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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
05/08/2017 Adoption of Report: Amended and re-referred to the Committee on Ways and Means

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 subdivisions 2, 7; 84.946, subdivision 2; 85.34, subdivision 1; 174.50, subdivisions
1.8 5, 6b, 6c, 7; 446A.072; 446A.073; 446A.081, subdivision 9; 446A.12, subdivision
1.9 1; 462A.37, subdivisions 2a, 2b; Laws 2006, chapter 258, section 18, subdivision
1.10 6, as amended; Laws 2012, chapter 293, section 7, subdivision 3; Laws 2014,
1.11 chapter 294, article 1, section 17, subdivision 12; Laws 2015, First Special Session
1.12 chapter 5, article 1, section 10, subdivisions 3, 7; proposing coding for new law
1.13 in Minnesota Statutes, chapters 16C; 219; repealing Minnesota Statutes 2016,
1.14 section 123A.446.

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

1.16 **ARTICLE 1**

1.17 **APPROPRIATIONS**

1.18 Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

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

2.1 and budget. Unless otherwise specified, the appropriations in this act are available until the
 2.2 project is completed or abandoned subject to Minnesota Statutes, section 16A.642. Unless
 2.3 otherwise specified in this act, money appropriated in this act for activities under Minnesota
 2.4 Statutes, sections 16B.307, 84.946, and 135A.046, should not be used for projects that can
 2.5 be financed within a reasonable time frame under Minnesota Statutes, section 16B.322 or
 2.6 16C.144.

2.7 **APPROPRIATIONS**

2.8 **Sec. 2. UNIVERSITY OF MINNESOTA**

2.9 **Subdivision 1. Total Appropriation** **\$ 30,000,000**

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

2.13 **Subd. 2. Higher Education Asset Preservation**
 2.14 **and Replacement (HEAPR)** **30,000,000**

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

2.17 **Sec. 3. MINNESOTA STATE COLLEGES AND**
 2.18 **UNIVERSITIES**

2.19 **Subdivision 1. Total Appropriation** **\$ 36,244,000**

2.20 To the Board of Trustees of the Minnesota
 2.21 State Colleges and Universities for the
 2.22 purposes specified in this section.

2.23 **Subd. 2. Higher Education Asset Preservation**
 2.24 **and Replacement (HEAPR)** **25,000,000**

2.25 To be spent in accordance with Minnesota
 2.26 Statutes, section 135A.046.

2.27 **Subd. 3. Minnesota State Community and**
 2.28 **Technical College**

2.29 **(a) Fergus Falls Campus** **978,000**

2.30 To design, renovate, furnish, and equip a new
 2.31 Center for Student and Workforce Success
 2.32 (CSWS) that integrates the Regional
 2.33 Workforce Center. The board must enter into

3.1 a lease agreement with the commissioner of
 3.2 employment and economic development, or
 3.3 partners of the commissioner, for use of the
 3.4 workforce center subject to Minnesota
 3.5 Statutes, section 16A.695. The board must use
 3.6 nonstate money for the remainder of the cost
 3.7 of the renovation.

3.8 **(b) Wadena Campus** 820,000

3.9 To design, renovate, furnish, and equip the
 3.10 relocation of the current library to
 3.11 underutilized space and convert the vacated
 3.12 space into a centralized student services center.

3.13 **Subd. 4. Northland Community and Technical**
 3.14 **College, East Grand Forks** 826,000

3.15 To design, renovate, furnish, and equip science
 3.16 and radiological lab space on the East Grand
 3.17 Forks campus.

3.18 **Subd. 5. South Central College, North Mankato** 8,600,000

3.19 To design, renovate, renew, furnish, and equip
 3.20 laboratory, classroom, and office spaces on
 3.21 the North Mankato campus.

3.22 **Subd. 6. Debt Service**

3.23 (a) Except as provided in paragraph (b), the
 3.24 Board of Trustees shall pay the debt service
 3.25 on one-third of the principal amount of state
 3.26 bonds sold to finance projects authorized by
 3.27 this section. After each sale of general
 3.28 obligation bonds, the commissioner of
 3.29 management and budget shall notify the board
 3.30 of the amounts assessed for each year for the
 3.31 life of the bonds.

3.32 (b) The board need not pay debt service on
 3.33 bonds sold to finance HEAPR. Where a
 3.34 nonstate match is required, the debt service is

4.1 due on a principal amount equal to one-third
4.2 of the total project cost, less the match
4.3 committed before the bonds are sold.

4.4 (c) The commissioner of management and
4.5 budget shall reduce the board's assessment
4.6 each year by one-third of the net income from
4.7 investment of general obligation bond
4.8 proceeds in proportion to the amount of
4.9 principal and interest otherwise required to be
4.10 paid by the board. The board shall pay its
4.11 resulting net assessment to the commissioner
4.12 of management and budget by December 1
4.13 each year. If the board fails to make a payment
4.14 when due, the commissioner of management
4.15 and budget shall reduce allotments for
4.16 appropriations from the general fund otherwise
4.17 available to the board and apply the amount
4.18 of the reduction to cover the missed debt
4.19 service payment. The commissioner of
4.20 management and budget shall credit the
4.21 payments received from the board to the bond
4.22 debt service account in the state bond fund
4.23 each December 1 before money is transferred
4.24 from the general fund under Minnesota
4.25 Statutes, section 16A.641, subdivision 10.

4.26 **Subd. 7. Unspent Appropriations**

4.27 (a) Upon substantial completion of a project
4.28 authorized in this section and after written
4.29 notice to the commissioner of management
4.30 and budget, the board must use any money
4.31 remaining in the appropriation for that project
4.32 for HEAPR under Minnesota Statutes, section
4.33 135A.046. The Board of Trustees must report
4.34 by February 1 of each even-numbered year to
4.35 the chairs of the house of representatives and

5.1 senate committees with jurisdiction over
 5.2 capital investment and higher education
 5.3 finance, and to the chairs of the house of
 5.4 representatives Ways and Means Committee
 5.5 and the senate Finance Committee, on how
 5.6 the remaining money has been allocated or
 5.7 spent.

5.8 (b) The unspent portion of an appropriation
 5.9 for a project in this section that is complete is
 5.10 available for HEAPR under this subdivision,
 5.11 at the same campus as the project for which
 5.12 the original appropriation was made and the
 5.13 debt service requirement under this section is
 5.14 reduced accordingly. Minnesota Statutes,
 5.15 section 16A.642, applies from the date of the
 5.16 original appropriation to the unspent amount
 5.17 transferred.

5.18 **Sec. 4. EDUCATION**

5.19 **Subdivision 1. Total Appropriation** **\$ 3,500,000**

5.20 To the commissioner of education for the
 5.21 purposes specified in this section.

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

5.23 For library construction grants under
 5.24 Minnesota Statutes, section 134.45.

5.25 **Subd. 3. Olmsted County - Dyslexia Institute of**
 5.26 **Minnesota** **1,500,000**

5.27 For a grant to Olmsted County to acquire land
 5.28 for, and to predesign, design, construct,
 5.29 furnish, and equip a facility in Olmsted County
 5.30 to support the local, regional, and national
 5.31 literacy work of the Dyslexia Institute of
 5.32 Minnesota, subject to Minnesota Statutes,
 5.33 section 16A.695. This appropriation is not
 5.34 available until the commissioner of

6.1 management and budget determines that an
 6.2 amount sufficient to complete the project is
 6.3 committed to it from nonstate sources.

6.4 **Sec. 5. MINNESOTA STATE ACADEMIES**

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

6.6 To the commissioner of administration for the
 6.7 purposes specified in this section.

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

6.9 For capital asset preservation improvements
 6.10 and betterments on both campuses of the
 6.11 Minnesota State Academies, to be spent in
 6.12 accordance with Minnesota Statutes, section
 6.13 16B.307.

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

6.15 For predesign for a safety corridor on the
 6.16 Minnesota State Academy for the Deaf
 6.17 campus.

6.18 **Sec. 6. NATURAL RESOURCES**

6.19 **Subdivision 1. Total Appropriation** **\$ 40,855,000**

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

6.22 (b) The appropriations in this section are
 6.23 subject to the requirements of the natural
 6.24 resources capital improvement program under
 6.25 Minnesota Statutes, section 86A.12, unless
 6.26 this section or the statutes referred to in this
 6.27 section provide more specific standards,
 6.28 criteria, or priorities for projects than
 6.29 Minnesota Statutes, section 86A.12.

6.30 **Subd. 2. Natural Resources Asset Preservation** **15,000,000**

6.31 For the renovation of state-owned facilities
 6.32 and recreational assets operated by the

7.1 commissioner of natural resources to be spent
 7.2 in accordance with Minnesota Statutes, section
 7.3 84.946. Notwithstanding Minnesota Statutes,
 7.4 section 84.946:

7.5 (1) the commissioner may use this
 7.6 appropriation to replace buildings if,
 7.7 considering the embedded energy in the
 7.8 building, that is the most energy-efficient and
 7.9 carbon-reducing method of renovation; and

7.10 (2) this appropriation may be used for projects
 7.11 to remove life safety hazards such as building
 7.12 code violations or structural defects.

7.13 **Subd. 3. Flood Hazard Mitigation** 11,555,000

7.14 (a) For the state share of flood hazard
 7.15 mitigation grants for publicly owned capital
 7.16 improvements to prevent or alleviate flood
 7.17 damage under Minnesota Statutes, section
 7.18 103F.161.

7.19 (b) Levee projects, to the extent practical, shall
 7.20 meet the state standard of three feet above the
 7.21 100-year flood elevation.

7.22 (c) Project priorities shall be determined by
 7.23 the commissioner as appropriate and based on
 7.24 need.

7.25 (d) This appropriation includes \$1,700,000 for
 7.26 the Cedar River Watershed District, \$750,000
 7.27 for the city of Browns Valley project, and
 7.28 \$1,800,000 for the city of Ortonville project.

7.29 (e) For any project listed in this subdivision
 7.30 that the commissioner determines is not ready
 7.31 to proceed or does not expend all the money
 7.32 allocated to it, the commissioner may allocate
 7.33 that project's money to a project on the
 7.34 commissioner's priority list.

8.1 (f) To the extent that the cost of a project
 8.2 exceeds two percent of the median household
 8.3 income in a municipality or township
 8.4 multiplied by the number of households in the
 8.5 municipality or township, this appropriation
 8.6 is also for the local share of the project.

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

8.8 (a) For design, engineering, and construction
 8.9 to repair, reconstruct, or remove dams and
 8.10 respond to dam safety emergencies. The
 8.11 commissioner shall determine project priorities
 8.12 as appropriate under Minnesota Statutes,
 8.13 sections 103G.511 and 103G.515. Of this
 8.14 appropriation:

8.15 (1) \$500,000 is for emergencies on
 8.16 state-owned dams;

8.17 (2) \$3,600,000 is for a grant to the city of
 8.18 Lanesboro for repair of the Lanesboro dam
 8.19 and notwithstanding the match requirements
 8.20 in Minnesota Statutes, section 103G.511, does
 8.21 not require a nonstate contribution. This
 8.22 includes funding for repairs of the hydropower
 8.23 system;

8.24 (3) \$2,500,000 is for repairs to the Lake
 8.25 Bronson dam;

8.26 (4) \$500,000 is for a grant to the city of
 8.27 Pelican Rapids for engineering work on the
 8.28 Pelican Rapids dam;

8.29 (5) \$200,000 is for a grant to the city of Pine
 8.30 River for engineering work on the Norway
 8.31 Lake dam;

8.32 (6) \$200,000 is for a grant to Yellow Medicine
 8.33 County for the Canby R-6 impoundment dam;

9.1 (7) \$100,000 is for a grant to St. Louis County
 9.2 for the Little Stone Lake dam; and

9.3 (8) \$1,400,000 is for state dams at Brawner,
 9.4 West Leaf Lake, Collinwood, Grindstone
 9.5 River, and Sullivan.

9.6 (b) If the commissioner determines that a
 9.7 project is not ready to proceed, this
 9.8 appropriation may be used for other projects
 9.9 on the commissioner's priority list.

9.10 **Subd. 5. Reforestation and Stand Improvement** 1,000,000

9.11 To provide for reforestation and stand
 9.12 improvement on state forest lands to meet the
 9.13 reforestation requirements of Minnesota
 9.14 Statutes, section 89.002, subdivision 2,
 9.15 including purchasing native seeds and native
 9.16 seedlings, planting, seeding, site preparation,
 9.17 and protection on state lands administered by
 9.18 the commissioner.

9.19 **Subd. 6. Champlin - Mill Pond** 3,300,000

9.20 For a grant to the city of Champlin to dredge
 9.21 and remove sediment and for other capital
 9.22 improvements to the Champlin Mill Pond
 9.23 necessary to improve water quality, restore
 9.24 fish habitat, and provide other public benefits.

9.25 **Subd. 7. Lake County - Prospectors ATV Trail**
 9.26 **System** 1,000,000

9.27 For a grant to Lake County for construction,
 9.28 including bridges, of the Prospectors ATV
 9.29 Trail System linking the communities of Ely,
 9.30 Babbitt, Embarrass, and Tower; Bear Head
 9.31 Lake and Lake Vermilion-Soudan
 9.32 Underground Mine State Parks; the Taconite
 9.33 State Trail; and the Lake County Regional
 9.34 ATV Trail System. This appropriation is not

10.1 available until the commissioner of
 10.2 management and budget determines that an
 10.3 equal amount is committed from other sources.

10.4 **Subd. 8. Unspent Appropriations**

10.5 The unspent portion of an appropriation for a
 10.6 project in this section that is complete, upon
 10.7 written notice to the commissioner of
 10.8 management and budget, is available for asset
 10.9 preservation under Minnesota Statutes, section
 10.10 84.946. Minnesota Statutes, section 16A.642,
 10.11 applies from the date of the original
 10.12 appropriation to the unspent amount
 10.13 transferred.

10.14 **Sec. 7. POLLUTION CONTROL AGENCY**

10.15 **Subdivision 1. Total Appropriation** **\$ 21,955,000**

10.16 To the Pollution Control Agency for the
 10.17 purposes specified in this section.

10.18 **Subd. 2. St. Louis River Cleanup** **12,705,000**

10.19 To design and implement contaminated
 10.20 sediment management actions identified in
 10.21 the St. Louis River remedial action plan to
 10.22 restore water quality in the St. Louis River
 10.23 Area of Concern.

10.24 **Subd. 3. Capital Assistance Program** **9,250,000**

10.25 This appropriation is for a grant to Polk
 10.26 County under the solid waste capital assistance
 10.27 grant program under Minnesota Statutes,
 10.28 section 115A.54, in order to complete a
 10.29 regional integrated solid waste management
 10.30 system.

10.31 **Sec. 8. BOARD OF WATER AND SOIL**
 10.32 **RESOURCES**

10.33 **Subdivision 1. Total Appropriation** **\$ 15,000,000**

11.1 To the Board of Water and Soil Resources for
 11.2 the purposes specified in this section.

11.3 **Subd. 2. Reinvest in Minnesota (RIM) Reserve**
 11.4 **Program**

10,000,000

11.5 (a) To acquire conservation easements from
 11.6 landowners to preserve, restore, create, and
 11.7 enhance wetlands and associated uplands of
 11.8 prairie and grasslands, and restore and enhance
 11.9 rivers and streams, riparian lands, and
 11.10 associated uplands of prairie and grasslands
 11.11 in order to protect soil and water quality,
 11.12 support fish and wildlife habitat, reduce flood
 11.13 damage, and provide other public benefits.

11.14 The provisions of Minnesota Statutes, section
 11.15 103F.515, apply to this program.

11.16 (b) The board shall give priority to leveraging
 11.17 federal money by enrolling targeted new lands
 11.18 or enrolling environmentally sensitive lands
 11.19 that have expiring federal conservation
 11.20 agreements.

11.21 (c) The board is authorized to enter into new
 11.22 agreements and amend past agreements with
 11.23 landowners as required by Minnesota Statutes,
 11.24 section 103F.515, subdivision 5, to allow for
 11.25 restoration. Of this appropriation, up to five
 11.26 percent may be used for restoration and
 11.27 enhancement.

11.28 **Subd. 3. Local Government Roads Wetland**
 11.29 **Replacement Program**

5,000,000

11.30 To acquire land or permanent easements and
 11.31 to restore, create, enhance, and preserve
 11.32 wetlands to replace those wetlands drained or
 11.33 filled as a result of the repair, reconstruction,
 11.34 replacement, or rehabilitation of existing
 11.35 public roads as required by Minnesota

12.1 Statutes, section 103G.222, subdivision 1,
 12.2 paragraphs (l) and (m). The board may vary
 12.3 the priority order of Minnesota Statutes,
 12.4 section 103G.222, subdivision 3, paragraph
 12.5 (a), to implement an in-lieu fee agreement
 12.6 approved by the U.S. Army Corps of
 12.7 Engineers under section 404 of the Clean
 12.8 Water Act. The purchase price paid for
 12.9 acquisition of land or perpetual easement must
 12.10 be a fair market value as determined by the
 12.11 board. The board may enter into agreements
 12.12 with the federal government, other state
 12.13 agencies, political subdivisions, nonprofit
 12.14 organizations, fee title owners, or other
 12.15 qualified private entities to acquire wetland
 12.16 replacement credits in accordance with
 12.17 Minnesota Rules, chapter 8420.

12.18 **Sec. 9. MINNESOTA ZOOLOGICAL GARDEN**

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

12.20 To the Minnesota Zoological Garden Board
 12.21 for the purposes specified in this section.

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

12.23 For capital asset preservation improvements
 12.24 and betterments to infrastructure and exhibits
 12.25 at the Minnesota Zoo, to be spent in
 12.26 accordance with Minnesota Statutes, section
 12.27 16B.307. Notwithstanding the specified uses
 12.28 of money under Minnesota Statutes, section
 12.29 16B.307, the board may use this appropriation
 12.30 to replace buildings that are in poor condition,
 12.31 outdated, and no longer support the work of
 12.32 the Minnesota Zoo and to construct and
 12.33 renovate trails and roads on the Minnesota
 12.34 Zoo site.

13.1 **Sec. 10. ADMINISTRATION**

13.2 **Subdivision 1. Total Appropriation** **\$ 12,500,000**

13.3 To the commissioner of administration for the
 13.4 purposes specified in this section.

13.5 **Subd. 2. Capitol Complex - Physical Security**
 13.6 **Upgrades** **10,500,000**

13.7 For the design, construction, and equipping
 13.8 required to upgrade the physical security
 13.9 elements and systems for one or more of the
 13.10 buildings listed below, their attached tunnel
 13.11 systems and surrounding grounds, and parking
 13.12 facilities as identified in the 2014 Minnesota
 13.13 State Capitol Complex Physical Security Study
 13.14 conducted by Miller Dunwiddie Architecture.

13.15 Work includes but is not limited to the
 13.16 installation of bollards, blast protection,
 13.17 infrastructure security screen walls, door
 13.18 access controls, emergency call stations,
 13.19 security kiosks, locking devices, and traffic
 13.20 control to the extent these funds allow. This
 13.21 appropriation is for work associated with one
 13.22 or more of the following buildings:
 13.23 Administration, Centennial, Judicial,
 13.24 Ag/Health Lab, Minnesota History Center,
 13.25 Minnesota History Center Loading Dock,
 13.26 Capitol Complex Power Plant and Shops,
 13.27 Stassen, State Office, and Veterans Service.

13.28 **Subd. 3. Capital Asset Preservation and**
 13.29 **Replacement Account** **2,000,000**

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

13.32 **Sec. 11. MN.IT** **\$ 1,432,000**

13.33 To the commissioner of administration to
 13.34 predesign, design, construct, renovate, furnish,

14.1 and equip existing state data center facilities
 14.2 at the Bureau of Criminal Apprehension's
 14.3 Maryland Avenue office building, at the
 14.4 Centennial Office Building, and at the
 14.5 Department of Revenue's Stassen Office
 14.6 Building for the purpose of decommissioning
 14.7 and repurposing into usable office space.

14.8 **Sec. 12. MILITARY AFFAIRS**

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

14.10 To the adjutant general for the purposes
 14.11 specified in this section.

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

14.13 For asset preservation improvements and
 14.14 betterments of a capital nature at military
 14.15 affairs facilities statewide, to be spent in
 14.16 accordance with Minnesota Statutes, section
 14.17 16B.307.

14.18 **Sec. 13. PUBLIC SAFETY**

14.19 **Subdivision 1. Total Appropriation** **\$ 3,521,000**

14.20 To the named official for the purposes
 14.21 specified in this section.

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

14.23 To the adjutant general to predesign, design,
 14.24 construct, and equip a joint emergency railroad
 14.25 and pipeline emergency response training
 14.26 facility at Camp Ripley. The project includes
 14.27 construction of stations and capital
 14.28 infrastructure needed for mock disaster
 14.29 training, including infrastructure for training
 14.30 in hazardous materials abatement and site
 14.31 recovery work.

14.32 **Sec. 14. TRANSPORTATION**

15.1	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 238,565,000</u>
15.2	<u>To the commissioner of transportation for the</u>	
15.3	<u>purposes specified in this section.</u>	
15.4	<u>Subd. 2. Local Bridge Replacement and</u>	
15.5	<u>Rehabilitation</u>	<u>59,000,000</u>
15.6	<u>From the bond proceeds account in the state</u>	
15.7	<u>transportation fund to match federal money</u>	
15.8	<u>and to replace or rehabilitate local deficient</u>	
15.9	<u>bridges as provided in Minnesota Statutes,</u>	
15.10	<u>section 174.50.</u>	
15.11	<u>Subd. 3. Local Road Improvement Fund Grants</u>	<u>107,691,000</u>
15.12	<u>(a) From the bond proceeds account in the</u>	
15.13	<u>state transportation fund as provided in</u>	
15.14	<u>Minnesota Statutes, section 174.50, for trunk</u>	
15.15	<u>highway corridor projects under Minnesota</u>	
15.16	<u>Statutes, section 174.52, subdivision 2, for</u>	
15.17	<u>construction and reconstruction of local roads</u>	
15.18	<u>with statewide or regional significance under</u>	
15.19	<u>Minnesota Statutes, section 174.52,</u>	
15.20	<u>subdivision 4, or for grants to counties to assist</u>	
15.21	<u>in paying the costs of rural road safety capital</u>	
15.22	<u>improvement projects on county state-aid</u>	
15.23	<u>highways under Minnesota Statutes, section</u>	
15.24	<u>174.52, subdivision 4a.</u>	
15.25	<u>(b) Of this amount, \$9,000,000 is for a grant</u>	
15.26	<u>to Anoka County to realign and make</u>	
15.27	<u>associated improvements to County State-Aid</u>	
15.28	<u>Highway 23 (Lake Drive), County State-Aid</u>	
15.29	<u>Highway 54 (West Freeway Drive), and to</u>	
15.30	<u>Hornsby Street in the city of Columbus.</u>	
15.31	<u>(c) Of this amount, \$3,246,000 is for a grant</u>	
15.32	<u>to the city of Blaine to predesign, design, and</u>	
15.33	<u>reconstruct 105th Avenue in the vicinity of</u>	
15.34	<u>the National Sports Center in Blaine. The</u>	
15.35	<u>reconstruction will include changing the street</u>	

16.1 from five lanes to four lanes with median, turn
 16.2 lanes, sidewalk, trail, landscaping, lighting,
 16.3 and consolidation of access driveways. This
 16.4 appropriation is not available until the
 16.5 commissioner of management and budget
 16.6 determines that at least \$3,000,000 is
 16.7 committed to the project from sources
 16.8 available to the city, including municipal state
 16.9 aid and county turnback funds.

16.10 (d) Of this amount, \$25,000,000 is for a grant
 16.11 to Hennepin County for design, right-of-way
 16.12 acquisition, engineering, and construction of
 16.13 public improvements related to the Interstate
 16.14 Highway 35W and Lake Street access project
 16.15 and related improvements within the Interstate
 16.16 Highway 35W corridor. This appropriation is
 16.17 not available until the commissioner of
 16.18 management and budget determines that an
 16.19 amount sufficient to complete the Interstate
 16.20 Highway 35W and Lake Street access project
 16.21 has been committed to the project.

16.22 (e) Of this amount \$10,500,000 is for one or
 16.23 more grants to Carver County, the city of
 16.24 Chaska, or both, for environmental analysis
 16.25 and to acquire land, predesign, design,
 16.26 engineer, and construct local road
 16.27 improvements related to the marked U.S.
 16.28 Highway 212 interchange project in Chaska.

16.29 (f) Of this amount, \$700,000 is for a grant to
 16.30 Redwood County to pave Nobles Avenue as
 16.31 the main access road to a new State Veterans
 16.32 Cemetery to be located in Paxton Township.

16.33 **Subd. 4. Rail Grade Separation on Crude Oil**
 16.34 **Rail Corridors**

57,024,000

17.1 (a) Of this amount, \$42,262,000 is for a grant
 17.2 to the city of Moorhead for environmental
 17.3 analysis, design, engineering, removal of an
 17.4 existing structure, and construction of a rail
 17.5 grade crossing separation in the vicinity of
 17.6 21st Street South.

17.7 (b) Of this amount, \$14,762,000 is for a grant
 17.8 to the city of Red Wing for environmental
 17.9 analysis, design, engineering, removal of an
 17.10 existing structure, and construction of a rail
 17.11 grade crossing separation at Sturgeon Lake
 17.12 Road.

17.13 (c) Any unspent portion of this appropriation
 17.14 after completion of a project in this
 17.15 subdivision may be used for grants in
 17.16 accordance with Minnesota Statutes, section
 17.17 219.016.

17.18 **Subd. 5. Railroad Warning Devices** 1,000,000

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

17.22 **Subd. 6. Minnesota Valley Regional Railroad**
 17.23 **Authority** 4,000,000

17.24 For a grant to the Minnesota Valley Regional
 17.25 Rail Authority for the rehabilitation of a
 17.26 portion of the railroad track between Winthrop
 17.27 and Hanley Falls. The grant under this
 17.28 subdivision may also be used for any required
 17.29 environmental documentation and
 17.30 remediation, predesign, design, and
 17.31 rehabilitation or replacement of bridges with
 17.32 new bridges or culverts between Winthrop and
 17.33 Hanley Falls. A grant under this section is in
 17.34 addition to any grant, loan, or loan guarantee
 17.35 for this project made by the commissioner

18.1 under Minnesota Statutes, sections 222.46 to
 18.2 222.62. This appropriation is in addition to
 18.3 the appropriations in Laws 2006, chapter 258,
 18.4 section 16, subdivision 6; Laws 2008, chapter
 18.5 179, section 16, subdivision 5; Laws 2009,
 18.6 chapter 93, article 1, section 11, subdivision
 18.7 4; Laws 2010, chapter 189, section 15,
 18.8 subdivision 5; and Laws 2015, First Special
 18.9 Session chapter 5, article 1, section 10,
 18.10 subdivision 4.
 18.11 **Subd. 7. Hugo** 1,100,000
 18.12 For a grant to the Minnesota Commercial
 18.13 Railway for construction, repairs, and other
 18.14 capital improvements to approximately 6.5
 18.15 miles of railroad track described as that portion
 18.16 of the Minnesota Commercial Railway main
 18.17 running lead, between M & D Junction in
 18.18 White Bear Lake and the end of the track in
 18.19 Hugo. This appropriation must be used for the
 18.20 purposes set forth in the Minnesota
 18.21 Constitution, article XI, section 5, clause (i),
 18.22 to improve and rehabilitate railroad
 18.23 rights-of-way and other rail facilities, whether
 18.24 public or private.
 18.25 **Subd. 8. Port Development Assistance** 5,000,000
 18.26 For grants under Minnesota Statutes, chapter
 18.27 457A. Any improvements made with the
 18.28 proceeds of these grants must be publicly
 18.29 owned.
 18.30 **Subd. 9. International Falls-Koochiching County**
 18.31 **Airport Commission** 3,000,000
 18.32 (a) For a grant to the International
 18.33 Falls-Koochiching County Airport
 18.34 Commission for the following improvements
 18.35 to the Falls International Airport:

- 19.1 (1) demolition of the existing terminal
- 19.2 building;
- 19.3 (2) rehabilitation;
- 19.4 (3) site preparation, including utilities and civil
- 19.5 work;
- 19.6 (4) design, construction, furnishing, and
- 19.7 equipping Phase II of the new terminal
- 19.8 building, including a Transportation Safety
- 19.9 Administration office, weather office,
- 19.10 conference room, circulation corridor, airport
- 19.11 administration offices, United States Customs
- 19.12 and Border Protection storage rooms, offices,
- 19.13 restrooms, passenger-processing area,
- 19.14 wet-hold room, interview room, search room,
- 19.15 precustoms and postcustoms passenger waiting
- 19.16 areas, and vestibule; and
- 19.17 (5) associated appurtenances of a capital
- 19.18 nature.
- 19.19 (b) After completion of the improvements
- 19.20 under paragraph (a), any unspent money from
- 19.21 this appropriation may be used by the
- 19.22 International Falls-Koochiching County
- 19.23 Airport Commission for a commercial airline
- 19.24 apron expansion project at the Falls
- 19.25 International Airport.
- 19.26 (c) This appropriation does not require a
- 19.27 nonstate contribution or match.
- 19.28 **Subd. 10. Grand Rapids - Pedestrian Bridge**
- 19.29 For a grant to the city of Grand Rapids to
- 19.30 design the construction of a bridge over the
- 19.31 Mississippi River for pedestrian and bicycle
- 19.32 use to provide a safe alternative route to the
- 19.33 existing marked Trunk Highway 169 vehicle
- 19.34 bridge, and to serve as a connection to existing

750,000

20.1 trail systems on each side of the river. This
 20.2 appropriation is not available until the
 20.3 commissioner determines that at least an equal
 20.4 amount has been committed to the project
 20.5 from nonstate sources.

20.6 Sec. 15. **METROPOLITAN COUNCIL**

20.7 **Subdivision 1. Total Appropriation** **\$ 3,739,000**

20.8 To the Metropolitan Council for the purposes
 20.9 specified in this section.

20.10 **Subd. 2. Metropolitan Cities Inflow and**
 20.11 **Infiltration Grants** **3,739,000**

20.12 For grants to cities within the metropolitan
 20.13 area, as defined in Minnesota Statutes, section
 20.14 473.121, subdivision 2, for capital
 20.15 improvements in municipal wastewater
 20.16 collection systems to reduce the amount of
 20.17 inflow and infiltration to the Metropolitan
 20.18 Council's metropolitan sanitary sewer disposal
 20.19 system. Grants from this appropriation are for
 20.20 up to 50 percent of the cost to mitigate inflow
 20.21 and infiltration in the publicly owned
 20.22 municipal wastewater collection systems. To
 20.23 be eligible for a grant, a city must be identified
 20.24 by the council as a contributor of excessive
 20.25 inflow and infiltration in the metropolitan
 20.26 disposal system or have a measured flow rate
 20.27 within 20 percent of its allowable
 20.28 council-determined inflow and infiltration
 20.29 limits. The council must award grants based
 20.30 on applications from cities that identify
 20.31 eligible capital costs and include a timeline
 20.32 for inflow and infiltration mitigation
 20.33 construction, pursuant to guidelines
 20.34 established by the council.

21.1	Sec. 16. <u>HUMAN SERVICES</u>		
21.2	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>9,780,000</u>
21.3	<u>To the commissioner of administration, or</u>		
21.4	<u>another named agency, for the purposes</u>		
21.5	<u>specified in this section.</u>		
21.6	<u>Subd. 2. Child and Adolescent Behavioral Health</u>		
21.7	<u>Services</u>		<u>7,530,000</u>
21.8	<u>(a) To predesign, design, construct, furnish,</u>		
21.9	<u>and equip a new community-based 16-bed</u>		
21.10	<u>psychiatric hospital facility to house the Child</u>		
21.11	<u>and Adolescent Behavioral Health Services</u>		
21.12	<u>(CABHS) program to be located in or near the</u>		
21.13	<u>city of Willmar. This appropriation includes</u>		
21.14	<u>funds for land purchase, surveying, predesign</u>		
21.15	<u>and design fees, construction administration,</u>		
21.16	<u>project management, site work, site and</u>		
21.17	<u>building infrastructure, construction, and</u>		
21.18	<u>furniture, fixtures, and equipment.</u>		
21.19	<u>(b) Notwithstanding any law to the contrary,</u>		
21.20	<u>the 16 hospital beds licensed to the CABHS's</u>		
21.21	<u>facility on January 1, 2017, by the Department</u>		
21.22	<u>of Health, may transfer to this new facility</u>		
21.23	<u>upon completion, and approved inspection by</u>		
21.24	<u>the Departments of Health and Human</u>		
21.25	<u>Services.</u>		
21.26	<u>Subd. 3. Anoka Metro Regional Treatment</u>		
21.27	<u>Center - Safety and Security Renovations</u>		<u>2,250,000</u>
21.28	<u>To provide security upgrades of a capital</u>		
21.29	<u>nature at the Anoka Metro Regional Treatment</u>		
21.30	<u>Center campus, including but not limited to</u>		
21.31	<u>control centers, electronic monitoring and</u>		
21.32	<u>perimeter security equipment, new or updated</u>		
21.33	<u>security fencing, and other building security</u>		
21.34	<u>renovations. This appropriation includes</u>		
21.35	<u>money for: predesign, design, furnishing,</u>		

22.1 fixtures, and equipment; construction of safety
 22.2 and security improvements to courtyards on
 22.3 residential treatment units; securely enclosing
 22.4 the nursing station on Unit G; and installing
 22.5 a campus-wide closed-circuit television video
 22.6 security system, a facility-wide personal
 22.7 duress alarm system, a key control system,
 22.8 and an electronic access control system.

22.9 **Sec. 17. VETERANS AFFAIRS**

22.10 **Subdivision 1. Total Appropriation** **\$ 5,000,000**

22.11 To the commissioner of administration for the
 22.12 purposes specified in this section.

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

22.14 For asset preservation improvements and
 22.15 betterments of a capital nature at the veterans
 22.16 homes in Minneapolis, Hastings, Fergus Falls,
 22.17 Silver Bay, and Luverne, to be spent in
 22.18 accordance with Minnesota Statutes, section
 22.19 16B.307.

22.20 **Sec. 18. CORRECTIONS**

22.21 **Subdivision 1. Total Appropriation** **\$ 20,000,000**

22.22 To the commissioner of administration for the
 22.23 purposes specified in this section.

22.24 **Subd. 2. Asset Preservation** **20,000,000**

22.25 For asset preservation improvements and
 22.26 betterments of a capital nature at Minnesota
 22.27 correctional facilities statewide, to be spent in
 22.28 accordance with Minnesota Statutes, section
 22.29 16B.307.

22.30 **Sec. 19. EMPLOYMENT AND ECONOMIC**
 22.31 **DEVELOPMENT**

22.32 **Subdivision 1. Total Appropriation** **\$ 42,272,000**

23.1	<u>To the commissioner of employment and</u>	
23.2	<u>economic development for the purposes</u>	
23.3	<u>specified in this section.</u>	
23.4	<u>Subd. 2. Transportation Economic Development</u>	<u>7,000,000</u>
23.5	<u>For grants under Minnesota Statutes, section</u>	
23.6	<u>116J.436.</u>	
23.7	<u>Subd. 3. Greater Minnesota Business</u>	
23.8	<u>Development Public Infrastructure Grants</u>	<u>12,000,000</u>
23.9	<u>For grants under Minnesota Statutes, section</u>	
23.10	<u>116J.431.</u>	
23.11	<u>Subd. 4. Innovative Business Development Public</u>	
23.12	<u>Infrastructure Grants</u>	<u>2,500,000</u>
23.13	<u>For grants under Minnesota Statutes, section</u>	
23.14	<u>116J.435.</u>	
23.15	<u>Subd. 5. Eagle's Healing Nest</u>	<u>300,000</u>
23.16	<u>From the general fund for a grant to Eagle's</u>	
23.17	<u>Healing Nest in Sauk Centre.</u>	
23.18	<u>Subd. 6. Litchfield - Phase 2 Power Generation</u>	
23.19	<u>Improvements</u>	<u>3,000,000</u>
23.20	<u>For a grant to the city of Litchfield to design</u>	
23.21	<u>and construct electrical generation</u>	
23.22	<u>improvements in the city of Litchfield to</u>	
23.23	<u>expand the current standby capacity, including</u>	
23.24	<u>replacement of two old generators. This</u>	
23.25	<u>appropriation is not available until the</u>	
23.26	<u>commissioner of management and budget</u>	
23.27	<u>determines that at least an equal amount is</u>	
23.28	<u>committed to the project from nonstate</u>	
23.29	<u>sources.</u>	
23.30	<u>Subd. 7. Minneapolis - Pioneers and Soldiers</u>	
23.31	<u>Cemetery Restoration</u>	<u>1,029,000</u>
23.32	<u>For a grant to the city of Minneapolis to</u>	
23.33	<u>restore the historic steel and limestone pillar</u>	
23.34	<u>fence along Cedar Avenue and Lake Street,</u>	
23.35	<u>install a new steel fence and pillars along 21st</u>	

24.1 Avenue South, and install a waterproofing
 24.2 system for preservation of the fence and
 24.3 pillars, at the Pioneer and Soldiers Cemetery.
 24.4 This appropriation does not require a nonstate
 24.5 contribution.

24.6 **Subd. 8. St. James - Public Infrastructure** 3,443,000

24.7 For a grant to the city of St. James. Of this
 24.8 amount, \$2,193,000 is for engineering,
 24.9 right-of-way acquisition, and reconstruction
 24.10 of streets, sidewalks, storm water and sanitary
 24.11 sewer, water mains, lighting, utilities, and
 24.12 other capital improvements of publicly owned
 24.13 infrastructure required for the reconstruction
 24.14 of marked Trunk Highway 4 in the city of St.
 24.15 James, and \$1,250,000 is for replacement of
 24.16 the storm sewer drain that serves St. James
 24.17 Lake and the entire southern section of the
 24.18 city of St. James.

24.19 **Subd. 9. St. Paul - Science Museum of Minnesota**
 24.20 **Building Preservation** 13,000,000

24.21 For a grant to the city of St. Paul for predesign,
 24.22 design, and construction work to replace
 24.23 water-damaged elements of the Science
 24.24 Museum of Minnesota's exterior envelope and
 24.25 some resultant interior damage caused by
 24.26 latent design and construction defects, subject
 24.27 to Minnesota Statutes, section 16A.695. This
 24.28 appropriation is not available until the
 24.29 commissioner of management and budget
 24.30 determines that an equal amount has been
 24.31 committed to the project from nonstate
 24.32 sources. Capital costs paid by the Science
 24.33 Museum of Minnesota since January 1, 2014,
 24.34 relating to the water intrusion damage, shall
 24.35 count towards the match requirement.

25.1 **Sec. 20. PUBLIC FACILITIES AUTHORITY**

25.2 **Subdivision 1. Total Appropriation** **\$ 114,963,000**

25.3 To the Public Facilities Authority for the
 25.4 purposes specified in this section. The Public
 25.5 Facilities Authority may use the funds in this
 25.6 section or other available funds to amend
 25.7 project financing agreements awarded after
 25.8 July 1, 2016, based on program changes to
 25.9 Minnesota Statutes, sections 446A.072 and
 25.10 446A.073, in article 2 of this act.

25.11 **Subd. 2. State Match for Federal Grants** **17,000,000**

25.12 To match federal grants for the clean water
 25.13 revolving fund under Minnesota Statutes,
 25.14 section 446A.07, and the drinking water
 25.15 revolving fund under Minnesota Statutes,
 25.16 section 446A.081. This appropriation must be
 25.17 used for qualified capital projects.

25.18 **Subd. 3. Water Infrastructure Funding Program** **55,000,000**

25.19 (a) For grants to eligible municipalities under
 25.20 the water infrastructure funding program under
 25.21 Minnesota Statutes, section 446A.072.

25.22 (b) \$40,000,000 is for wastewater projects
 25.23 listed on the Pollution Control Agency's
 25.24 project priority list in the fundable range under
 25.25 the clean water revolving fund program.

25.26 (c) \$15,000,000 is for drinking water projects
 25.27 listed on the Department of Health's project
 25.28 priority list in the fundable range under the
 25.29 drinking water revolving fund program.

25.30 (d) After all eligible projects under paragraph
 25.31 (b) or (c) have been funded, the Public
 25.32 Facilities Authority may transfer any
 25.33 remaining, uncommitted money to eligible
 25.34 projects under a program defined in paragraph

26.1	<u>(b) or (c) based on that program's project</u>	
26.2	<u>priority list.</u>	
26.3	<u>Subd. 4. Point Source Implementation Grants</u>	
26.4	<u>Program</u>	<u>33,737,000</u>
26.5	<u>For grants to eligible municipalities under the</u>	
26.6	<u>point source implementation grants program</u>	
26.7	<u>under Minnesota Statutes, section 446A.073.</u>	
26.8	<u>This appropriation must be used for qualified</u>	
26.9	<u>capital projects.</u>	
26.10	<u>Subd. 5. Big Lake Area Sanitary District - Sewer</u>	
26.11	<u>System and Force Main</u>	<u>1,200,000</u>
26.12	<u>For a grant to the Big Lake Area Sanitary</u>	
26.13	<u>District to construct a pressure sewer system</u>	
26.14	<u>and force main to convey sewage to the</u>	
26.15	<u>Western Lake Superior Sanitary District</u>	
26.16	<u>connection in the city of Cloquet. This</u>	
26.17	<u>appropriation is not available until the</u>	
26.18	<u>commissioner of management and budget</u>	
26.19	<u>determines that an equal amount is committed</u>	
26.20	<u>from nonstate sources. This appropriation is</u>	
26.21	<u>in addition to the appropriation in Laws 2014,</u>	
26.22	<u>chapter 294, article 1, section 22, subdivision</u>	
26.23	<u>4.</u>	
26.24	<u>Subd. 6. Dennison - Sewage Treatment System</u>	
26.25	<u>Improvements</u>	<u>726,000</u>
26.26	<u>For a grant to the city of Dennison to</u>	
26.27	<u>predesign, design, and construct a new lift</u>	
26.28	<u>station and make sewage pond improvements.</u>	
26.29	<u>This appropriation does not require a nonstate</u>	
26.30	<u>contribution.</u>	
26.31	<u>Subd. 7. East Grand Forks - Wastewater</u>	
26.32	<u>Interconnection Infrastructure</u>	<u>5,300,000</u>
26.33	<u>For a grant to the city of East Grand Forks to</u>	
26.34	<u>design and construct wastewater infrastructure</u>	
26.35	<u>improvements interconnecting the wastewater</u>	
26.36	<u>system of East Grand Forks to the wastewater</u>	

27.1 treatment system in Grand Forks, North
 27.2 Dakota. This appropriation may not be used
 27.3 for improvements outside the state. This
 27.4 appropriation is in addition to grants under
 27.5 Minnesota Statutes, section 446A.072. A
 27.6 nonstate match is not required.

27.7 **Subd. 8. Koochiching County - Voyageurs**
 27.8 **National Park Clean Water Project** 2,000,000

27.9 (a) For a grant to Koochiching County to
 27.10 acquire land or interests in land, and to design,
 27.11 engineer, construct, and equip sanitary sewage
 27.12 systems and facilities to implement a portion
 27.13 or portions of the Voyageurs National Park
 27.14 clean water project comprehensive plan. This
 27.15 appropriation is available after the
 27.16 commissioner of management and budget
 27.17 determines that \$4,500,000 is committed from
 27.18 nonstate sources.

27.19 (b) This appropriation is in addition to the
 27.20 appropriation in Laws 2014, chapter 294,
 27.21 article 1, section 22, subdivision 7.
 27.22 Notwithstanding the match requirement in
 27.23 Laws 2014, chapter 294, article 1, section 22,
 27.24 subdivision 7, the nonstate match required for
 27.25 this appropriation and the 2014 appropriation
 27.26 for a grant to Koochiching County is 25
 27.27 percent of the state grant amounts. Any money
 27.28 remaining from this appropriation after
 27.29 completion of the projects in paragraph (a) is
 27.30 available for grants to Koochiching County
 27.31 or St. Louis County to be used for other capital
 27.32 projects described in the comprehensive plan
 27.33 and as determined by the Voyageurs National
 27.34 Park Clean Water Joint Powers Board.

28.1 **Sec. 21. MINNESOTA HOUSING FINANCE**
 28.2 **AGENCY** **\$** **10,000,000**

28.3 For transfer to the housing development fund
 28.4 to finance the costs of rehabilitation to
 28.5 preserve public housing under Minnesota
 28.6 Statutes, section 462A.202, subdivision 3a.
 28.7 For purposes of this section, "public housing"
 28.8 means housing for low-income persons and
 28.9 households financed by the federal
 28.10 government and owned and operated by the
 28.11 public housing authorities and agencies formed
 28.12 by cities and counties. Public housing
 28.13 authorities receiving a public housing
 28.14 assessment composite score of 80 or above or
 28.15 an equivalent designation are eligible to
 28.16 receive funding. Priority must be given to
 28.17 proposals that maximize federal or local
 28.18 resources to finance the capital costs. The
 28.19 priority in Minnesota Statutes, section
 28.20 462A.202, subdivision 3a, for projects to
 28.21 increase the supply of affordable housing and
 28.22 the restrictions of Minnesota Statutes, section
 28.23 462A.202, subdivision 7, do not apply to this
 28.24 appropriation.

28.25 **Sec. 22. MINNESOTA HISTORICAL**
 28.26 **SOCIETY**

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

28.28 To the Minnesota Historical Society for the
 28.29 purposes specified in this section.

28.30 **Subd. 2. Historic Sites Asset Preservation** **2,500,000**

28.31 For capital improvements and betterments at
 28.32 state historic sites, buildings, landscaping at
 28.33 historic buildings, exhibits, markers, and
 28.34 monuments, to be spent in accordance with
 28.35 Minnesota Statutes, section 16B.307. The

29.1 society shall determine project priorities as
 29.2 appropriate based on need.

29.3 **Sec. 23. BOND SALE EXPENSES** **\$ 621,000**

29.4 To the commissioner of management and
 29.5 budget for bond sale expenses under
 29.6 Minnesota Statutes, section 16A.641,
 29.7 subdivision 8.

29.8 **Sec. 24. BOND SALE AUTHORIZATION.**

29.9 Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from
 29.10 the bond proceeds fund, the commissioner of management and budget shall sell and issue
 29.11 bonds of the state in an amount up to \$453,986,000 in the manner, upon the terms, and with
 29.12 the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the
 29.13 Minnesota Constitution, article XI, sections 4 to 7.

29.14 Subd. 2. **Transportation fund.** To provide the money appropriated in this act from the
 29.15 state transportation fund, the commissioner of management and budget shall sell and issue
 29.16 bonds of the state in an amount up to \$166,691,000 in the manner, upon the terms, and with
 29.17 the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the
 29.18 Minnesota Constitution, article XI, sections 4 to 7.

29.19 **Sec. 25. CANCELLATIONS; BOND SALE AUTHORIZATION REDUCTIONS.**

29.20 (a) The remaining uncommitted appropriations from the bond proceeds fund in Laws
 29.21 1990, chapter 610, are canceled and the bond sale authorization in Laws 1990, chapter 610,
 29.22 article 1, section 30, subdivision 1, as amended, is reduced by \$3,129.

29.23 (b) The remaining uncommitted appropriations from the bond proceeds fund in Laws
 29.24 1994, chapter 643, are canceled and the bond sale authorization in Laws 1994, chapter 643,
 29.25 section 31, subdivision 1, as amended, is reduced by \$24,480.

29.26 (c) The remaining uncommitted appropriations from the bond proceeds fund in Laws
 29.27 1997, Second Special Session chapter 2, are canceled and the bond sale authorization in
 29.28 Laws 1997, Second Special Session chapter 2, section 12, as amended, is reduced by \$96,992.

29.29 (d) The remaining uncommitted appropriations from the bond proceeds fund in Laws
 29.30 1999, chapter 240, are canceled and the bond sale authorization in Laws 1999, chapter 240,
 29.31 article 1, section 13, subdivision 1, as amended, is reduced by \$212,472.

30.1 (e) The remaining uncommitted appropriations from the bond proceeds fund in Laws
30.2 2000, chapter 492, are canceled and the bond sale authorization in Laws 2000, chapter 492,
30.3 article 1, section 26, subdivision 1, as amended, is reduced by \$7,933,538.

30.4 (f) The remaining uncommitted appropriations from the bond proceeds fund in Laws
30.5 2002, chapter 393, are canceled and the bond sale authorization in Laws 2002, chapter 393,
30.6 section 30, subdivision 1, as amended, is reduced by \$188,471.

30.7 (g) The remaining uncommitted appropriations from the bond proceeds fund in Laws
30.8 2002, First Special Session chapter 1, are canceled and the bond sale authorization in Laws
30.9 2002, First Special Session chapter 1, section 9, subdivision 1, is reduced by \$217,959.

30.10 (h) The remaining uncommitted appropriations from the trunk highway bond proceeds
30.11 fund in Laws 2003, First Special Session chapter 19, article 3, are canceled and the bond
30.12 sale authorization in Laws 2003, First Special Session chapter 19, article 3, section 2, is
30.13 reduced by \$201,530.

30.14 (i) The remaining uncommitted appropriations from the trunk highway bond proceeds
30.15 fund in Laws 2003, First Special Session chapter 19, article 4, are canceled and the bond
30.16 sale authorization in Laws 2003, First Special Session chapter 19, article 4, section 4, is
30.17 reduced by \$326,534.

30.18 (j) The remaining uncommitted appropriations from the bond proceeds fund in Laws
30.19 2005, chapter 20, are canceled and the bond sale authorization in Laws 2005, chapter 20,
30.20 article 1, section 28, subdivision 1, as amended, is reduced by \$3,366,628.

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

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

30.29 (m) \$1,380,000 of the appropriation from the bond proceeds fund in Laws 2012, First
30.30 Special Session chapter 1, article 1, section 6, to the Public Facilities Authority for disaster
30.31 relief, is canceled and the bond sale authorization in Laws 2012, First Special Session chapter
30.32 1, article 1, section 16, subdivision 1, is reduced by the same amount.

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

31.3 Sec. 26. **BOND SALE SCHEDULE.**

31.4 The commissioner of management and budget shall schedule the sale of state general
 31.5 obligation bonds so that, during the biennium ending June 30, 2019, no more than \$.....
 31.6 will need to be transferred from the general fund to the state bond fund to pay principal and
 31.7 interest due and to become due on outstanding state general obligation bonds. During the
 31.8 biennium, before each sale of state general obligation bonds, the commissioner of
 31.9 management and budget shall calculate the amount of debt service payments needed on
 31.10 bonds previously issued and shall estimate the amount of debt service payments that will
 31.11 be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of
 31.12 bonds scheduled to be sold so as to remain within the limit set by this section. The amount
 31.13 needed to make the debt service payments is appropriated from the general fund as provided
 31.14 in Minnesota Statutes, section 16A.641.

31.15 Sec. 27. **EFFECTIVE DATE.**

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

31.17 **ARTICLE 2**

31.18 **MISCELLANEOUS**

31.19 Section 1. Minnesota Statutes 2016, section 16A.967, subdivision 2, is amended to read:

31.20 Subd. 2. **Authorization to issue appropriation bonds.** (a) Subject to the limitations of
 31.21 this subdivision, the commissioner may sell and issue appropriation bonds of the state under
 31.22 this section for public purposes as provided by law, including, in particular, the financing
 31.23 of the land acquisition, design, engineering, and construction of facilities and infrastructure
 31.24 necessary to complete the next phase of the Lewis and Clark Regional Water System project,
 31.25 including completion of the pipeline to Magnolia, extension of the project to the
 31.26 Lincoln-Pipestone Rural Water System connection near Adrian, and engineering, design,
 31.27 and easement acquisition for the final phase of the project to Worthington. No bonds shall
 31.28 be sold until the commissioner determines that a nonstate match of at least \$9,000,000 is
 31.29 committed to this project phase. Grant agreements entered into under this section must
 31.30 provide for reimbursement to the state from any federal money provided for the project,
 31.31 consistent with the Lewis and Clark Regional Water System, Inc., agreement.

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

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

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

32.20 (e) At the time of, or in anticipation of, issuing the appropriation bonds, and at any time
32.21 thereafter, so long as the appropriation bonds are outstanding, the commissioner may enter
32.22 into agreements and ancillary arrangements relating to the appropriation bonds, including
32.23 but not limited to trust indentures, grant agreements, lease or use agreements, operating
32.24 agreements, management agreements, liquidity facilities, remarketing or dealer agreements,
32.25 letter of credit agreements, insurance policies, guaranty agreements, reimbursement
32.26 agreements, indexing agreements, or interest exchange agreements. Any payments made
32.27 or received according to the agreement or ancillary arrangement shall be made from or
32.28 deposited as provided in the agreement or ancillary arrangement. The determination of the
32.29 commissioner included in an interest exchange agreement that the agreement relates to an
32.30 appropriation bond shall be conclusive.

32.31 (f) The commissioner may enter into written agreements or contracts relating to the
32.32 continuing disclosure of information necessary to comply with or facilitate the issuance of
32.33 appropriation bonds in accordance with federal securities laws, rules, and regulations,
32.34 including Securities and Exchange Commission rules and regulations in Code of Federal
32.35 Regulations, title 17, section 240.15c 2-12. An agreement may be in the form of covenants

33.1 with purchasers and holders of appropriation bonds set forth in the order or resolution
 33.2 authorizing the issuance of the appropriation bonds, or a separate document authorized by
 33.3 the order or resolution.

33.4 (g) The appropriation bonds are not subject to chapter 16C.

33.5 (h) Upon certification to the commissioner by the Lewis and Clark Joint Powers Board
 33.6 that the bond sale authorization provided in paragraph (c) has fully met the needs of the
 33.7 project described in paragraph (a), and to the extent there is additional authorization
 33.8 remaining, this authorization is also available for land acquisition, design, engineering, and
 33.9 construction of facilities and infrastructure necessary for Phase 3 of the Lewis and Clark
 33.10 Regional Water System project. Phase 3 includes extension of the project from the
 33.11 Lincoln-Pipestone Rural Water System connection near Adrian to Worthington, construction
 33.12 of a reservoir in Nobles County and a meter building in Worthington, and acquisition and
 33.13 installation of a supervisory control and data acquisition system.

33.14 Sec. 2. Minnesota Statutes 2016, section 16A.967, subdivision 7, is amended to read:

33.15 Subd. 7. **Appropriation of proceeds.** The proceeds of appropriation bonds and interest
 33.16 credited to the special appropriation Lewis and Clark bond proceeds fund are appropriated
 33.17 as follows: (1) to the ~~commissioner~~ Public Facilities Authority for a grant or grants to the
 33.18 Lewis and Clark Joint Powers Board for payment of capital expenses for the purposes
 33.19 provided by subdivision 2, ~~paragraph~~ paragraphs (a), and (h); and (2) to the commissioner
 33.20 for debt service on the bonds including capitalized interest, nonsalary costs of issuance of
 33.21 the bonds, costs of credit enhancement of the bonds and payments under any agreements
 33.22 entered into under subdivision 2, paragraph (e), each as permitted by state and federal law;
 33.23 ~~and such proceeds may be granted, loaned, or otherwise provided for the public purposes~~
 33.24 ~~provided by subdivision 2, paragraph (a).~~

33.25 Sec. 3. **[16C.053] ACCOMMODATION FOR HARD-OF-HEARING IN**
 33.26 **STATE-FUNDED CAPITAL PROJECTS.**

33.27 Subdivision 1. **Definition.** For purposes of this section, "public gathering space" means
 33.28 a space that is constructed or renovated as part of the project: (1) that accommodates and
 33.29 is intended to be used for gatherings of 15 or more people; and (2) in which audible
 33.30 communications are integral to a use of the space.

33.31 Subd. 2. **Accommodation for hard-of-hearing in state-funded capital projects.** No
 33.32 commissioner or agency head may approve a contract or grant state funds for a capital
 33.33 improvement project to construct or renovate a public gathering space in a building unless:

34.1 (1) the project includes equipping the public gathering space, if the public gathering
34.2 space has or will have a permanent audio-amplification system, with audio-induction loops
34.3 to provide an electromagnetic signal for hearing aids and cochlear implants; and

34.4 (2) the project includes meeting the American National Standards Institute Acoustical
34.5 Performance Criteria, Design Requirements and Guidelines for Schools on maximum
34.6 background noise level and reverberation times in the public gathering space.

34.7 Subd. 3. **Exemption.** A commissioner or agency head may approve a contract or grant
34.8 state funds for a capital improvement project to construct or renovate a building that does
34.9 not meet a requirement of subdivision 2, when the commissioner or agency head determines
34.10 that meeting that requirement is not feasible, is in conflict with other requirements in law,
34.11 is in conflict with other project requirements, or that costs outweigh the benefits. The
34.12 commissioner must consult with the Commission of Deaf, Deafblind, and Hard-of-Hearing
34.13 Minnesotans before making the determination.

34.14 Subd. 4. **Exemption reports.** A commissioner or agency head who determines a contract
34.15 is exempt under subdivision 3 must report the exemption to the Commission of Deaf,
34.16 Deafblind, and Hard-of-Hearing Minnesotans within three months of making the
34.17 determination. The chair of the Commission of Deaf, Deafblind, and Hard-of-Hearing
34.18 Minnesotans shall submit a report to the chairs and ranking minority members of the
34.19 committees in the house of representatives and senate with jurisdiction over state contracting
34.20 by January 30 of even-numbered years beginning in 2020 identifying each exemption
34.21 reported in the previous two calendar years.

34.22 **EFFECTIVE DATE.** (a) This section is effective the day following final enactment,
34.23 and, except as provided in paragraph (b), applies to any project funded with an appropriation
34.24 enacted after January 1, 2017.

34.25 (b) This section does not apply to a project that has completed schematic design on the
34.26 effective date of this section, but the commissioner and agency heads are encouraged to
34.27 comply with it.

34.28 Sec. 4. Minnesota Statutes 2016, section 84.946, subdivision 2, is amended to read:

34.29 Subd. 2. **Standards.** (a) An appropriation for asset preservation may be used only for a
34.30 capital expenditure on a capital asset previously owned by the state, within the meaning of
34.31 generally accepted accounting principles as applied to public expenditures. The commissioner
34.32 of natural resources will consult with the commissioner of management and budget to the
34.33 extent necessary to ensure this and will furnish the commissioner of management and budget

35.1 a list of projects to be financed from the account in order of their priority. The legislature
35.2 assumes that many projects for preservation and replacement of portions of existing capital
35.3 assets will constitute betterments and capital improvements within the meaning of the
35.4 Constitution and capital expenditures under generally accepted accounting principles, and
35.5 will be financed more efficiently and economically under this section than by direct
35.6 appropriations for specific projects.

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

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

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

35.21 Sec. 5. Minnesota Statutes 2016, section 85.34, subdivision 1, is amended to read:

35.22 Subdivision 1. **Upper bluff; lease terms.** The commissioner of natural resources with
35.23 the approval of the Executive Council may lease for purposes of restoration, preservation,
35.24 historical, recreational, educational, and commercial use and development, that portion of
35.25 Fort Snelling State Park known as the upper bluff consisting of officer's row, area J, the
35.26 polo grounds, the adjacent golf course, and all buildings and improvements located thereon,
35.27 all lying within an area bounded by Minneapolis-St. Paul International Airport, Trunk
35.28 Highways numbered 5 and 55, and Bloomington Road. The lease or leases shall be in a
35.29 form approved by the attorney general and for a term of not to exceed 99 years. The lease
35.30 or leases may provide for the provision of capital improvements or other performance by
35.31 the tenant or tenants in lieu of all or some of the payments of rent that would otherwise be
35.32 required. Notwithstanding the continuing ownership of the upper bluff by the state, any
35.33 lease of one or more buildings improved with state general obligation bond proceeds that
35.34 exceeds 50 years shall be treated as a sale of the buildings for purposes of section 16A.695,

36.1 subdivision 3. Any disposition proceeds payable to the commissioner upon execution of a
 36.2 lease relating to state-bond-financed buildings at the upper bluff shall be applied according
 36.3 to section 16A.695, subdivision 3, and used to pay, redeem, or defease state general obligation
 36.4 bonds issued for purposes of improving those buildings. Any lease revenues paid to the
 36.5 commissioner subsequent to the payment, redemption, or defeasance of state general
 36.6 obligation bonds shall be used by the commissioner as further described in this section.

36.7 Sec. 6. Minnesota Statutes 2016, section 174.50, subdivision 5, is amended to read:

36.8 Subd. 5. **Certification and disbursal for project of political subdivision.** Before
 36.9 disbursement of an appropriation made from the fund to the commissioner of transportation
 36.10 for grants to subdivisions of the state, the commissioner shall certify that:

36.11 (1) ~~that the project for which the grant is made has been reviewed as provided in~~
 36.12 ~~subdivision 4;~~

36.13 ~~(2) that the project conforms to the program authorized by the appropriation law and~~
 36.14 ~~rules adopted by the Department of Transportation consistent therewith; and~~

36.15 ~~(3) that~~ (2) the financing of any estimated cost of the project in excess of the amount of
 36.16 the grant is assured by the appropriation of the proceeds of bonds or other funds of the
 36.17 subdivision, or by a grant from an agency of the federal government, within the amount of
 36.18 funds then appropriated to that agency and allocated by it to projects within the state, and
 36.19 by an irrevocable undertaking, in a resolution of the governing body of the subdivision, to
 36.20 use all funds so made available exclusively for the project, and to pay any additional amount
 36.21 by which the cost exceeds the estimate through appropriation to the construction fund of
 36.22 additional funds or the proceeds of additional bonds to be issued by the subdivision.

36.23 Sec. 7. Minnesota Statutes 2016, section 174.50, subdivision 6b, is amended to read:

36.24 Subd. 6b. **Bridge costs in smaller cities.** (a) The commissioner may make grants from
 36.25 the state transportation fund to a home rule or statutory city with a population of 5,000 or
 36.26 less for design, engineering, and construction of bridges on city streets.

36.27 ~~(b) Grants under this subdivision are subject to the procedures and criteria established~~
 36.28 ~~under subdivisions 5, 6, and 7.~~

36.29 ~~(e)~~ (b) Grants may be used for:

36.30 (1) 100 percent of the design and engineering costs that are in excess of \$10,000;

36.31 (2) 100 percent of the bridge approach work costs that are in excess of \$10,000; and

37.1 (3) 100 percent of the bridge construction work costs.

37.2 Sec. 8. Minnesota Statutes 2016, section 174.50, subdivision 6c, is amended to read:

37.3 Subd. 6c. **Fracture-critical bridges.** (a) The commissioner may make a grant to any
37.4 political subdivision for replacement or rehabilitation of a fracture-critical bridge. To be
37.5 eligible for a grant under this subdivision, the project must produce a bridge structure:

37.6 (1) that is no longer classified as fracture critical, by having alternate load paths; and

37.7 (2) whose failure of a main component will not result in the collapse of the bridge.

37.8 ~~(b) A grant under this subdivision is subject to the procedures and criteria established~~
37.9 ~~under subdivisions 5 and 6.~~

37.10 Sec. 9. Minnesota Statutes 2016, section 174.50, subdivision 7, is amended to read:

37.11 Subd. 7. **Bridge grant program; rulemaking.** (a) The commissioner of transportation
37.12 shall develop rules, procedures for application for grants, conditions of grant administration,
37.13 standards, and criteria as provided under subdivision 6, including bridge specifications, in
37.14 cooperation with road authorities of political subdivisions, for use in the administration of
37.15 funds appropriated to the commissioner and for the administration of grants to subdivisions.
37.16 Grants under this section are subject to the procedures and criteria established in this
37.17 subdivision and in subdivisions 5 and 6.

37.18 (b) The maximum use of standardized bridges is encouraged. Regardless of the size of
37.19 the existing bridge, a bridge or replacement bridge is eligible for assistance from the state
37.20 transportation fund if a hydrological survey indicates that the bridge or replacement bridge
37.21 must be ten feet or more in length.

37.22 (c) As part of the standards or rules, the commissioner shall, in consultation with local
37.23 road authorities, establish a minimum distance between any two bridges that cross over the
37.24 same river, stream, or waterway, so that only one of the bridges is eligible for a grant under
37.25 this section. As appropriate, the commissioner may establish exceptions from the minimum
37.26 distance requirement or procedures for obtaining a variance.

37.27 (d) Political subdivisions may use grants made under this section to construct or
37.28 reconstruct bridges, including but not limited to:

37.29 (1) matching federal aid grants to construct or reconstruct key bridges;

37.30 (2) paying the costs to abandon an existing bridge that is deficient and in need of
37.31 replacement but where no replacement will be made; and

38.1 (3) paying the costs to construct a road or street to facilitate the abandonment of an
38.2 existing bridge if the commissioner determines that the bridge is deficient, and that
38.3 construction of the road or street is more economical than replacement of the existing bridge.

38.4 (e) Funds appropriated to the commissioner from the Minnesota state transportation
38.5 fund shall be segregated from the highway tax user distribution fund and other funds created
38.6 by article XIV of the Minnesota Constitution.

38.7 (f) The maximum grant amount for a local bridge replacement or rehabilitation project
38.8 under this section is \$7,000,000. If, in any year, money appropriated for local bridge
38.9 replacement or rehabilitation projects remains available after all projects on the
38.10 commissioner's priority list for which the state share is \$7,000,000 or less have been funded,
38.11 the commissioner may make grants for more than \$7,000,000.

38.12 **Sec. 10. [219.016] CRUDE OIL AND HAZARDOUS MATERIALS RAIL SAFETY**
38.13 **ACCOUNT.**

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

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

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

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

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

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

39.6 (2) roadway traffic volumes and speeds;

39.7 (3) train volumes and speeds;

39.8 (4) adjacent land use;

39.9 (5) crash history;

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

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

39.12 (8) local financial contributions to the project.

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

39.14 **446A.072 ~~WASTEWATER~~ WATER INFRASTRUCTURE FUNDING PROGRAM.**

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

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

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

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

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

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

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

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

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

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

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

41.1 (b) For a governmental unit receiving a loan from the clean water revolving fund under
41.2 section 446A.07, the authority may provide assistance under this section in the form of a
41.3 grant if the average annual residential wastewater system cost after completion of the project
41.4 would otherwise exceed 1.4 percent of the median household income of the project service
41.5 area. In determining whether the average annual residential wastewater system cost would
41.6 exceed 1.4 percent, the authority must consider the total costs associated with building,
41.7 operating, and maintaining the wastewater system, including existing wastewater debt
41.8 service, debt service on the eligible project cost, and operation and maintenance costs. Debt
41.9 service costs for the proposed project are calculated based on the maximum loan term
41.10 permitted for the clean water revolving fund loan under section 446A.07, subdivision 7.
41.11 The amount of the grant is equal to 80 percent of the amount needed to reduce the average
41.12 annual residential wastewater system cost to 1.4 percent of median household income in
41.13 the project service area, to a maximum of ~~\$4,000,000~~ \$5,000,000 per project or ~~\$15,000~~
41.14 \$20,000 per existing connection, whichever is less, unless specifically approved by law.
41.15 The eligible project cost is determined by multiplying the total project costs minus any other
41.16 grants by the essential project component percentage calculated under subdivision 3,
41.17 paragraph (c), clause (1). In no case may the amount of the grant exceed 80 percent of the
41.18 eligible project cost.

41.19 (c) For a governmental unit receiving a loan from the drinking water revolving fund
41.20 under section 446A.081, the authority may provide assistance under this section in the form
41.21 of a grant if the average annual residential drinking water system cost after completion of
41.22 the project would otherwise exceed 1.2 percent of the median household income of the
41.23 project service area. In determining whether the average annual residential drinking water
41.24 system cost would exceed 1.2 percent, the authority must consider the total costs associated
41.25 with building, operating, and maintaining the drinking water system, including existing
41.26 drinking water debt service, debt service on the eligible project cost, and operation and
41.27 maintenance costs. Debt service costs for the proposed project are calculated based on the
41.28 maximum loan term permitted for the drinking water revolving fund loan under section
41.29 446A.081, subdivision 8, paragraph (c). The amount of the grant is equal to 80 percent of
41.30 the amount needed to reduce the average annual residential drinking water system cost to
41.31 1.2 percent of median household income in the project service area, to a maximum of
41.32 \$5,000,000 per project or \$20,000 per existing connection, whichever is less, unless
41.33 specifically approved by law. The eligible project cost is determined by multiplying the
41.34 total project costs minus any other grants by the essential project component percentage
41.35 calculated under subdivision 3, paragraph (c), clause (1). In no case may the amount of the
41.36 grant exceed 80 percent of the eligible project cost.

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

42.7 ~~Subd. 5b. **Special assessment deferral.** A governmental unit receiving a loan under~~
42.8 ~~subdivision 5a that levies special assessments to repay the loan under subdivision 5a or~~
42.9 ~~section 446A.07 may defer payment of such assessments under the provisions of sections~~
42.10 ~~435.193 to 435.195.~~

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

42.15 ~~Subd. 7. **Loan repayments.** Notwithstanding the limitations set forth in section 475.54,~~
42.16 ~~subdivision 1, this subdivision shall govern the maturities and mandatory sinking fund~~
42.17 ~~redemptions of the loans under this section. A governmental unit receiving a loan under~~
42.18 ~~this section shall repay the loan in semiannual payment amounts determined by the authority.~~
42.19 ~~The payment amount must be based on the average payments on the governmental unit's~~
42.20 ~~clean water revolving fund loan or, if greater, the minimum amount required to fully repay~~
42.21 ~~the loan by the maturity date. Payments must begin within one year of the date of the~~
42.22 ~~governmental unit's final payment on the clean water revolving fund loan. The final maturity~~
42.23 ~~date of the loan under this section must be no later than 20 years from the date of the first~~
42.24 ~~payment on the loan under this section and no later than 40 years from the date of the first~~
42.25 ~~payment on the clean water revolving fund loan.~~

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

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

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

43.7 Subd. 12. **System replacement fund.** Each governmental unit receiving a ~~loan or grant~~
43.8 under this section shall establish a system replacement fund and shall annually deposit a
43.9 minimum of \$.50 per 1,000 gallons of flow for major rehabilitation ~~or~~ expansion, or
43.10 replacement of the ~~treatment~~ wastewater or drinking water system, ~~or replacement of the~~
43.11 ~~treatment system at the end of its useful life~~. Money must remain in the account for the life
43.12 of the corresponding project loan from the authority or USDA/RECD, unless use of the
43.13 fund is approved in writing by the authority for major rehabilitation, expansion, or
43.14 replacement of the ~~treatment~~ wastewater or drinking water system. By March 1 each year
43.15 during the life of the loan, each recipient shall submit a report to the authority regarding the
43.16 amount deposited and the fund balance for the prior calendar year. A recipient is not required
43.17 to maintain a fund balance greater than the amount of the grant received. Failure to comply
43.18 with the requirements of this subdivision shall result in the authority assessing a penalty
43.19 fee to the recipient equal to one percent of the supplemental assistance amount for each
43.20 year of noncompliance. ~~Failure to make the required deposit or pay the penalty fee as~~
43.21 ~~required constitutes a default on the loan.~~

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

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

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

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

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

43.32 **446A.073 POINT SOURCE IMPLEMENTATION GRANTS.**

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

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

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

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

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

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

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

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

44.25 Subd. 3. **Project priorities.** ~~When money is appropriated for grants under this program,~~
 44.26 The authority shall accept applications under this program during the month of July ~~and~~.
 44.27 When a project is certified by the Pollution Control Agency the authority shall reserve
 44.28 money for projects expected to proceed with construction by the end of the fiscal year the
 44.29 project in the order listed on the Pollution Control Agency's project priority list and in an
 44.30 amount based on the cost estimate submitted to the authority ~~in the grant application~~ when
 44.31 the project is certified or the as-bid costs, whichever is less. Notwithstanding Minnesota
 44.32 Rules, chapter 7077, the Pollution Control Agency may rank a drinking water infrastructure

45.1 project on the agency's project priority list if the project is necessary to meet an applicable
45.2 requirement in subdivision 1.

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

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

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

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

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

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

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

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

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

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

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

45.27 (5) to earn interest on fund accounts;

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

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

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

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

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

46.13 ~~(b) Principal forgiveness or grants under paragraph (a), clause (8), must only be provided~~
46.14 ~~if the average annual residential drinking water system cost after completion of the project~~
46.15 ~~would otherwise exceed 1.2 percent of the median household income in the project service~~
46.16 ~~area. In determining whether the average annual residential drinking water system cost~~
46.17 ~~would exceed 1.2 percent, the authority must consider the total costs associated with building,~~
46.18 ~~operating, and maintaining the drinking water system, including debt service and operation~~
46.19 ~~and maintenance costs. Debt service costs for the proposed project must be calculated based~~
46.20 ~~on the maximum loan term permitted for the drinking water revolving fund loan under this~~
46.21 ~~section. The amount of the principal forgiveness or grant must be equal to 80 percent of the~~
46.22 ~~amount needed to reduce the average annual residential drinking water system cost to 1.2~~
46.23 ~~percent of median household income in the project service area, to a maximum of \$4,000,000~~
46.24 ~~or \$15,000 per connection, whichever is less, and not to exceed 80 percent of the total project~~
46.25 ~~cost.~~

46.26 ~~(e)~~ (b) Principal forgiveness or grants provided under paragraph (a), clause (9), may not
46.27 exceed 25 percent of the eligible project costs as determined by the Department of Health
46.28 for project components directly related to green infrastructure, water or energy efficiency
46.29 improvements, or other environmentally innovative activities, up to a maximum of
46.30 \$1,000,000.

46.31 ~~(d) The authority may reduce the percentage of median household income at which a~~
46.32 ~~loan term could extend to 30 years under subdivision 8, paragraph (c), and at which principal~~
46.33 ~~forgiveness or grants could be provided under paragraph (b) if it determines that the federal~~
46.34 ~~money allotted to the state cannot be fully utilized without the reduction. If it determines~~

47.1 ~~that the reduction is necessary to fully utilize the federal money, the authority must effect~~
 47.2 ~~the change through its approval of the annual intended use plan.~~

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

47.4 Subdivision 1. **Bonding authority.** The authority may issue negotiable bonds in a
 47.5 principal amount that the authority determines necessary to provide sufficient funds for
 47.6 achieving its purposes, including the making of loans and purchase of securities, the payment
 47.7 of interest on bonds of the authority, the establishment of reserves to secure its bonds, the
 47.8 payment of fees to a third party providing credit enhancement, and the payment of all other
 47.9 expenditures of the authority incident to and necessary or convenient to carry out its corporate
 47.10 purposes and powers, but not including the making of grants. Bonds of the authority may
 47.11 be issued as bonds or notes or in any other form authorized by law. The principal amount
 47.12 of bonds issued and outstanding under this section at any time may not exceed
 47.13 ~~\$1,500,000,000~~ \$2,000,000,000, excluding bonds for which refunding bonds or crossover
 47.14 refunding bonds have been issued, and excluding any bonds issued for the credit enhanced
 47.15 bond program or refunding or crossover refunding bonds issued under the program. The
 47.16 principal amount of bonds issued and outstanding under section 446A.087, may not exceed
 47.17 \$500,000,000, excluding bonds for which refunding bonds or crossover refunding bonds
 47.18 have been issued.

47.19 Sec. 15. Minnesota Statutes 2016, section 462A.37, subdivision 2a, is amended to read:

47.20 Subd. 2a. **Additional authorization.** In addition to the amount authorized in subdivision
 47.21 2, the agency may issue up to ~~\$80,000,000~~ \$95,000,000 of housing infrastructure bonds in
 47.22 one or more series to which the payments made under this section may be pledged.

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

47.24 Subd. 2b. **Additional authorization.** In addition to the amount authorized in subdivisions
 47.25 2 and 2a, the agency may issue up to ~~\$10,000,000~~ \$15,000,000 of housing infrastructure
 47.26 bonds in one or more series to which the payments made under this section may be pledged.

47.27 Sec. 17. Laws 2006, chapter 258, section 18, subdivision 6, as amended by Laws 2013,
 47.28 chapter 136, section 13, is amended to read:

47.29 **Subd. 6. Systemwide Redevelopment, Reuse, or**
 47.30 **Demolition** 5,000,000

47.31 To abate hazardous materials, design,
 47.32 construct, or improve basic infrastructure,

48.1 including sanitary and storm sewer and water
48.2 lines, public streets, curb, gutter, street lights,
48.3 or sidewalks, to make improvements for
48.4 building envelope and structural integrity for
48.5 the purposes of stabilizing the buildings for
48.6 sale, demolish all or portions of surplus,
48.7 nonfunctional, or deteriorated facilities and
48.8 infrastructure or to renovate surplus,
48.9 nonfunctional, or deteriorated facilities and
48.10 infrastructure to facilitate redevelopment of
48.11 Department of Human Services campuses that
48.12 the commissioner of administration is
48.13 authorized to convey to a local unit of
48.14 government under Laws 2005, chapter 20,
48.15 article 1, section 46, or other law. These
48.16 projects must facilitate the redevelopment or
48.17 reuse of these campuses and must be
48.18 implemented consistent with the
48.19 comprehensive redevelopment plans
48.20 developed and approved under Laws 2003,
48.21 First Special Session chapter 14, article 6,
48.22 section 64, subdivision 2, unless expressly
48.23 provided otherwise. If a surplus campus is sold
48.24 or transferred to a local unit of government,
48.25 unspent portions of this appropriation may be
48.26 granted to that local unit of government for
48.27 the purposes stated in this subdivision.
48.28 Notwithstanding the inclusion of the
48.29 unencumbered and unobligated balance of the
48.30 bond sale authorization and appropriation of
48.31 bond proceeds in this subdivision in the report
48.32 submitted to the legislature in January 2017
48.33 pursuant to Minnesota Statutes, section
48.34 16A.642, the unencumbered and obligated
48.35 balance of the bond sale authorization and
48.36 appropriation of bond proceeds in this

49.1 subdivision ~~are~~, estimated to be \$1,991,456.32,
 49.2 is reauthorized and available until December
 49.3 31, ~~2016~~ 2020.

49.4 Sec. 18. Laws 2012, chapter 293, section 7, subdivision 3, is amended to read:

49.5 **Subd. 3. Dam Repair, Reconstruction, and**
 49.6 **Removal** 3,000,000

49.7 To renovate or remove publicly owned dams.
 49.8 The commissioner shall determine project
 49.9 priorities as appropriate under Minnesota
 49.10 Statutes, sections 103G.511 and 103G.515.
 49.11 Notwithstanding the match requirements in
 49.12 Minnesota Statutes, section 103G.511, a grant
 49.13 to the city of Lanesboro does not require any
 49.14 nonstate match.

49.15 Sec. 19. Laws 2014, chapter 294, article 1, section 17, subdivision 12, is amended to read:

49.16 **Subd. 12. West St. Paul - North Urban River to**
 49.17 **River Regional Trail Bridge Greenway** 2,000,000

49.18 For a grant to the city of West St. Paul to
 49.19 predesign, design, and construct a ~~pedestrian~~
 49.20 ~~bridge for the North Urban Regional Trail as~~
 49.21 ~~an overpass~~ grade separated crossing of Robert
 49.22 Street in the area near Wentworth Avenue in
 49.23 West St. Paul for the River to River Regional
 49.24 Greenway. This appropriation may also be
 49.25 used to acquire property or purchase
 49.26 rights-of-way needed for ~~bridge~~ construction.
 49.27 A nonstate match is not required.

49.28 Sec. 20. Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 3,
 49.29 is amended to read:

49.30 **Subd. 3. Local Road Improvement Fund Grants** 8,910,000

49.31 (a) From the bond proceeds account in the
 49.32 state transportation fund as provided in
 49.33 Minnesota Statutes, section 174.50, for

50.1 construction and reconstruction of local roads
50.2 with statewide or regional significance under
50.3 Minnesota Statutes, section 174.52,
50.4 subdivision 4, or for grants to counties to assist
50.5 in paying the costs of rural road safety capital
50.6 improvement projects on county state-aid
50.7 highways under Minnesota Statutes, section
50.8 174.52, subdivision 4a.

50.9 (b) This appropriation includes \$850,000 for
50.10 a grant to the city of Sandstone for predesign,
50.11 design, engineering, and construction of a road
50.12 extending south off of marked Trunk Highway
50.13 23 across from Lundorff Drive to the airport
50.14 area, and including a bridge over Skunk Creek
50.15 in Sandstone, in order to facilitate repurposing
50.16 of an area of the airport into a business park.
50.17 This appropriation is not available until the
50.18 commissioner of management and budget
50.19 determines that sufficient resources to
50.20 complete the project are committed to it from
50.21 other sources, including any funds made
50.22 available from the commissioner of
50.23 transportation.

50.24 (c) This appropriation includes \$3,770,000 for
50.25 a grant to Kandiyohi County for construction
50.26 and reconstruction of local roads ~~to facilitate~~
50.27 ~~the construction of highway-rail grade~~
50.28 ~~separations at U.S. Highway 12 and Minnesota~~
50.29 ~~Highway 40 as part of~~ in conjunction with the
50.30 Willmar Wye project as well as to re-establish
50.31 the local road network on the southwest side
50.32 of Willmar.

51.1 Sec. 21. Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 7,
51.2 is amended to read:

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

51.4 For a grant to the city of Richfield for
51.5 right-of-way acquisition ~~and construction of~~
51.6 for an extension of 77th Street under marked
51.7 Trunk Highway 77/Cedar Avenue in the city
51.8 of Richfield to provide local and regional
51.9 access between Richfield, the Minneapolis/St.
51.10 Paul International Airport, the city of
51.11 Bloomington, and the Mall of America. After
51.12 right-of-way acquisition is completed, the city
51.13 may use any remaining money appropriated
51.14 in this subdivision for construction of the
51.15 extension. Notwithstanding Minnesota
51.16 Statutes, section 16A.642, the bond sale
51.17 authorization and appropriation of bond
51.18 proceeds for the project in this subdivision are
51.19 available until December 31, 2021.

51.20 Sec. 22. **NATIONAL SPORTS CENTER; LEASE.**

51.21 Notwithstanding Minnesota Statutes, sections 16A.695, 16B.24, and 240A.03, subdivision
51.22 6, the Minnesota Amateur Sports Commission may lease for educational purposes that
51.23 portion of property described as a portion of the property acquired by the commission
51.24 pursuant to Laws 1987, chapter 400, section 8, subdivision 3, not currently needed for
51.25 amateur sports purposes to Independent School District No. 16, Spring Lake Park. The lease
51.26 shall be in a form approved by the attorney general and for a term not to exceed 99 years.
51.27 The lease may provide for the provision of capital improvements or other performance by
51.28 the tenant in lieu of all or some of the payments of rent that would otherwise be required.
51.29 Any lease revenues paid to the commission are appropriated to the commission.

51.30 Sec. 23. **REVISOR'S INSTRUCTION.**

51.31 In Minnesota Statutes, the revisor of statutes shall replace references to Minnesota
51.32 Statutes, section 123A.446, with Minnesota Statutes, section 123A.445.

52.1 Sec. 24. **REPEALER.**

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

52.3 Sec. 25. **EFFECTIVE DATE.**

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

APPENDIX
Article locations in H0892-1

ARTICLE 1	APPROPRIATIONS	Page.Ln 1.16
ARTICLE 2	MISCELLANEOUS	Page.Ln 31.17

APPENDIX
Repealed Minnesota Statutes: H0892-1

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.