplemental assistance amount for each
 77.34 year of noncompliance. ~~Failure to make the required deposit or pay the penalty fee as~~
 77.35 ~~required constitutes a default on the loan.~~

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

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

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

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

78.10 Sec. 12. Minnesota Statutes 2016, section 446A.073, is amended to read:

78.11 **446A.073 POINT SOURCE IMPLEMENTATION GRANTS.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

79.26 Sec. 13. Minnesota Statutes 2016, section 446A.081, subdivision 9, is amended to read:

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

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

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

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

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

80.8 (5) to earn interest on fund accounts;

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

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

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

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

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

80.24 ~~(b) Principal forgiveness or grants under paragraph (a), clause (8), must only be provided~~
80.25 ~~if the average annual residential drinking water system cost after completion of the project~~
80.26 ~~would otherwise exceed 1.2 percent of the median household income in the project service~~
80.27 ~~area. In determining whether the average annual residential drinking water system cost~~
80.28 ~~would exceed 1.2 percent, the authority must consider the total costs associated with building,~~
80.29 ~~operating, and maintaining the drinking water system, including debt service and operation~~
80.30 ~~and maintenance costs. Debt service costs for the proposed project must be calculated based~~
80.31 ~~on the maximum loan term permitted for the drinking water revolving fund loan under this~~
80.32 ~~section. The amount of the principal forgiveness or grant must be equal to 80 percent of the~~
80.33 ~~amount needed to reduce the average annual residential drinking water system cost to 1.2~~

81.1 percent of median household income in the project service area, to a maximum of \$4,000,000
 81.2 or \$15,000 per connection, whichever is less, and not to exceed 80 percent of the total project
 81.3 cost.

81.4 ~~(e)~~ (b) Principal forgiveness or grants provided under paragraph (a), clause (9), may not
 81.5 exceed 25 percent of the eligible project costs as determined by the Department of Health
 81.6 for project components directly related to green infrastructure, water or energy efficiency
 81.7 improvements, or other environmentally innovative activities, up to a maximum of
 81.8 \$1,000,000.

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

81.15 Sec. 14. Minnesota Statutes 2016, section 446A.12, subdivision 1, is amended to read:

81.16 Subdivision 1. **Bonding authority.** The authority may issue negotiable bonds in a
 81.17 principal amount that the authority determines necessary to provide sufficient funds for
 81.18 achieving its purposes, including the making of loans and purchase of securities, the payment
 81.19 of interest on bonds of the authority, the establishment of reserves to secure its bonds, the
 81.20 payment of fees to a third party providing credit enhancement, and the payment of all other
 81.21 expenditures of the authority incident to and necessary or convenient to carry out its corporate
 81.22 purposes and powers, but not including the making of grants. Bonds of the authority may
 81.23 be issued as bonds or notes or in any other form authorized by law. The principal amount
 81.24 of bonds issued and outstanding under this section at any time may not exceed
 81.25 ~~\$1,500,000,000~~ \$2,000,000,000, excluding bonds for which refunding bonds or crossover
 81.26 refunding bonds have been issued, and excluding any bonds issued for the credit enhanced
 81.27 bond program or refunding or crossover refunding bonds issued under the program. The
 81.28 principal amount of bonds issued and outstanding under section 446A.087, may not exceed
 81.29 \$500,000,000, excluding bonds for which refunding bonds or crossover refunding bonds
 81.30 have been issued.

81.31 Sec. 15. Minnesota Statutes 2016, section 462A.37, subdivision 1, is amended to read:

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

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

82.2 ~~(e)~~ (b) "Community land trust" means an entity that meets the requirements of section
82.3 462A.31, subdivisions 1 and 2.

82.4 ~~(d)~~ (c) "Debt service" means the amount payable in any fiscal year of principal, premium,
82.5 if any, and interest on housing infrastructure bonds and the fees, charges, and expenses
82.6 related to the bonds.

82.7 ~~(e) "Foreclosed property" means residential property where foreclosure proceedings
82.8 have been initiated or have been completed and title transferred or where title is transferred
82.9 in lieu of foreclosure.~~

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

82.16 ~~(g)~~ (e) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

82.17 (f) "Senior" means a person 55 years of age or older with an annual household income
82.18 not greater than 50 percent of:

82.19 (1) the metropolitan area median income for persons in the metropolitan area as defined
82.20 in section 473.121, subdivision 2; or

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

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

82.28 (h) "Supportive housing" means housing that is not time-limited and provides or
82.29 coordinates with linkages to services necessary for residents to maintain housing stability
82.30 and maximize opportunities for education and employment.

82.31 **EFFECTIVE DATE.** This section is effective the day following final enactment for
82.32 bonds authorized in 2016 and thereafter.

83.1 Sec. 16. Minnesota Statutes 2016, section 462A.37, subdivision 2, is amended to read:

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

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

83.9 ~~(2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned~~
83.10 ~~housing to be used for affordable rental housing and the costs of new construction of rental~~
83.11 ~~housing on abandoned or foreclosed property where the existing structures will be demolished~~
83.12 ~~or removed;~~

83.13 ~~(3)~~ (2) to finance that portion of the costs of acquisition of property that is attributable
83.14 to the land to be leased by community land trusts to low- and moderate-income homebuyers;
83.15 ~~and~~

83.16 ~~(4)~~ (3) to finance the costs of acquisition and rehabilitation of federally assisted rental
83.17 housing and for the refinancing of costs of the construction, acquisition, and rehabilitation
83.18 of federally assisted rental housing, including providing funds to refund, in whole or in part,
83.19 outstanding bonds previously issued by the agency or another government unit to finance
83.20 or refinance such costs; and

83.21 (4) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction
83.22 of senior housing.

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

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

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

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

84.1 (1) demonstrate a commitment to maintaining the housing financed as affordable to
 84.2 seniors;

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

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

84.7 (4) provide a service plan containing the elements of item (3) reviewed by the housing
 84.8 authority, economic development authority, public housing authority, or community
 84.9 development agency that has an area of operation for the jurisdiction in which the project
 84.10 is located; and

84.11 (5) include households with incomes that do not exceed 30 percent of the median
 84.12 household income for the metropolitan area as defined in section 473.121, subdivision 2.

84.13 To the extent practicable, the agency shall balance the loans made between projects in the
 84.14 metropolitan area, as defined in section 473.121, subdivision 2, and projects outside the
 84.15 metropolitan area. Of the loans made to projects outside the metropolitan area, the agency
 84.16 shall, to the extent practicable, balance the loans made between projects in counties or cities
 84.17 with a population of 20,000 or less, as established by the most recent decennial census, and
 84.18 projects in counties or cities with populations in excess of 20,000.

84.19 **EFFECTIVE DATE.** This section is effective the day following final enactment for
 84.20 bonds authorized in 2016 and thereafter.

84.21 Sec. 17. Minnesota Statutes 2016, section 462A.37, subdivision 2a, is amended to read:

84.22 Subd. 2a. **Additional authorization.** In addition to the amount authorized in subdivision
 84.23 2, the agency may issue up to ~~\$80,000,000~~ \$97,000,000 of housing infrastructure bonds in
 84.24 one or more series to which the payments made under this section may be pledged.

84.25 Sec. 18. Minnesota Statutes 2016, section 462A.37, subdivision 2b, is amended to read:

84.26 Subd. 2b. **Additional authorization.** In addition to the amount authorized in subdivisions
 84.27 2 and 2a, the agency may issue up to ~~\$10,000,000~~ \$13,000,000 of housing infrastructure
 84.28 bonds in one or more series to which the payments made under this section may be pledged.

85.1 Sec. 19. Minnesota Statutes 2016, section 462A.37, is amended by adding a subdivision
85.2 to read:

85.3 Subd. 2c. **Additional authorization.** In addition to the amount authorized in subdivisions
85.4 2, 2a, and 2b, the agency may issue up to \$70,000,000 in housing infrastructure bonds in
85.5 one or more series to which the payments under this section may be pledged.

85.6 Sec. 20. Minnesota Statutes 2016, section 462A.37, subdivision 5, is amended to read:

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

85.10 (b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure
85.11 bonds issued under subdivision 2a remain outstanding, the commissioner of management
85.12 and budget must transfer to the housing infrastructure bond account established under section
85.13 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$6,400,000
85.14 annually. The amounts necessary to make the transfers are appropriated from the general
85.15 fund to the commissioner of management and budget.

85.16 (c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure
85.17 bonds issued under subdivision 2b remain outstanding, the commissioner of management
85.18 and budget must transfer to the housing infrastructure bond account established under section
85.19 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$800,000
85.20 annually. The amounts necessary to make the transfers are appropriated from the general
85.21 fund to the commissioner of management and budget.

85.22 (d) Each July 15, beginning in 2018 and through 2039, if any housing infrastructure
85.23 bonds issued under subdivision 2c remain outstanding, the commissioner of management
85.24 and budget must transfer to the housing infrastructure bond account established under section
85.25 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$2,500,000
85.26 in fiscal year 2018 and \$5,000,000 annually thereafter. The amounts necessary to make the
85.27 transfers are appropriated from the general fund to the commissioner of management and
85.28 budget.

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

85.31 Sec. 21. Laws 2015, chapter 75, article 1, section 3, subdivision 3, is amended to read:

85.32 Subd. 3. **State Roads**

86.1	(a) Operations and Maintenance	288,405,000	290,916,000
86.2	The base appropriation in fiscal year 2018 is		
86.3	\$292,140,000 and in fiscal year 2019 is		
86.4	\$301,545,000.		
86.5	(b) Program Planning and Delivery	237,529,000	231,252,000
86.6	\$130,000 in each year is available for		
86.7	administrative costs of the targeted group		
86.8	business program.		
86.9	\$266,000 in each year is available for grants		
86.10	to metropolitan planning organizations outside		
86.11	the seven-county metropolitan area.		
86.12	\$900,000 in each year is available for grants		
86.13	for transportation studies outside the		
86.14	metropolitan area to identify critical concerns,		
86.15	problems, and issues. These grants are		
86.16	available: (1) to regional development		
86.17	commissions; (2) in regions where no regional		
86.18	development commission is functioning, to		
86.19	joint powers boards established under		
86.20	agreement of two or more political		
86.21	subdivisions in the region to exercise the		
86.22	planning functions of a regional development		
86.23	commission; and (3) in regions where no		
86.24	regional development commission or joint		
86.25	powers board is functioning, to the		
86.26	department's district office for that region.		
86.27	\$1,000,000 in each year is available for		
86.28	management of contaminated and regulated		
86.29	material on property owned by the Department		
86.30	of Transportation, including mitigation of		
86.31	property conveyances, facility acquisition or		
86.32	expansion, chemical release at maintenance		
86.33	facilities, and spills on the trunk highway		
86.34	system where there is no known responsible		

87.1 party. If the appropriation for either year is
 87.2 insufficient, the appropriation for the other
 87.3 year is available for it.

87.4 \$6,804,000 in the first year and \$1,000,000 in
 87.5 the second year are available for the purposes
 87.6 stated in Minnesota Statutes, section 12A.16,
 87.7 subdivision 2.

87.8 The base appropriation for program planning
 87.9 and delivery in fiscal year 2018 is
 87.10 \$227,004,000 and in fiscal year 2019 is
 87.11 \$234,331,000.

87.12	(c) State Road Construction	779,664,000	744,166,000
-------	------------------------------------	-------------	-------------

87.13 This appropriation is for the actual
 87.14 construction, reconstruction, and improvement
 87.15 of trunk highways, including design-build
 87.16 contracts, internal department costs associated
 87.17 with delivering the construction program, and
 87.18 consultant usage to support these activities.

87.19 This includes the cost of actual payment to
 87.20 landowners for lands acquired for highway
 87.21 rights-of-way, payment to lessees, interest
 87.22 subsidies, and relocation expenses.

87.23 \$1,000,000 in the first year is to complete
 87.24 projects using funds made available to the
 87.25 commissioner of transportation under title XII
 87.26 of the American Recovery and Reinvestment
 87.27 Act of 2009, Public Law 111-5, and
 87.28 implemented under Minnesota Statutes,
 87.29 section 161.36, subdivision 7.

87.30 \$10,000,000 in each year is for the
 87.31 transportation economic development program
 87.32 under Minnesota Statutes, section 174.12.

87.33 The commissioner may expend up to one-half
 87.34 of one percent of the federal appropriations

88.1 under this paragraph as grants to opportunity
 88.2 industrialization centers and other nonprofit
 88.3 job training centers for job training programs
 88.4 related to highway construction.

88.5 The commissioner may transfer up to
 88.6 \$15,000,000 each year to the transportation
 88.7 revolving loan fund.

88.8 The commissioner may receive money
 88.9 covering other shares of the cost of partnership
 88.10 projects. These receipts are appropriated to
 88.11 the commissioner for these projects.

88.12 The base appropriation for state road
 88.13 construction in each of fiscal years 2018 and
 88.14 2019 is \$695,800,000.

88.15			<u>231,199,000</u>
88.16	(d) Highway Debt Service	197,381,000	<u>234,386,000</u>

88.17 \$187,881,000 the first year and ~~\$221,699,000~~
 88.18 \$224,886,000 the second year are for transfer
 88.19 to the state bond fund. If this appropriation is
 88.20 insufficient to make all transfers required in
 88.21 the year for which it is made, the
 88.22 commissioner of management and budget shall
 88.23 transfer the deficiency amount under the
 88.24 statutory open appropriation, and notify the
 88.25 chairs and ranking minority members of the
 88.26 legislative committees with jurisdiction over
 88.27 transportation finance and the chairs of the
 88.28 senate Committee on Finance and the house
 88.29 of representatives Committee on Ways and
 88.30 Means of the amount of the deficiency. Any
 88.31 excess appropriation cancels to the trunk
 88.32 highway fund.

88.33	(e) Statewide Radio Communications	5,358,000	5,486,000
-------	---	-----------	-----------

88.34	Appropriations by Fund		
88.35	2016	2017	

89.1 General 35,000 3,000

89.2 Trunk Highway 5,323,000 5,483,000

89.3 \$3,000 in each year is from the general fund

89.4 to equip and operate the Roosevelt signal

89.5 tower for Lake of the Woods weather

89.6 broadcasting.

89.7 \$32,000 in the first year is from the general

89.8 fund for a weather transmitter in Lake of the

89.9 Woods County.

89.10 The base appropriation from the trunk

89.11 highway fund in fiscal year 2018 is \$5,645,000

89.12 and in fiscal year 2019 is \$5,826,000.

89.13 Sec. 22. **REVISOR'S INSTRUCTION.**

89.14 In Minnesota Statutes, sections 123A.44, 123A.441, 123A.482, 123A.64, and 123A.065,

89.15 the revisor of statutes shall replace the range reference "sections 123A.44 to 123A.446"

89.16 with "sections 123A.44 to 123A.445."

89.17 Sec. 23. **REPEALER.**

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

89.19 Sec. 24. **EFFECTIVE DATE.**

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

APPENDIX
Article locations in 17-1141

ARTICLE 1	APPROPRIATIONS	Page.Ln 1.14
ARTICLE 2	MISCELLANEOUS	Page.Ln 55.19

APPENDIX
Repealed Minnesota Statutes: 17-1141

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.