

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

S.F. No. 5251

(SENATE AUTHORS: PAPPAS)

DATE	D-PG	OFFICIAL STATUS
04/02/2024	13333	Introduction and first reading
		Referred to Capital Investment
05/15/2024	16954a	Comm report: To pass as amended and re-refer to Finance

1.1 A bill for an act

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

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

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

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

1.6 appropriating money; amending Minnesota Statutes 2023 Supplement, sections

1.7 256E.37, subdivision 1; 462A.395; 473.5491, subdivisions 1, 2, 4; Laws 2023,

1.8 chapter 71, article 1, section 14, subdivision 21; proposing coding for new law in

1.9 Minnesota Statutes, chapters 16B; 84; 115B; 446A; repealing Minnesota Statutes

1.10 2022, sections 16A.662; 116J.417, subdivision 9.

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

1.12 **ARTICLE 1**

1.13 **APPROPRIATIONS**

1.14 Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

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

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

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

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

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

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

1.21 otherwise specified, money appropriated in this act:

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

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

1.24 management and budget;

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

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

2.6 (4) is subject to the policies and procedures adopted by the commissioner of management
2.7 and budget or otherwise specified in applicable law; and

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

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

2.13 (c) Recipients of grants from money appropriated in this article must demonstrate to the
2.14 commissioner of the agency making the grant that the recipient has the ability and a plan
2.15 to fund the program intended for the facility. This paragraph does not apply to state agencies.

2.16 **APPROPRIATIONS**

2.17 **Sec. 2. UNIVERSITY OF MINNESOTA**

2.18 **Subdivision 1. Total Appropriation** **\$ 40,000,000**

2.19 To the Board of Regents of the University of
2.20 Minnesota for the purposes specified in this
2.21 section.

2.22 **Subd. 2. Higher Education Asset Preservation**
2.23 **and Replacement (HEAPR)** **40,000,000**

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

2.26 This appropriation must be used to fully fund
2.27 improvements and betterments of a capital
2.28 nature required to complete the following
2.29 projects:

2.30 (1) critical utility infrastructure improvements
2.31 for the heating plant on the Crookston campus;

3.1 (2) the repair or replacement of the HVAC
 3.2 system in the Library Annex facility on the
 3.3 Duluth campus and other capital
 3.4 improvements to comply with federal, state,
 3.5 and local building code requirements;

3.6 (3) improvements to the Multi-Ethnic
 3.7 Resource Center, originally constructed in
 3.8 1899, on the Morris campus; and

3.9 (4) the replacement of the pedestrian enclosure
 3.10 and suicide deterrent barriers on the
 3.11 Washington Avenue Pedestrian Bridge on the
 3.12 Twin Cities campus. The board must consult
 3.13 with persons impacted by suicide at this
 3.14 bridge, suicide prevention organizations, and
 3.15 experts in the field of suicide prevention in
 3.16 designing the project.

3.17 **Sec. 3. MINNESOTA STATE COLLEGES AND**
 3.18 **UNIVERSITIES**

3.19 **Subdivision 1. Total Appropriation** **\$** **40,000,000**

3.20 To the Board of Trustees of the Minnesota
 3.21 State Colleges and Universities for the
 3.22 purposes specified in this section.

3.23 **Subd. 2. Higher Education Asset Preservation**
 3.24 **and Replacement (HEAPR)** **40,000,000**

3.25 To be spent in accordance with Minnesota
 3.26 Statutes, section 135A.046.

3.27 **Sec. 4. EDUCATION** **\$** **382,121,000**

3.28 (a) To the commissioner of education for
 3.29 library construction grants under Minnesota
 3.30 Statutes, section 134.45.

3.31 (b) Of this amount, \$1,000,000 is for a grant
 3.32 to the city of Clara City to predesign, design,
 3.33 construct, furnish, and equip a new library
 3.34 building.

4.1	Sec. 5. <u>MINNESOTA STATE ACADEMIES</u>		
4.2	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>1,227,000</u>
4.3	<u>To the commissioner of administration for the</u>		
4.4	<u>purposes specified in this section.</u>		
4.5	<u>Subd. 2. Asset Preservation</u>		<u>1,227,000</u>
4.6	<u>For capital asset preservation improvements</u>		
4.7	<u>and betterments on both campuses of the</u>		
4.8	<u>Minnesota State Academies, to be spent in</u>		
4.9	<u>accordance with Minnesota Statutes, section</u>		
4.10	<u>16B.307.</u>		
4.11	Sec. 6. <u>PERPICH CENTER FOR ARTS</u>		
4.12	<u>EDUCATION</u>	<u>\$</u>	<u>1,000,000</u>
4.13	<u>To the commissioner of administration for</u>		
4.14	<u>capital asset preservation improvements and</u>		
4.15	<u>betterments at the Perpich Center for Arts</u>		
4.16	<u>Education, to be spent in accordance with</u>		
4.17	<u>Minnesota Statutes, section 16B.307.</u>		
4.18	Sec. 7. <u>NATURAL RESOURCES</u>		
4.19	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>48,400,000</u>
4.20	<u>(a) To the commissioner of natural resources</u>		
4.21	<u>for the purposes specified in this section.</u>		
4.22	<u>(b) The appropriations in this section are</u>		
4.23	<u>subject to the requirements of the natural</u>		
4.24	<u>resources capital improvement program under</u>		
4.25	<u>Minnesota Statutes, section 86A.12, unless</u>		
4.26	<u>this section or the statutes referred to in this</u>		
4.27	<u>section provide more specific standards,</u>		
4.28	<u>criteria, or priorities for projects than</u>		
4.29	<u>Minnesota Statutes, section 86A.12.</u>		
4.30	<u>Subd. 2. Natural Resources Asset Preservation</u>		<u>15,000,000</u>
4.31	<u>For the preservation and replacement of</u>		
4.32	<u>state-owned facilities and recreational assets</u>		
4.33	<u>operated by the commissioner of natural</u>		

- 5.1 resources to be spent in accordance with
 5.2 Minnesota Statutes, section 84.946.
- 5.3 **Subd. 3. Badoura State Forest Nursery** **18,000,000**
- 5.4 To predesign, design, and construct facility
 5.5 capital improvements and associated facility
 5.6 components at the Badoura State Forest
 5.7 Nursery.
- 5.8 **Subd. 4. Accessibility** **2,000,000**
- 5.9 For the design and construction of accessibility
 5.10 improvements at state parks, recreation areas,
 5.11 and wildlife management areas.
- 5.12 **Subd. 5. Flood Hazard Mitigation** **5,000,000**
- 5.13 (a) For the state share of flood hazard
 5.14 mitigation grants for publicly owned capital
 5.15 improvements to prevent or alleviate flood
 5.16 damage under Minnesota Statutes, section
 5.17 103F.161.
- 5.18 (b) Project priorities shall be determined by
 5.19 the commissioner as appropriate, based on
 5.20 need and consideration of available leveraging
 5.21 of federal, state, and local funds.
- 5.22 (c) To the extent practicable and consistent
 5.23 with the project, recipients of appropriations
 5.24 for flood control projects in this subdivision
 5.25 shall create wetlands that are eligible for
 5.26 wetland replacement credit to replace wetlands
 5.27 drained or filled as the result of repair,
 5.28 reconstruction, replacement, or rehabilitation
 5.29 of an existing public road under Minnesota
 5.30 Statutes, section 103G.222, subdivision 1,
 5.31 paragraphs (l) and (m).
- 5.32 (d) To the extent that the cost of a municipal
 5.33 project exceeds two percent of the median

6.1 household income in the municipality
 6.2 multiplied by the number of households in the
 6.3 municipality, this appropriation is also for the
 6.4 local share of the project.

6.5 **Subd. 6. Community Tree Planting** 6,000,000

6.6 For grants under Minnesota Statutes, section
 6.7 84.705. This appropriation must be used for
 6.8 qualified capital projects.

6.9 **Subd. 7. Reforestation** 2,400,000

6.10 For reforestation and stand improvement on
 6.11 state forest lands to meet the reforestation
 6.12 requirements of Minnesota Statutes, section
 6.13 89.002, subdivision 2, including purchasing
 6.14 native seeds and native seedlings, planting,
 6.15 seeding, site preparation, and protection on
 6.16 state lands administered by the commissioner.

6.17 **Subd. 8. Unspent Appropriations**

6.18 The unspent portion of an appropriation for a
 6.19 project in this section that is complete, upon
 6.20 written notice to the commissioner of
 6.21 management and budget, is available for asset
 6.22 preservation under Minnesota Statutes, section
 6.23 84.946. Minnesota Statutes, section 16A.642,
 6.24 applies from the date of the original
 6.25 appropriation to the unspent amount
 6.26 transferred.

6.27 **Sec. 8. POLLUTION CONTROL AGENCY**

6.28 **Subdivision 1. Total Appropriation** \$ 8,000,000

6.29 To the Pollution Control Agency for the
 6.30 purposes specified in this section.

6.31 **Subd. 2. Statewide Drinking Water**
 6.32 **Contamination Mitigation Program** 8,000,000

7.1 For projects or grants under Minnesota

7.2 Statutes, section 115B.245.

7.3 **Sec. 9. BOARD OF WATER AND SOIL**

7.4 **RESOURCES**

7.5 **Subdivision 1. Total Appropriation**

\$ 6,500,000

7.6 To the Board of Water and Soil Resources for

7.7 the purposes specified in this section.

7.8 **Subd. 2. Local Government Roads Wetland**

7.9 **Replacement Program**

2,500,000

7.10 To acquire land or permanent easements and

7.11 to restore, create, enhance, and preserve

7.12 wetlands to replace those wetlands drained or

7.13 filled as a result of the repair, reconstruction,

7.14 replacement, or rehabilitation of existing

7.15 public roads as required by Minnesota

7.16 Statutes, section 103G.222, subdivision 1,

7.17 paragraphs (l) and (m). Notwithstanding

7.18 Minnesota Statutes, section 103G.222,

7.19 subdivision 3, the board may implement the

7.20 wetland replacement program consistent with

7.21 section 404 of the federal Clean Water Act.

7.22 The purchase price paid for acquisition of land

7.23 or perpetual easement must be a fair market

7.24 value as determined by the board. The board

7.25 may enter into agreements with the federal

7.26 government, other state agencies, political

7.27 subdivisions, nonprofit organizations, fee title

7.28 owners, or other qualified private entities to

7.29 acquire wetland replacement credits in

7.30 accordance with Minnesota Rules, chapter

7.31 8420. Up to five percent of this appropriation

7.32 may be used for restoration and enhancement.

8.1 **Subd. 3. Reinvest in Minnesota (RIM) Reserve**
 8.2 **Program**

4,000,000

8.3 To acquire conservation easements from
 8.4 landowners to preserve, restore, create, and
 8.5 enhance wetlands and associated uplands of
 8.6 prairie and grasslands, and to restore and
 8.7 enhance rivers and streams, riparian lands, and
 8.8 associated uplands of prairie and grasslands,
 8.9 in order to protect soil and water quality,
 8.10 support fish and wildlife habitat, reduce flood
 8.11 damage, and provide other public benefits.
 8.12 The provisions of Minnesota Statutes, section
 8.13 103F.515, apply to this program. The board
 8.14 shall give priority to leveraging federal money
 8.15 by enrolling targeted new lands or enrolling
 8.16 environmentally sensitive lands that have
 8.17 expiring federal conservation agreements. The
 8.18 board is authorized to enter into new
 8.19 agreements and amend past agreements with
 8.20 landowners as required by Minnesota Statutes,
 8.21 section 103F.515, subdivision 5, to allow for
 8.22 restoration. Up to ten percent of this
 8.23 appropriation may be used for restoration,
 8.24 rehabilitation, and enhancement.

8.25 **Sec. 10. MINNESOTA ZOOLOGICAL**
 8.26 **GARDEN**

\$ 15,000,000

8.27 To the Minnesota Zoological Board to design,
 8.28 construct, furnish, and equip a new animal
 8.29 hospital building at the Minnesota Zoological
 8.30 Garden.

8.31 **Sec. 11. ADMINISTRATION**

8.32 **Subdivision 1. Total Appropriation**

\$ 27,844,000

8.33 To the commissioner of administration for the
 8.34 purposes specified in this section.

9.1	<u>Subd. 2. Capitol Tunnel</u>	<u>8,500,000</u>
9.2	<u>To design, construct, and equip improvements</u>	
9.3	<u>to bring a portion of the tunnel under Rev. Dr.</u>	
9.4	<u>Martin Luther King Jr. Boulevard and to the</u>	
9.5	<u>east to the State Capitol into compliance with</u>	
9.6	<u>the Americans with Disabilities Act.</u>	
9.7	<u>Subd. 3. Capital Asset Preservation and</u>	
9.8	<u>Replacement Account</u>	<u>2,044,000</u>
9.9	<u>To be spent in accordance with Minnesota</u>	
9.10	<u>Statutes, section 16A.632.</u>	
9.11	<u>Subd. 4. Transportation Building- Physical</u>	
9.12	<u>Security Upgrades</u>	<u>1,800,000</u>
9.13	<u>From the trunk highway fund, for the design,</u>	
9.14	<u>construction, and equipping required to</u>	
9.15	<u>upgrade the physical security elements and</u>	
9.16	<u>systems for the Transportation building and</u>	
9.17	<u>its attached tunnel systems, surrounding</u>	
9.18	<u>grounds, and parking facilities as identified in</u>	
9.19	<u>the 2017 Minnesota State Capitol Complex</u>	
9.20	<u>Physical Security Predesign completed by</u>	
9.21	<u>Miller Dunwiddie and an updated assessment</u>	
9.22	<u>completed in 2022. Upgrades include but are</u>	
9.23	<u>not limited to the installation of bollards, blast</u>	
9.24	<u>protection, infrastructure security screen walls,</u>	
9.25	<u>door access controls, emergency call stations,</u>	
9.26	<u>surveillance systems, security kiosks, lighting</u>	
9.27	<u>enhancements, locking devices, and traffic</u>	
9.28	<u>and crowd control devices.</u>	
9.29	<u>Subd. 5. ADA Accessibility</u>	<u>3,500,000</u>
9.30	<u>To be spent in accordance with Minnesota</u>	
9.31	<u>Statutes, section 16B.308.</u>	
9.32	<u>Subd. 6. Capitol Mall Improvements</u>	<u>12,000,000</u>
9.33	<u>To predesign, design, construct, furnish, and</u>	
9.34	<u>equip improvements and betterments of a</u>	

- 10.1 capital nature within the Capitol Area,
 10.2 consistent with the Capitol Mall Design
 10.3 Framework update required by Laws 2023,
 10.4 chapter 62, article 2, section 124.
- 10.5 **Sec. 12. AMATEUR SPORTS COMMISSION**
- 10.6 **Subdivision 1. Total Appropriation** **\$ 7,000,000**
- 10.7 To the Minnesota Amateur Sports
 10.8 Commission for the purposes specified in this
 10.9 section.
- 10.10 **Subd. 2. Asset Preservation** **6,000,000**
- 10.11 For asset preservation improvements and
 10.12 betterments of a capital nature at the National
 10.13 Sports Center in Blaine, to be spent in
 10.14 accordance with Minnesota Statutes, section
 10.15 16B.307.
- 10.16 **Subd. 3. Mighty Ducks** **1,000,000**
- 10.17 For grants to local government units under
 10.18 Minnesota Statutes, section 240A.09,
 10.19 paragraph (b), for projects that eliminate R-22.
- 10.20 **Sec. 13. MILITARY AFFAIRS**
- 10.21 **Subdivision 1. Total Appropriation** **\$ 3,000,000**
- 10.22 To the adjutant general for the purposes
 10.23 specified in this section.
- 10.24 **Subd. 2. Duluth Hangar Design** **3,000,000**
- 10.25 To predesign and design the construction of
 10.26 a new hangar to hold aircraft at the Duluth
 10.27 International Airport in support of the 148th
 10.28 Fighter Wing of the Minnesota Air National
 10.29 Guard to replace existing hangars.
- 10.30 **Sec. 14. PUBLIC SAFETY**
- 10.31 **Subdivision 1. Total Appropriation** **\$ 47,998,000**

11.1	<u>To the commissioner of administration for the</u>		
11.2	<u>purposes specified in this section.</u>		
11.3	<u>Subd. 2. Southern Minnesota BCA Regional</u>		
11.4	<u>Office and Laboratory</u>		<u>47,998,000</u>
11.5	<u>To construct, furnish, and equip a new Bureau</u>		
11.6	<u>of Criminal Apprehension regional office and</u>		
11.7	<u>laboratory facility in Mankato.</u>		
11.8	Sec. 15. <u>TRANSPORTATION</u>		
11.9	<u>Subdivision 1. Total Appropriation</u>	\$	<u>94,621,000</u>
11.10	<u>To the commissioner of transportation for the</u>		
11.11	<u>purposes specified in this section.</u>		
11.12	<u>Subd. 2. Major Local Bridge Replacement and</u>		
11.13	<u>Rehabilitation Program</u>		<u>35,000,000</u>
11.14	<u>From the bond proceeds account in the state</u>		
11.15	<u>transportation fund for grants under Minnesota</u>		
11.16	<u>Statutes, section 174.50, subdivision 6d.</u>		
11.17	<u>Subd. 3. Port Development Assistance Program</u>		<u>3,000,000</u>
11.18	<u>For grants under Minnesota Statutes, chapter</u>		
11.19	<u>457A. Any improvements made with the</u>		
11.20	<u>proceeds of these grants must be publicly</u>		
11.21	<u>owned.</u>		
11.22	<u>Subd. 4. Local Bridge Replacement and</u>		
11.23	<u>Rehabilitation</u>		<u>20,000,000</u>
11.24	<u>From the bond proceeds account in the state</u>		
11.25	<u>transportation fund to match federal money</u>		
11.26	<u>and to replace or rehabilitate local deficient</u>		
11.27	<u>bridges as provided in Minnesota Statutes,</u>		
11.28	<u>section 174.50.</u>		
11.29	<u>Subd. 5. Local Road Improvement Fund Grants</u>		<u>36,621,000</u>
11.30	<u>From the bond proceeds account in the state</u>		
11.31	<u>transportation fund as provided in Minnesota</u>		
11.32	<u>Statutes, section 174.50, for eligible trunk</u>		
11.33	<u>highway corridor improvement projects under</u>		

- 12.1 Minnesota Statutes, section 174.52,
 12.2 subdivision 2; for construction and
 12.3 reconstruction of local roads with statewide
 12.4 or regional significance under Minnesota
 12.5 Statutes, section 174.52, subdivision 4; or for
 12.6 grants to counties to assist in paying the costs
 12.7 of rural road safety capital improvement
 12.8 projects on county state-aid highways under
 12.9 Minnesota Statutes, section 174.52,
 12.10 subdivision 4a. Of this appropriation,
 12.11 \$5,000,000 is for projects on town roads.
- 12.12 **Sec. 16. METROPOLITAN COUNCIL**
- 12.13 **Subdivision 1. Total Appropriation** **\$ 14,125,000**
- 12.14 To the Metropolitan Council for the purposes
 12.15 specified in this section.
- 12.16 **Subd. 2. Metropolitan Cities Inflow and**
 12.17 **Infiltration Grants** **10,000,000**
- 12.18 For grants under Minnesota Statutes, section
 12.19 473.5491.
- 12.20 **Subd. 3. Metropolitan Regional Parks and Trails** **4,125,000**
- 12.21 For the cost of improvements and betterments
 12.22 of a capital nature and acquisition by the
 12.23 council and local government units of regional
 12.24 recreational open-space lands in accordance
 12.25 with the council's policy plan as provided in
 12.26 Minnesota Statutes, section 473.147. This
 12.27 appropriation must not be used to purchase
 12.28 easements.
- 12.29 **Sec. 17. HUMAN SERVICES**
- 12.30 **Subdivision 1. Total Appropriation** **\$ 12,500,000**
- 12.31 To the commissioner of administration, or
 12.32 other named entity, for the purposes specified
 12.33 in this section.

13.1	<u>Subd. 2. Asset Preservation</u>	<u>8,000,000</u>
13.2	<u>For asset preservation improvements and</u>	
13.3	<u>betterments of a capital nature at Department</u>	
13.4	<u>of Human Services facilities statewide, to be</u>	
13.5	<u>spent in accordance with Minnesota Statutes,</u>	
13.6	<u>section 16B.307. The commissioner of</u>	
13.7	<u>administration may use this appropriation for</u>	
13.8	<u>improvements and betterments of a capital</u>	
13.9	<u>nature to be spent in accordance with</u>	
13.10	<u>Minnesota Statutes, section 16B.307, at</u>	
13.11	<u>facilities operated by the Department of Direct</u>	
13.12	<u>Care and Treatment following the department's</u>	
13.13	<u>separation from the Department of Human</u>	
13.14	<u>Services.</u>	
13.15	<u>Subd. 3. Early Childhood Facilities Grants</u>	<u>4,500,000</u>
13.16	<u>To the commissioner of human services for</u>	
13.17	<u>grants under Minnesota Statutes, section</u>	
13.18	<u>256E.37, to predesign, design, construct,</u>	
13.19	<u>renovate, furnish, and equip early childhood</u>	
13.20	<u>learning facilities.</u>	
13.21	<u>Sec. 18. VETERANS AFFAIRS</u>	
13.22	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 25,045,000</u>
13.23	<u>To the commissioner of administration for the</u>	
13.24	<u>purposes specified in this section.</u>	
13.25	<u>Subd. 2. Asset Preservation</u>	<u>9,000,000</u>
13.26	<u>For asset preservation improvements and</u>	
13.27	<u>betterments of a capital nature at the veterans</u>	
13.28	<u>homes in Minneapolis, Hastings, Fergus Falls,</u>	
13.29	<u>Silver Bay, and Luverne, and the state veterans</u>	
13.30	<u>cemeteries at Little Falls, Preston, and Duluth,</u>	
13.31	<u>to be spent in accordance with Minnesota</u>	
13.32	<u>Statutes, section 16B.307.</u>	
13.33	<u>Subd. 3. Minneapolis Veterans Home - Building</u>	
13.34	<u>16 Remodel</u>	<u>16,045,000</u>

- 14.1 To design, construct, furnish, and equip the
 14.2 renovation of the Minneapolis Veterans Home
 14.3 Building 16.
- 14.4 **Sec. 19. CORRECTIONS**
- 14.5 **Subdivision 1. Total Appropriation** **\$ 86,585,000**
- 14.6 To the commissioner of administration for the
 14.7 purposes specified in this section.
- 14.8 **Subd. 2. Asset Preservation** **40,000,000**
- 14.9 For asset preservation improvement and
 14.10 betterments of a capital nature at the
 14.11 Minnesota correctional facilities statewide to
 14.12 be spent in accordance with Minnesota
 14.13 Statutes, section 16B.307.
- 14.14 **Subd. 3. Minnesota Correctional Facility - Rush**
 14.15 **City** **46,585,000**
- 14.16 To design, construct, furnish, and equip a new
 14.17 building addition and to renovate existing
 14.18 space to provide incarcerated persons services
 14.19 at the Rush City Correctional Facility.
- 14.20 **Subd. 4. Unspent Appropriations**
- 14.21 The unspent portion of an appropriation for a
 14.22 Department of Corrections project in this
 14.23 section that is complete, upon written notice
 14.24 to the commissioner of management and
 14.25 budget, is available for asset preservation
 14.26 under Minnesota Statutes, section 16B.307.
 14.27 Minnesota Statutes, section 16A.642, applies
 14.28 from the date of the original appropriation to
 14.29 the unspent amount transferred.
- 14.30 **Sec. 20. EMPLOYMENT AND ECONOMIC**
 14.31 **DEVELOPMENT**
- 14.32 **Subdivision 1. Total Appropriation** **\$ 4,000,000**

- 15.1 To the commissioner of employment and
 15.2 economic development for the purposes
 15.3 specified in this section.
- 15.4 **Subd. 2. Greater Minnesota Business**
 15.5 **Development Public Infrastructure** 2,000,000
- 15.6 For grants under Minnesota Statutes, section
 15.7 116J.431.
- 15.8 **Subd. 3. Transportation Economic Development**
 15.9 **Infrastructure** 2,000,000
- 15.10 For grants under Minnesota Statutes, section
 15.11 116J.436.
- 15.12 **Sec. 21. PUBLIC FACILITIES AUTHORITY**
- 15.13 **Subdivision 1. Total Appropriation** **\$ 100,011,000**
- 15.14 To the Public Facilities Authority for the
 15.15 purposes specified in this section.
- 15.16 **Subd. 2. State Match for Federal Grants to State**
 15.17 **Revolving Loan Programs** 39,000,000
- 15.18 To match federal capitalization grants for the
 15.19 clean water revolving fund under Minnesota
 15.20 Statutes, section 446A.07, and the drinking
 15.21 water revolving fund under Minnesota
 15.22 Statutes, section 446A.081. This appropriation
 15.23 must be used for qualified capital projects.
- 15.24 **Subd. 3. Water Infrastructure Funding Program** 35,484,000
- 15.25 (a) For grants to eligible municipalities under
 15.26 the water infrastructure funding program under
 15.27 Minnesota Statutes, section 446A.072.
- 15.28 (b) \$17,742,000 is for wastewater projects
 15.29 listed on the Pollution Control Agency's
 15.30 project priority list in the fundable range under
 15.31 the clean water revolving fund program.
- 15.32 (c) \$17,742,000 is for drinking water projects
 15.33 listed on the commissioner of health's project

16.1 priority list in the fundable range under the
 16.2 drinking water revolving fund program.

16.3 (d) After all eligible projects under paragraph
 16.4 (b) or (c) have been funded in a fiscal year,
 16.5 the Public Facilities Authority may transfer
 16.6 any remaining, uncommitted money to eligible
 16.7 projects under a program defined in paragraph
 16.8 (b) or (c) based on that program's project
 16.9 priority list.

16.10 **Subd. 4. Point Source Implementation Grants**
 16.11 **Program**

18,527,000

16.12 For grants to eligible municipalities under the
 16.13 point source implementation grants program
 16.14 under Minnesota Statutes, section 446A.073.
 16.15 This appropriation must be used for qualified
 16.16 capital projects.

16.17 **Subd. 5. Emerging Contaminants Grant**
 16.18 **Program**

7,000,000

16.19 For grants to eligible municipalities under the
 16.20 Emerging Contaminants Grant Program under
 16.21 Minnesota Statutes, section 446A.082.

16.22 **Sec. 22. MINNESOTA HOUSING FINANCE**
 16.23 **AGENCY**

16.24 **Subdivision 1. Total Appropriation**

\$ 14,500,000

16.25 To the Minnesota Housing Finance Agency
 16.26 for the purposes specified in this section.

16.27 **Subd. 2. Public Housing Rehabilitation**

10,000,000

16.28 To the Minnesota Housing Finance Agency
 16.29 to finance the costs of rehabilitation to
 16.30 preserve public housing under Minnesota
 16.31 Statutes, section 462A.202, subdivision 3a.
 16.32 For purposes of this section, "public housing"
 16.33 means housing for low-income persons and
 16.34 households financed by the federal

- 17.1 government and publicly owned. Priority may
 17.2 be given to proposals that maximize nonstate
 17.3 resources to finance the capital costs and
 17.4 requests that prioritize health, safety, and
 17.5 energy improvements. The priority in
 17.6 Minnesota Statutes, section 462A.202,
 17.7 subdivision 3a, for projects to increase the
 17.8 supply of affordable housing and the
 17.9 restrictions of Minnesota Statutes, section
 17.10 462A.202, subdivision 7, do not apply to this
 17.11 appropriation.
- 17.12 **Subd. 3. Greater Minnesota Housing**
 17.13 **Infrastructure Grants** 4,500,000
- 17.14 For grants under Minnesota Statutes, section
 17.15 462A.395, subdivision 3, paragraph (b).
- 17.16 **Sec. 23. MINNESOTA HISTORICAL**
 17.17 **SOCIETY**
- 17.18 **Subdivision 1. Total Appropriation** **\$ 6,588,000**
- 17.19 To the Minnesota Historical Society for the
 17.20 purposes specified in this section.
- 17.21 **Subd. 2. Historic Sites Asset Preservation** 5,588,000
- 17.22 For capital improvements and betterments at
 17.23 state historic sites, buildings, landscaping at
 17.24 historic buildings, exhibits, markers, and
 17.25 monuments, to be spent in accordance with
 17.26 Minnesota Statutes, section 16B.307. The
 17.27 society shall determine project priorities as
 17.28 appropriate based on need.
- 17.29 **Subd. 3. County and Local Preservation Grants** 1,000,000
- 17.30 For grants to county and local jurisdictions as
 17.31 matching money for historic preservation
 17.32 projects of a capital nature, as provided in
 17.33 Minnesota Statutes, section 138.0525.

18.1 **Sec. 24. MINNESOTA MANAGEMENT AND**
 18.2 **BUDGET**

\$ 1,300,000

18.3 From the general fund to the commissioner of
 18.4 management and budget to prepay or defease
 18.5 any outstanding state general obligation bonds
 18.6 used for improvements and betterments at the
 18.7 University of Minnesota Cloquet Forestry
 18.8 Center, and other associated financing costs,
 18.9 to facilitate the university's goal of returning
 18.10 this land to the Fond du Lac Band of Lake
 18.11 Superior Chippewa. This amount may be
 18.12 deposited, invested, and applied to accomplish
 18.13 the purposes of this section as provided in
 18.14 Minnesota Statutes, section 475.67,
 18.15 subdivisions 5 to 10, and 13. Upon the
 18.16 prepayment or defeasance of associated debt
 18.17 on the real property and improvements, all
 18.18 conditions set forth in Minnesota Statutes,
 18.19 section 16A.695, subdivision 3, shall be
 18.20 deemed to have been satisfied and the real
 18.21 property and improvements shall no longer
 18.22 constitute state bond financed property under
 18.23 Minnesota Statutes, section 16A.695.

18.24 **Sec. 25. BOND SALE AUTHORIZATIONS.**

18.25 Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from
 18.26 the bond proceeds fund, and to provide for expenses authorized in section 16A.641,
 18.27 subdivision 8, paragraph (c), the commissioner of management and budget shall sell and
 18.28 issue bonds of the state in an amount up to \$898,629,000 in the manner, upon the terms,
 18.29 and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by
 18.30 the Minnesota Constitution, article XI, sections 4 to 7.

18.31 Subd. 2. **Transportation fund.** To provide the money appropriated in this act from the
 18.32 bond proceeds account in the state transportation fund, the commissioner of management
 18.33 and budget shall sell and issue bonds of the state in an amount up to \$86,621,000 in the
 18.34 manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections
 18.35 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

19.1 **Sec. 26. BOND SALE SCHEDULE.**

19.2 The commissioner of management and budget shall schedule the sale of state general
 19.3 obligation bonds so that, during the biennium ending June 30, 2025, no more than
 19.4 \$1,136,805,000 will need to be transferred from the general fund to the state bond fund to
 19.5 pay principal and interest due and to become due on outstanding state general obligation
 19.6 bonds. During the biennium, before each sale of state general obligation bonds, the
 19.7 commissioner of management and budget shall calculate the amount of debt service payments
 19.8 needed on bonds previously issued and shall estimate the amount of debt service payments
 19.9 that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the
 19.10 amount of bonds scheduled to be sold so as to remain within the limit set by this section.
 19.11 The amount needed to make the debt service payments is appropriated from the general
 19.12 fund as provided in Minnesota Statutes, section 16A.641.

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

19.14 (a) The amounts of the general obligation bond proceeds appropriations and trunk
 19.15 highway bond proceeds appropriations listed in the cancellation report submitted to the
 19.16 legislature in January 2024, pursuant to Minnesota Statutes, section 16A.642, are canceled
 19.17 on the effective date of this section. The corresponding bond sale authorizations are reduced
 19.18 by the same amounts. If an appropriation in this section is canceled more than once, the
 19.19 cancellation must be given effect only once.

19.20 (b) The appropriation in Laws 2023, chapter 72, article 1, section 18, subdivision 5,
 19.21 paragraph (c), is canceled. The corresponding bond sale authorization in Laws 2023, chapter
 19.22 72, article 1, section 27, subdivision 1, is reduced by the same amount.

19.23 **Sec. 28. EFFECTIVE DATE.**

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

19.25 **ARTICLE 2**

19.26 **MISCELLANEOUS**

19.27 **Section 1. [16B.308] ACCESSIBILITY ACCOUNT.**

19.28 Subdivision 1. **Establishment.** An accessibility account is established in the state bond
 19.29 proceeds fund to receive state bond proceeds appropriated to the commissioner of
 19.30 administration to be expended for the purpose and in accordance with the standards and
 19.31 criteria in this section.

20.1 Subd. 2. **Standards.** (a) An expenditure may be made from the account only when it is
20.2 a capital expenditure on a capital asset owned by the state, within the meaning of accepted
20.3 accounting principles as applied to public expenditures. The commissioner of administration
20.4 must consult with the commissioner of management and budget to the extent necessary to
20.5 ensure that an expenditure meets the criteria of the Minnesota Constitution, article XI,
20.6 section 5, clause (a).

20.7 (b) An expenditure may be made from the account to predesign, design, construct,
20.8 renovate, furnish, and equip accessibility improvements on state-owned property. For
20.9 purposes of this section, "state-owned property" does not include property controlled or
20.10 managed by the University of Minnesota.

20.11 (c) Categories of projects considered likely to be most needed and appropriate for
20.12 financing are:

20.13 (1) removal of architectural barriers from a building or site; and

20.14 (2) improvements to meet state and federal requirements for accessibility for people
20.15 with disabilities.

20.16 Subd. 3. **Applications; project selection.** (a) The commissioner of administration must:

20.17 (1) provide instructions to state agencies to apply for funding of capital expenditures
20.18 from the accessibility account;

20.19 (2) review applications for funding;

20.20 (3) make initial allocations among eligible projects;

20.21 (4) determine priorities for funding in collaboration with the Minnesota Council on
20.22 Disability; and

20.23 (5) allocate money in priority order until the available appropriation has been committed.

20.24 Subd. 4. **Report.** On or before January 15 annually the commissioner of administration
20.25 must submit to the commissioner of management and budget and the chairs and ranking
20.26 minority members of the committees in the senate and the house of representatives with
20.27 jurisdiction over capital investment a list of the projects that were funded with money from
20.28 the accessibility account during the preceding calendar year, as well as a list of priority
20.29 projects for which accessibility appropriations will be requested in that year's legislative
20.30 session.

21.1 **Sec. 2. [84.705] COMMUNITY TREE-PLANTING GRANTS.**

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

21.4 **(b) "Shade tree" means a woody perennial grown primarily for aesthetic or environmental**
21.5 **purposes with minimal to residual timber value.**

21.6 **(c) "Supplemental demographic index" means an index in the Environmental Justice**
21.7 **Screening and Mapping Tool developed by the United States Environmental Protection**
21.8 **Agency that is based on socioeconomic indicators, including low income, unemployment,**
21.9 **less than high school education, limited English speaking, and low life expectancy.**

21.10 **Subd. 2. Grants.** (a) **The commissioner must establish a grant program to provide grants**
21.11 **to cities, counties, townships, Tribal governments, and park and recreation boards in cities**
21.12 **of the first class for the following purposes:**

21.13 **(1) removing and planting shade trees on public or Tribal land to provide environmental**
21.14 **benefits;**

21.15 **(2) replacing trees lost to forest pests, disease, or storms; or**

21.16 **(3) establishing a more diverse community forest better able to withstand disease and**
21.17 **forest pests.**

21.18 **(b) Any tree planted with money granted under this section must be a climate-adapted**
21.19 **species to Minnesota.**

21.20 **Subd. 3. Priority.** (a) **Priority for grants awarded under this section must be given to:**

21.21 **(1) projects removing and replacing ash trees that pose significant public safety concerns;**
21.22 **and**

21.23 **(2) projects located in a census block group with a supplemental demographic index**
21.24 **score in the 70th percentile or higher within the state of Minnesota.**

21.25 **(b) The commissioner may not prioritize projects based on criteria other than the criteria**
21.26 **established under paragraph (a).**

21.27 **Subd. 4. Eligible projects.** (a) **The proceeds of state general obligation bonds may only**
21.28 **be expended for grants to cities, counties, townships, and park and recreation boards in**
21.29 **cities of the first class.**

22.1 (b) Appropriations from the general fund may be expended for grants to Tribal
22.2 governments, cities, counties, townships, and park and recreation boards in cities of the first
22.3 class.

22.4 Sec. 3. [115B.245] STATEWIDE DRINKING WATER CONTAMINATION
22.5 MITIGATION PROGRAM.

22.6 Subdivision 1. Program established. (a) The commissioner may design and construct,
22.7 or may make grants to eligible grantees as provided under this section to design and construct,
22.8 projects to provide safe drinking water, due to contamination of drinking water by hazardous
22.9 substances, through projects such as treatment systems, new drinking water wells, sealing
22.10 contaminated wells, and connecting to alternative drinking water sources. The criteria for
22.11 selecting projects must follow the criteria and rules established under section 115B.17.

22.12 (b) The commissioner must prioritize projects located in a census block group with a
22.13 supplemental demographic index score in the 70th percentile or higher within the state of
22.14 Minnesota.

22.15 Subd. 2. Definitions. (a) For purposes of this section, the following terms have the
22.16 meanings given.

22.17 (b) "Commissioner" means the commissioner of the Pollution Control Agency.

22.18 (c) "Eligible grantee" means:

22.19 (1) for projects funded from proceeds of bonds authorized by the Minnesota Constitution,
22.20 article XI, section 5, clause (a), a city, county, school district, joint powers board, or other
22.21 political subdivision of the state; and

22.22 (2) for projects funded from appropriations from the general fund, any person.

22.23 (d) "Private infrastructure projects" means improvements made to nonpublicly owned
22.24 infrastructure such as sealing of private wells, connecting private properties to water mains,
22.25 water service fees, treatment systems, and drilling new private wells in an unimpaired
22.26 drinking water aquifer.

22.27 (e) "Public infrastructure projects" means improvements made to publicly owned
22.28 infrastructure such as water main installation, public water system improvements, treatment
22.29 systems, and associated improvements.

22.30 (f) "Supplemental demographic index" means an index in the Environmental Justice
22.31 Screening and Mapping Tool developed by the United States Environmental Protection

23.1 Agency that is based on socioeconomic indicators, including low income, unemployment,
 23.2 less than high school education, limited English speaking, and low life expectancy.

23.3 Subd. 3. **Eligible projects.** (a) The proceeds of state general obligation bonds may only
 23.4 be expended to acquire land or an interest in land and to predesign, design, construct, and
 23.5 improve public infrastructure projects that further the purposes of this section.

23.6 Notwithstanding section 115B.17, subdivision 6 or 16, any money recovered in a civil action
 23.7 for a project financed with bonds under this section shall be deposited by the commissioner
 23.8 in the statewide drinking water contamination mitigation account in the special revenue
 23.9 fund for the purpose of funding additional projects under this section.

23.10 (b) Appropriations from the general fund may only be expended on public or private
 23.11 infrastructure projects that further the purposes of this section.

23.12 Sec. 4. Minnesota Statutes 2023 Supplement, section 256E.37, subdivision 1, is amended
 23.13 to read:

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

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

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

23.26 ~~(2)~~ (3) A grant for an individual facility must not exceed \$500,000 for each program
 23.27 that is housed in the facility, up to a maximum of \$2,000,000 for a facility that houses three
 23.28 programs or more. Programs include Head Start, School Readiness, Early Childhood Family
 23.29 Education, licensed child care, and other early childhood intervention programs.

23.30 ~~(3)~~ (4) State appropriations must be matched on a ~~50~~ 25 percent basis with nonstate
 23.31 funds. The matching requirement must apply program wide and not to individual grants.

24.1 **Sec. 5. [446A.082] EMERGING CONTAMINANTS GRANTS.**

24.2 **Subdivision 1. Definition.** For the purposes of this section, "supplemental demographic
24.3 index" means an index in the Environmental Justice Screening and Mapping Tool developed
24.4 by the United States Environmental Protection Agency that is based on socioeconomic
24.5 indicators, including low income, unemployment, less than high school education, limited
24.6 English speaking, and low life expectancy.

24.7 **Subd. 2. Program established.** When money is appropriated under this program, the
24.8 authority shall award grants to a governmental unit for up to 80 percent of the cost of drinking
24.9 water infrastructure projects to address a confirmed exceedance of a health advisory level
24.10 for a drinking water emerging contaminant as defined by the Environmental Protection
24.11 Agency.

24.12 **Subd. 3. Eligibility.** An eligible project for this program must:

24.13 (1) be listed on the Drinking Water Revolving Fund Project Priority List per Minnesota
24.14 Rules, part 4720.9015;

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

24.16 (3) be certified by the commissioner of health per Minnesota Rules, part 4720.9060.

24.17 **Subd. 4. Application and reservation of funds.** (a) Grant applications to the authority
24.18 may be made at any time on forms prescribed by the authority, including a project schedule
24.19 and cost estimate for the work necessary to comply with the purpose described in subdivision
24.20 2.

24.21 (b) The commissioner of health shall review and certify to the authority those projects
24.22 that have plans and specifications approved under Minnesota Rules, part 4720.9060. The
24.23 commissioner of health must also indicate in the certification the supplemental demographic
24.24 index scores of the projects.

24.25 (c) When a project is certified by the commissioner of health, the authority shall first
24.26 reserve grant funds for projects located in a census block group with a supplemental
24.27 demographic index score in the 70th percentile or higher within the state of Minnesota. Any
24.28 remaining funds shall be reserved for projects in the order listed on the commissioner of
24.29 health's project priority list and in an amount based on the cost estimate in the commissioner
24.30 of health certification or the as-bid costs, whichever is less.

24.31 **Subd. 5. Grant amount.** The grant amount for an eligible project under this program
24.32 shall be for an amount up to 80 percent of the eligible as-bid project cost up to \$12,000,000,
24.33 minus the amount of federal emerging contaminant funds the project receives under section

25.1 446A.081, subdivision 9, paragraph (a), clause (12), or other federal emerging contaminant
25.2 funds.

25.3 Subd. 6. **Grant approval.** The authority shall award a grant for an eligible project only
25.4 after:

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

25.6 (2) the commissioner of health has certified the grant eligible portion of the project; and

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

25.9 Subd. 7. **Grant disbursement.** Grant funds shall be disbursed by the authority as eligible
25.10 project costs are incurred by the governmental unit and in accordance with a project financing
25.11 agreement and applicable state laws and rules governing the disbursements.

25.12 Sec. 6. Minnesota Statutes 2023 Supplement, section 462A.395, is amended to read:

25.13 **462A.395 GREATER MINNESOTA HOUSING INFRASTRUCTURE GRANT**
25.14 **PROGRAM.**

25.15 Subdivision 1. **Grant program established.** The commissioner of the Minnesota Housing
25.16 Finance Agency may make grants to counties and cities to provide up to 50 percent of the
25.17 capital costs of public infrastructure necessary for an eligible workforce housing development
25.18 project. The commissioner may make a grant award only after determining that nonstate
25.19 resources are committed to complete the project. The nonstate contribution may be cash,
25.20 other committed grant funds, or in kind. In-kind contributions may include the value of the
25.21 site, whether the site is prepared before or after the law appropriating money for the grant
25.22 is enacted.

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

25.25 (b) "City" means a statutory or home rule charter city located outside the metropolitan
25.26 area, as defined in section 473.121, subdivision 2.

25.27 (c) "Housing infrastructure" means publicly owned physical infrastructure necessary to
25.28 support housing development projects, including but not limited to sewers, water supply
25.29 systems, utility extensions, streets, wastewater treatment systems, stormwater management
25.30 systems, and facilities for pretreatment of wastewater to remove phosphorus.

25.31 Subd. 3. **Eligible projects.** Housing projects eligible for a grant under this section may
25.32 be (a) a single-family or multifamily housing development, and either owner-occupied or

26.1 rental; or (b) a manufactured home development qualifying for homestead treatment under
 26.2 section 273.124, subdivision 3a.

26.3 Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for
 26.4 soliciting and reviewing applications for grants under this section. At a minimum, a city or
 26.5 county must include in its application a resolution of the county board or city council
 26.6 certifying that the required nonstate match is available. The commissioner must evaluate
 26.7 complete applications for funding for eligible projects to determine that:

26.8 (1) the project is necessary to increase sites available for housing development that will
 26.9 provide adequate housing stock for the current or future workforce; and

26.10 (2) the increase in workforce housing will result in substantial public and private capital
 26.11 investment in the county or city in which the project would be located.

26.12 (b) The determination of whether to make a grant for a site is within the discretion of
 26.13 the commissioner, subject to this section. The commissioner's decisions and application of
 26.14 the criteria are not subject to judicial review, except for abuse of discretion.

26.15 Subd. 5. **Maximum grant amount.** A county or city may receive no more than \$30,000
 26.16 \$40,000 per lot for single-family, duplex, triplex, or fourplex housing developed, no more
 26.17 than \$60,000 per manufactured housing lot, and no more than \$180,000 per lot for
 26.18 multifamily housing with more than four units per building. A county or city may receive
 26.19 no more than \$500,000 in two years for one or more housing developments. The \$500,000
 26.20 limitation does not apply to use on manufactured housing developments.

26.21 Sec. 7. Minnesota Statutes 2023 Supplement, section 473.5491, subdivision 1, is amended
 26.22 to read:

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

26.25 ~~(b) "Affordability criteria" means an inflow and infiltration project service area that is~~
 26.26 ~~located, in whole or in part, in a census tract where at least three of the following apply as~~
 26.27 ~~determined using the most recently published data from the United States Census Bureau~~
 26.28 ~~or United States Centers for Disease Control and Prevention:~~

26.29 ~~(1) 20 percent or more of the residents have income below the federal poverty thresholds;~~

26.30 ~~(2) the tract has a United States Centers for Disease Control and Prevention Social~~
 26.31 ~~Vulnerability Index greater than 0.80;~~

27.1 ~~(3) the upper limit of the lowest quintile of household income is less than the state upper~~
 27.2 ~~limit of the lowest quintile;~~

27.3 ~~(4) the housing vacancy rate is greater than the state average; or~~

27.4 ~~(5) the percent of the population receiving Supplemental Nutrition Assistance Program~~
 27.5 ~~(SNAP) benefits is greater than the state average.~~

27.6 ~~(e) (b) "City" means a statutory or home rule charter city located within the metropolitan~~
 27.7 ~~area.~~

27.8 (c) "Supplemental demographic index" means an index in the Environmental Justice
 27.9 Screening and Mapping Tool developed by the United States Environmental Protection
 27.10 Agency that is based on socioeconomic indicators, including low income, unemployment,
 27.11 less than high school education, limited English speaking, and low life expectancy.

27.12 Sec. 8. Minnesota Statutes 2023 Supplement, section 473.5491, subdivision 2, is amended
 27.13 to read:

27.14 Subd. 2. **Grants.** (a) The council shall make grants to cities for capital improvements
 27.15 in municipal wastewater collection systems to reduce the amount of inflow and infiltration
 27.16 to the council's metropolitan sanitary sewer disposal system.

27.17 (b) A grant under this section may be made in an amount up to 50 percent of the cost to
 27.18 mitigate inflow and infiltration in the publicly owned municipal wastewater collection
 27.19 system. The council may award a grant up to 100 percent of the cost to mitigate inflow and
 27.20 infiltration in the publicly owned municipal wastewater collection system if the project
 27.21 ~~meets affordability criteria~~ is located in a census block group with a supplemental
 27.22 demographic index score in the 70th percentile or higher within the state of Minnesota.

27.23 Sec. 9. Minnesota Statutes 2023 Supplement, section 473.5491, subdivision 4, is amended
 27.24 to read:

27.25 Subd. 4. **Application.** The council must award grants based on applications from cities
 27.26 that identify eligible capital costs and include a timeline for inflow and infiltration mitigation
 27.27 construction, pursuant to guidelines established by the council. The council must prioritize
 27.28 applications ~~that meet affordability criteria~~ for projects located in a census block group with
 27.29 a supplemental demographic index score in the 70th percentile or higher within the state of
 27.30 Minnesota.

28.1 Sec. 10. Laws 2023, chapter 71, article 1, section 14, subdivision 21, is amended to read:

28.2 Subd. 21. **Inver Grove Heights; Heritage Village**
28.3 **Park**

2,000,000

28.4 For a grant to the city of Inver Grove Heights
28.5 to ~~pre~~design, ~~design~~, construct, furnish, and
28.6 equip an inclusive accessible play ~~structure~~
28.7 structures for children and to ~~pre~~design,
28.8 ~~design~~, construct, furnish, and equip ~~accessible~~
28.9 ~~restrooms, water fountains, and a fixed-shade~~
28.10 structure structures, at Heritage Village Park.

28.11 Sec. 11. **CLOQUET FORESTRY CENTER; LAND TRANSFER.**

28.12 (a) The commissioner of administration must convey for no consideration all state-owned
28.13 land within boundaries of the Cloquet Forestry Center to the Board of Regents of the
28.14 University of Minnesota to facilitate the university's goal of returning this land, and similarly
28.15 situated land currently owned by the university, to the Fond du Lac Band of Lake Superior
28.16 Chippewa.

28.17 (b) The conveyance must be in a form approved by the attorney general. The attorney
28.18 general may make changes to the land description to correct errors and ensure accuracy.

28.19 (c) The land to be conveyed is located in Carlton County and is described as follows:

28.20 (1) the Southeast Quarter of the Northwest Quarter of Section 30, Township 49 North,
28.21 Range 17 West;

28.22 (2) the East Half of the Northeast Quarter of Section 36, Township 49 North, Range 18
28.23 West;

28.24 (3) the Northwest Quarter of the Southeast Quarter of Section 29, Township 49 North,
28.25 Range 17 West;

28.26 (4) the Northwest Quarter of the Northwest Quarter of Section 29, Township 49 North,
28.27 Range 17 West;

28.28 (5) the Northwest Quarter of the Southwest Quarter (or Lot 3) of Section 30, Township
28.29 49 North, Range 17 West;

28.30 (6) the Southwest Quarter of the Northwest Quarter (or Lot 2) of Section 31, Township
28.31 49 North, Range 17 West;

29.1 (7) the Southeast Quarter of the Northeast Quarter of Section 32, Township 49 North,
 29.2 Range 17 West; and

29.3 (8) the North Half of the Northeast Quarter of Section 32, Township 49 North, Range
 29.4 17 West.

29.5 Sec. 12. **ALLOCATIONS; MINNESOTA'S MULTIPURPOSE COMMUNITY**
 29.6 **FACILITY PROJECTS TO SUPPORT COMMUNITY REVITALIZATION,**
 29.7 **CONNECTEDNESS AND EQUITY BY PROMOTING EDUCATION, WORK AND**
 29.8 **HEALTH.**

29.9 Money allocated to the state from the federal capital projects fund for Minnesota's
 29.10 Multipurpose Community Facility Projects to Support Community Revitalization,
 29.11 Connectedness and Equity by Promoting Education, Work and Health program must be
 29.12 granted by the commissioner of education only to a local government unit, including a
 29.13 county, a statutory or home-rule charter city, a town, or another political subdivision. Among
 29.14 comparable requests for funding, the commissioner of education must prioritize funding
 29.15 for underserved communities, as defined by Minnesota Statutes, section 116J.9924,
 29.16 subdivision 1, paragraph (g).

29.17 Sec. 13. **REPEALER.**

29.18 (a) Minnesota Statutes 2022, section 16A.662, is repealed.

29.19 (b) Minnesota Statutes 2022, section 116J.417, subdivision 9, is repealed.

29.20 **EFFECTIVE DATE.** Paragraph (a) is effective the day following final enactment.
 29.21 Paragraph (b) is effective retroactively from June 2, 2023.

29.22 Sec. 14. **EFFECTIVE DATE.**

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

16A.662 INFRASTRUCTURE DEVELOPMENT BONDS.

Subdivision 1. **Infrastructure development fund.** The infrastructure development fund is created as an account in the state treasury. The commissioner of management and budget shall credit to the fund income from the sources provided by law. The commissioner of management and budget shall from time to time certify to the State Board of Investment the assets of the fund not currently needed. The amount certified must be invested by the State Board of Investment subject to section 11A.24. Investment income and investment losses attributable to investment of fund assets must be credited to or borne by the fund.

Subd. 2. **Bonds authorized.** When authorized by law enacted in accordance with the constitution, article XI, sections 5 and 7, the commissioner may by order sell and issue bonds of the state evidencing public debt incurred for any purpose stated in the law. The bonds are general obligations of the state, and the full faith and credit of the state are pledged for their payment.

Subd. 3. **Manner of issuance; maturities.** The bonds must be issued and sold in accordance with section 16A.641. Sections 16A.672 and 16A.675 apply to the bonds.

Subd. 4. **Debt service account; appropriation of debt service account money.** There is established within the state bond fund a separate and special account designated as the infrastructure development bond debt service account. The money on hand in the debt service account must be used solely for the payment of the principal of and interest on bonds issued under Laws 1990, chapter 610, article 1, section 30, subdivision 2, and is appropriated for this purpose. This appropriation does not cancel as long as any of the bonds remain outstanding.

Subd. 5. **Assessment to higher education systems.** (a) In order to reduce the amount otherwise required to be transferred to the state bond fund with respect to bonds heretofore or hereafter issued under Laws 1990, chapter 610, article 1, section 30, subdivision 2, the commissioner of management and budget shall assess each higher education system for one-third the amount that would otherwise need to be transferred with respect to those bonds sold to finance capital improvement projects at institutions under the control of the system; provided that, to the extent that the amount to be transferred is for payment of principal and interest on bonds sold to finance life safety improvements, the commissioner must not assess the higher education systems for the transfer.

(b) After each sale of the bonds, the commissioner of management and budget shall notify the Board of Trustees of the Minnesota State Colleges and Universities and the regents of the University of Minnesota of the amounts for which each system is responsible for each year for the life of the bonds. The amounts payable each year are reduced by one-third of the net income from investment of those bond proceeds that must be allocated among the systems in proportion to the amount of principal and interest otherwise required to be paid by each. Each higher education system shall pay its annual share of debt service payments to the commissioner of management and budget by December 1 each year. If a higher education system fails to make a payment when due, the commissioner of management and budget shall reduce allotments for appropriations from the general fund otherwise payable to the system to cover the amount of the missed debt service payment. The commissioner of management and budget shall credit the payments received from the higher education systems to the infrastructure development bond debt service account in the state bond fund each December 1 before the transfer is made under subdivision 4.

Subd. 6. **Appropriation from general fund.** There is annually appropriated from the general fund for transfer to the infrastructure development bond debt service account the amount that, added to the amount in the infrastructure development bond debt service account on December 1 each year, after giving effect to subdivisions 4 and 5, is equal to the full amount of principal and interest to come due on all bonds to and including July 1 in the second ensuing year.

Subd. 7. **Constitutional tax levy.** Under the constitution, article XI, section 7, the state auditor must levy each year on all taxable property within the state a tax sufficient, with the amount then on hand in the infrastructure development bond debt service account, to pay all principal and interest on the bonds due and to become due to and including July 1 in the second ensuing year. The tax is not subject to limit as to rate or amount. However, the amount of money appropriated from other sources as provided in subdivisions 4, 5, and 6, and actually received and on hand before the levy in any year, reduces the amount of the tax otherwise required to be levied. The proceeds of the tax must be credited to the infrastructure development bond debt service account.

Subd. 8. **Application and appropriation of proceeds.** The proceeds of the bonds must be deposited and spent as provided in this subdivision and are appropriated for those purposes. Any accrued interest and any premium received on the sale of the bonds must be credited to the infrastructure development bond debt service account. Except as otherwise required by law, the

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balance of the bond proceeds shall be credited to the infrastructure development fund and spent for the purposes specified in the law authorizing the issuance of the bonds. So much of the proceeds as is necessary must be used to pay costs incurred in issuing and selling the bonds.

116J.417 GREATER MINNESOTA CHILD CARE FACILITY CAPITAL GRANT PROGRAM.

Subd. 9. **Cancellation of grant; return of money.** If the commissioner determines that a grantee is unable to proceed with an approved project or has not expended or obligated the grant money within five years of entering into the grant agreement with the commissioner, the commissioner shall cancel the grant and the money is available for the commissioner to make other grants under this section. Money made available to the commissioner from a canceled grant is subject to cancellation under section 16A.642 as if it had been appropriated to the program in the year in which the grant is canceled.