House Language H0622-2

ARTICLE 1
APPROPRIATIONS

Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public land and buildings and other public improvements of a capital nature, or as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or article XIV. Unless otherwise specified, money appropriated in this act for a capital program or project may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget. Unless otherwise specified, the appropriations in this act are available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642. Unless otherwise specified in this act, money appropriated in this act for activities under Minnesota Statutes, sections 16B.307, 84.946, and 135A.046, should not be used for projects that can be financed within a reasonable time frame under Minnesota Statutes, section 16B.322 or 16C.144.

	APPROPRIATIONS
Sec. 2. **UNIVERSITY OF MINNESOTA**	
Subdivision 1. **Total Appropriation**	$ **65,764,000**
To the Board of Regents of the University of Minnesota for the purposes specified in this section.	
Subd. 2. **Higher Education Asset Preservation and Replacement (HEAPR)**	38,597,000
To be spent in accordance with Minnesota Statutes, section 135A.046.	
Subd. 3. **Chemical Sciences and Advanced Materials Science Building**	27,167,000

Senate Language UEH3467-2

ARTICLE 1
APPROPRIATIONS

Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public land and buildings and other public improvements of a capital nature, or as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or article XIV. Unless otherwise specified, money appropriated in this act for a capital program or project may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget. Unless otherwise specified, the appropriations in this act are available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642. Unless otherwise specified in this act, money appropriated in this act for activities under Minnesota Statutes, sections 16B.307, 84.946, and 135A.046, should not be used for projects that can be financed within a reasonable time frame under Minnesota Statutes, section 16B.322 or 16C.144. Unless otherwise specified, an appropriation that fully funds a project does not require a nonstate match. Unless otherwise specified, general fund appropriations in this act are onetime and are in fiscal year 2017.

	APPROPRIATIONS
Sec. 2. **UNIVERSITY OF MINNESOTA**	
Subdivision 1. **Total Appropriation**	$ **160,734,000**
To the Board of Regents of the University of Minnesota for the purposes specified in this section.	
Subd. 2. **Higher Education Asset Preservation and Replacement (HEAPR)**	61,500,000
To be spent in accordance with Minnesota Statutes, section 135A.046.	
Subd. 3. **Duluth - Chemical Sciences and Advanced Materials Science Building**	27,167,000

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

SEE ARTICLE 2, SECTION 24 (PAGE R120)

2.23 Subd. 4. **University Share**

2.24 Except for the appropriation for HEAPR, the
2.25 appropriations in this section are intended to
2.26 cover approximately two-thirds of the cost of
2.27 each project. The remaining costs must be
2.28 paid from university sources.

2.29 Subd. 5. **Unspent Appropriations**

Senate Language UEH3467-2

2.22 To design, construct, furnish, and equip
2.23 a new laboratory building on the Duluth
2.24 campus, including classrooms and research
2.25 and undergraduate instructional laboratories.

2.26 Subd. 4. **Twin Cities - Health Sciences**
2.27 **Education Facility** 66,667,000

2.28 To demolish obsolete health sciences
2.29 facilities and to design, renovate, furnish,
2.30 equip, and construct a health science
2.31 education facility on the Twin Cities campus
2.32 to meet the needs of the Medical School and
2.33 the Academic Health Center.

3.1 Subd. 5. **Twin Cities - Plant Growth Research**
3.2 **Facility** 4,400,000

3.3 To demolish the existing biological sciences
3.4 greenhouse and to predesign, design,
3.5 construct, furnish, and equip a greenhouse
3.6 to support learning and research on the St.
3.7 Paul campus.

3.8 Subd. 6. **Duluth - Glensheen Mansion** 1,000,000

3.9 To predesign, design, construct, furnish,
3.10 and equip critical structural repairs and
3.11 renovation of the servants' porch.

3.12 Subd. 7. **University Share**

3.13 Except for the appropriations for HEAPR and
3.14 the Glensheen Mansion, the appropriations
3.15 in this section are intended to cover
3.16 approximately two-thirds of the cost of each
3.17 project. The remaining costs must be paid
3.18 from university sources.

3.19 Subd. 8. **Unspent Appropriations**

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

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

Subdivision 1. **Total Appropriation**	**$**	**73,321,000**

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

Subd. 2. **Higher Education Asset Preservation and Replacement (HEAPR)**	36,098,000

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

Senate Language UEH3467-2

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

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

Subdivision 1. **Total Appropriation**	**$**	**173,666,000**

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

Subd. 2. **Higher Education Asset Preservation and Replacement (HEAPR)**	70,000,000

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

Subd. 3. **Anoka Ramsey Community College**	4,965,000

To design, renovate, furnish, and equip the Humanities Building and to design the Nursing and Active Learning Center and related campus redevelopment.

Subd. 4. **Bemidji State University**	18,097,000

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To demolish Hagg-Sauer Hall and construct, furnish, and equip its replacement, the Academic Learning Center; to renovate and renew, furnish, and equip Bensen Hall, Sattgast Hall, Bangsberg Hall, and A.C. Clark Library.

Subd. 5. **Century College** 5,500,000

To create flexible space for classroom, lab, and other learning use, to renovate the adjacent welding laboratory, and to expand robotic welding facilities.

Subd. 6. **Hennepin Technical College Advanced Manufacturing Integration and Revitalization Phase I; Design and Renovation** 8,231,000

For Phase I of the Advanced Manufacturing Integration and Revitalization (AMIR) project on the Brooklyn Park campus of Hennepin Technical College that will renovate and update approximately 25,530 square feet of skilled technical spaces. Phase I includes design of the entire project; roof replacement; construction, furnishing, and equipping of a new entry to the AMIR programs; and remodeling existing lab spaces and classrooms associated with the electronic, HVAC, and welding programs.

Subd. 7. **Hibbing Community College** 9,958,000

To demolish Building G and connecting links or portions thereof, and to construct, renovate, furnish, and equip buildings, links, and entry spaces on the campus.

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

Subd. 8. **Minnesota State Community and Technical College**

House Language H0622-2

(a) **Fergus Falls campus** 978,000

To design, renovate, furnish, and equip a new Center for Student and Workforce Success (CSWS) that integrates the Regional Workforce Center. The board must enter into a lease agreement with the commissioner of employment and economic development, or partners of the commissioner, for use of the workforce center subject to Minnesota Statutes, section 16A.695. The board must use nonstate money for the remainder of the cost of the renovation.

(b) **Wadena campus** 820,000

To design, renovate, furnish, and equip the relocation of the current library to underutilized space and converting the vacated space into a centralized student services center.

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

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

Subd. 5. **Riverland Community College, Albert Lea** 7,427,000

To design, construct, furnish, and equip the renovation and expansion of the Trade and Industrial Education Center on the Albert Lea campus of Riverland Community College.

Senate Language UEH3467-2

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

To design, renovate, furnish, and equip a new Center for Student and Workforce Success (CSWS) that integrates the Regional Workforce Center. The board must enter into a lease agreement with the commissioner of employment and economic development, or partners of the commissioner, for use of the workforce center subject to Minnesota Statutes, section 16A.695. The board must use nonstate money for the remainder of the cost of the renovation.

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

To design, renovate, furnish, and equip the relocation of the current library to underutilized space and converting the vacated space into a centralized student services center.

Subd. 9. **Northland Community and Technical College, East Grand Forks** 826,000

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

Subd. 10. **Rochester Community and Technical College** 20,385,000

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4.20 Subd. 6. **South Central College, North**
4.21 **Mankato** 8,600,000

4.22 To design, renovate, renew, furnish, and
4.23 equip laboratory, classroom and office spaces
4.24 on the North Mankato campus.

4.25 Subd. 7. **St. Cloud State University** 18,572,000

4.26 To construct, renovate, furnish, and
4.27 equip Eastman Hall for the relocation of
4.28 consolidated student health services and
4.29 academic programs.

4.30 Subd. 8. **Debt Service**

6.8 To complete design, demolish Memorial and
6.9 Plaza Halls, construct, equip, and furnish an
6.10 academic building expansion, and renovate,
6.11 equip, and furnish replacement space for
6.12 classrooms, labs, and office spaces.

6.13 Subd. 11. **South Central College, North**
6.14 **Mankato** 8,600,000

6.15 To design, renovate, renew, furnish, and
6.16 equip laboratory, classroom and office spaces
6.17 on the North Mankato campus.

6.18 Subd. 12. **Winona State University, Education**
6.19 **Village, Phase 2** 25,306,000

6.20 To complete design, construct, renovate,
6.21 furnish, and equip Phase 2 of the Education
6.22 Village project, including the renovation
6.23 of Cathedral and Wabasha Halls and
6.24 Wabasha Rec, and remove obsolete portions
6.25 of Wabasha Rec and the Annex building
6.26 between Cathedral School and Wabasha Rec.

6.27 Subd. 13. **Debt Service**

House Language H0622-2

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

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

(c) The commissioner of management and budget shall reduce the board's assessment each year by one-third of the net income from investment of general obligation bond proceeds in proportion to the amount of principal and interest otherwise required to be paid by the board. The board shall pay its resulting net assessment to the commissioner of management and budget by December 1 each year. If the board fails to make a payment when due, the commissioner of management and budget shall reduce allotments for appropriations from the general fund otherwise available to the board and apply the amount of the reduction to cover the missed debt service payment. The commissioner of management and budget shall credit the payments received from the board to the bond debt service account in the state bond fund each December 1 before money is transferred from the general fund under Minnesota Statutes, section 16A.641, subdivision 10.

Subd. 9. **Unspent Appropriations**

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

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

(c) The commissioner of management and budget shall reduce the board's assessment each year by one-third of the net income from investment of general obligation bond proceeds in proportion to the amount of principal and interest otherwise required to be paid by the board. The board shall pay its resulting net assessment to the commissioner of management and budget by December 1 each year. If the board fails to make a payment when due, the commissioner of management and budget shall reduce allotments for appropriations from the general fund otherwise available to the board and apply the amount of the reduction to cover the missed debt service payment. The commissioner of management and budget shall credit the payments received from the board to the bond debt service account in the state bond fund each December 1 before money is transferred from the general fund under Minnesota Statutes, section 16A.641, subdivision 10.

Subd. 14. **Unspent Appropriations**

House Language H0622-2

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

(b) The unspent portion of an appropriation for a project in this section that is complete is available for HEAPR under this subdivision, at the same campus as the project for which the original appropriation was made and the debt service requirement under subdivision 8 is reduced accordingly. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 4. **EDUCATION**

Subdivision 1. **Total Appropriation**	**$**	**16,070,000**
To the commissioner of education for the purposes specified in this section.		
Subd. 2. **Library Construction Grants**		2,000,000
For library construction grants under Minnesota Statutes, section 134.45.		

Senate Language UEH3467-2

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

(b) The unspent portion of an appropriation for a project in this section that is complete is available for HEAPR under this subdivision, at the same campus as the project for which the original appropriation was made and the debt service requirement under subdivision 18 is reduced accordingly. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 4. **EDUCATION**

Subdivision 1. **Total Appropriation**	**$**	**22,234,000**
To the commissioner of education for the purposes specified in this section.		
Subd. 2. **Library Construction Grants**		2,000,000
For library construction grants under Minnesota Statutes, section 134.45.		
Subd. 3. **Bagley - Library Furnishings**		50,000

From the general fund for a grant to the city of Bagley for improvements, furnishings, and equipment for the city's library or to reimburse the city for improvements, furnishings, and equipment for the city's library. This appropriation does not require a nonstate contribution.

Subd. 4. **Cambridge - East Central Regional Library** 2,414,000

For a grant to the city of Cambridge to acquire property for and to predesign, design, construct, furnish, and equip a new public library and headquarters for the East Central Regional Library system, to be located in the city of Cambridge. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

Subd. 5. **Grand Rapids - Myles Reif Center** 500,000

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

Subd. 6. **Olmsted County - Dyslexia Institute of Minnesota** 1,500,000

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Subd. 3. **Red Lake Independent School District No. 38 Facility Projects** 14,070,000

(a) This appropriation is from the maximum effort school loan fund for a capital loan to Independent School District No. 38, Red Lake, as provided in Minnesota Statutes, sections 126C.60 to 126C.72. This appropriation is for the following projects at the Red Lake Elementary School and early childhood center: constructing, furnishing, and equipping new classrooms connecting the early childhood center and the elementary school; renovating classrooms, computer labs, cafeteria expansion, and student support areas; updating mechanical systems; and relocating the main entrance and administrative office.

Senate Language UEH3467-2

For a grant to Olmsted County to acquire land for, and to predesign, design, construct, furnish, and equip a facility in Olmsted County to support the local, regional, and national literacy work of the Dyslexia Institute of Minnesota, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

Subd. 7. **Red Lake - Independent School District No. 38 Facility Projects** 14,070,000

(a) $9,735,000 of this appropriation is from the maximum effort school loan fund for a capital loan to Independent School District No. 38, Red Lake, as provided in Minnesota Statutes, sections 126C.60 to 126C.72, and $4,335,000 of this appropriation is from the general fund. This appropriation is to complete design and construction of a connection structure between the Red Lake Early Learning Childhood Center and Red Lake Elementary School; renovations to various classrooms, labs, and support rooms; updating of mechanical systems; and expansion of the cafeteria. Before any capital loan contract is approved under this subdivision, the district must provide documentation acceptable to the commissioner of education on how the capital loan will be used.

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(b) Before any capital loan contract is approved under this subdivision, the district must provide documentation acceptable to the commissioner on how the capital loan will be used. If any portion of the appropriation remains after completion of the identified project components, the district may, with the commissioner's approval, use the money for other items identified in the review and comment submission.

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(b) The commissioner of administration may provide project management services to assist the Department of Education with oversight of the project. No money for construction may be distributed by the commissioner of education to the recipient school district until bids have been received on 100 percent of the construction documents and satisfactory documentation has been submitted to the commissioner of education indicating the project can be fully completed with money available for the project.

Subd. 8. **Warroad - Northwest Angle School Expansion** 700,000

For a grant to the Warroad School District to construct, furnish, and equip an expansion of the Northwest Angle School. No nonstate match is required.

Subd. 9. **White Bear Lake - Independent School District No. 624 - Community Achievement Center** 1,000,000

(a) For a grant to Independent School District No. 624, White Bear Lake Area Schools, to acquire land or real property for a comprehensive service center to deliver integrated services, including medical and dental services for young children, county human services, family support services, and early childhood education to the northeast metropolitan area.

(b) Any unspent portion of this appropriation after completion of the acquisition in paragraph (a) may be used for predesign and design.

House Language H0622-2			Senate Language UEH3467-2		
			11.25 (c) This appropriation does not require a 11.26 nonstate match.		
7.28 Sec. 5. **MINNESOTA STATE ACADEMIES**			11.27 Sec. 5. **MINNESOTA STATE ACADEMIES**		
7.29 Subdivision 1. **Total Appropriation**	**$**	**2,050,000**	11.28 Subdivision 1. **Total Appropriation**	**$**	**2,210,000**
7.30 To the commissioner of administration for 7.31 the purposes specified in this section.			11.29 To the commissioner of administration for 11.30 the purposes specified in this section.		
7.32 Subd. 2. **Asset Preservation**		2,000,000	11.31 Subd. 2. **Asset Preservation**		2,000,000
7.33 For capital asset preservation improvements 7.34 and betterments on both campuses of the 8.1 Minnesota State Academies, to be spent in 8.2 accordance with Minnesota Statutes, section 8.3 16B.307.			11.32 For capital asset preservation improvements 11.33 and betterments on both campuses of the 11.34 Minnesota State Academies, to be spent in 12.1 accordance with Minnesota Statutes, section 12.2 16B.307.		
			12.3 Subd. 3. **Minnesota State Academies Track**		160,000
			12.4 For the construction of a track located on 12.5 the Minnesota State Academy for the Blind 12.6 campus, subject to Minnesota Statutes, 12.7 section 16A.695. This appropriation is 12.8 not available until the commissioner of 12.9 management and budget determines that an 12.10 amount sufficient to complete the project is 12.11 committed from nonstate sources.		
8.4 Subd. 3. **Minnesota State Academies Security** 8.5 **Corridor**		50,000	12.12 Subd. 4. **Minnesota State Academies Security** 12.13 **Corridor**		50,000
8.6 For predesign for a safety corridor on the 8.7 Minnesota State Academy for the Deaf 8.8 campus.			12.14 For predesign for a safety corridor on the 12.15 Minnesota State Academy for the Deaf 12.16 campus.		
			12.17 Sec. 6. **PERPICH CENTER FOR ARTS** 12.18 **EDUCATION**	**$**	**2,300,000**

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			To the commissioner of administration for capital asset preservation improvements and betterments at the Perpich Center for Arts Education, to be spent in accordance with Minnesota Statutes, section 16B.307.		
Sec. 6. **NATURAL RESOURCES**			Sec. 7. **NATURAL RESOURCES**		
Subdivision 1. **Total Appropriation**	**$**	**33,990,000**	Subdivision 1. **Total Appropriation**	**$**	**126,635,000**
(a) To the commissioner of natural resources for the purposes specified in this section.			To the commissioner of natural resources for the purposes specified in this section. The appropriations in this section are subject to the requirements of the natural resources capital improvement program under Minnesota Statutes, section 86A.12, unless this section or the statutes referred to in this section provide more specific standards, criteria, or priorities for projects than Minnesota Statutes, section 86A.12.		
(b) The appropriations in this section are subject to the requirements of the natural resources capital improvement program under Minnesota Statutes, section 86A.12, unless this section or the statutes referred to in this section provide more specific standards, criteria, or priorities for projects than Minnesota Statutes, section 86A.12.					
Subd. 2. **Natural Resources Asset Preservation**		12,000,000	Subd. 2. **Natural Resources Asset Preservation**		33,000,000
For the renovation of state-owned facilities and recreational assets operated by the commissioner of natural resources to be spent in accordance with Minnesota Statutes, section 84.946. Notwithstanding Minnesota Statutes, section 84.946: (1) the commissioner may use this appropriation to replace buildings if, considering the embedded energy in the building, that is the most energy-efficient and carbon-reducing method of renovation; and (2) this appropriation may be used for projects to remove life safety hazards such as building code violations or structural defects.			For the renovation of state-owned facilities and recreational assets operated by the commissioner of natural resources to be spent in accordance with Minnesota Statutes, section 84.946. Notwithstanding Minnesota Statutes, section 84.946: (1) the commissioner may use this appropriation to replace buildings if, considering the embedded energy in the building, that is the most energy-efficient and carbon-reducing method of renovation; and (2) this appropriation may be used for projects to remove life safety hazards such as building code violations or structural defects.		
			Subd. 3. **Buildings and Facilities Development**		2,000,000

House Language H0622-2		Senate Language UEH3467-2	
		To design and construct office and storage buildings, to replace buildings that are in poor condition, outdated, and no longer support the work of the department. This appropriation includes money to predesign a consolidated office in Bemidji.	
Subd. 3. **Flood Hazard Mitigation**	3,500,000	Subd. 4. **Flood Hazard Mitigation**	20,000,000
(a) For the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161.		(a) For the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161.	
(b) Levee projects, to the extent practical, shall meet the state standard of three feet above the 100-year flood elevation.		(b) Levee projects, to the extent practical, shall meet the state standard of three feet above the 100-year flood elevation.	
(c) Project priorities shall be determined by the commissioner as appropriate and based on need.		(c) Project priorities shall be determined by the commissioner as appropriate and based on need.	
(d) This appropriation includes $750,000 for the city of Browns Valley project and $1,800,000 for the city of Ortonville project.		(d) This appropriation includes money for the following county and municipal projects: Afton, Austin, Bloomington, Browns Valley, Delano, Golden Valley, Halstad, Hawley, Hendrum, Inver Grove Heights, Maynard, Montevideo, Nielsville, Ortonville, Owatonna, Perley, Rushford, and St. Vincent.	
(e) For any project listed in this subdivision that the commissioner determines is not ready to proceed or does not expend all the money allocated to it, the commissioner may allocate that project's money to a project on the commissioner's priority list.		(f) For any project listed in this subdivision that the commissioner determines is not ready to proceed or does not expend all the money allocated to it, the commissioner may allocate that project's money to a project on the commissioner's priority list.	

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

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

(e) This appropriation includes money for projects in the following watersheds: Bois de Sioux Watershed District, Buffalo Red River Watershed District, Cedar River Watershed District, Lower Minnesota River Watershed District, Middle Snake Tamarac Rivers Watershed District, Upper Minnesota River Watershed District, Prior Lake-Spring Lake Watershed District, Red Lake Watershed District, Roseau River Watershed District, Sand Hill River Watershed District, Shell Rock River Watershed District, Two Rivers Watershed District, and Wild Rice River Watershed District.

(h) To the extent practicable and consistent with the project, recipients of appropriations for flood damage reduction projects in this subdivision shall create wetlands that are eligible for wetland replacement credit to replace wetlands drained or filled as a result of repair, reconstruction, replacement, or rehabilitation of an existing public road under Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m).

(i) Wetlands established by flood control projects funded in this subdivision that are not needed for replacement credit as part of a flood damage project funded in this subdivision, are eligible for wetland replacement credit under Minnesota Statutes, sections 103G.222 to 103G.2243.

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

(a) To renovate or remove publicly owned dams. The commissioner shall determine project priorities as appropriate under Minnesota Statutes, sections 103G.511 and 103G.515. Of this appropriation:

$500,000 is for emergencies on state-owned dams;

$3,600,000 is for a grant to the city of Lanesboro for repair of the Lanesboro dam and notwithstanding the match requirements in Minnesota Statutes, section 103G.511, does not require a nonstate contribution. This includes funding for repairs of the hydropower system;

$2,500,000 is for repairs of the Lake Bronson dam;

$500,000 is for a grant to the city of Pelican Rapids for engineering work for the Pelican Rapids dam;

$200,000 is for a grant to the city of Norway Lake for engineering work on the Norway Lake dam;

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

$100,000 is for a grant to St. Louis County for the Little Stone Lake dam; and

$1,400,000 is for state dams at Brawner, Collinwood, Grindstone River, and Sullivan.

Senate Language UEH3467-2

Subd. 5. **Dam Renovation, Repair, Removal** 10,050,000

To renovate or remove publicly owned dams. The commissioner shall determine project priorities as appropriate under Minnesota Statutes, sections 103G.511 and 103G.515. This appropriation does not require a nonstate match for the Lanesboro Dam project.

House Language H0622-2

If the commissioner determines that a project is not ready to proceed, this appropriation may be used for other projects on the commissioner's priority list.

Senate Language UEH3467-2

Subd. 6. **RIM Critical Habitat** 1,500,000

To provide the state match for the critical habitat private sector matching account under Minnesota Statutes, section 84.943.

Subd. 7. **Fish Hatchery Development** 1,000,000

For improvements and system upgrades of a capital nature to hatchery facilities owned by the state and operated by the commissioner of natural resources under Minnesota Statutes, section 97A.045, subdivision 1, to prevent the spread of invasive species and pathogens.

Subd. 8. **Mille Lacs Lake - Fisheries Management Station** 3,500,000

To design and construct a fishery management station near Mille Lacs Lake to provide office, hatchery, and storage space.

Subd. 9. **Reforestation and Stand Improvement** 2,300,000

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

House Language H0622-2

Subd. 5. **Trail Development** 6,190,000

$2,590,000 is for the Glacial Lakes Trail, to complete an approximately six and one-quarter mile trail connection between New London and Sibley State Park, and repair of the bicycle trail in Sibley State Park.

$3,600,000 is for acquisition and development in the Cuyuna Country State Recreation Area, including the Cuyuna Mountain Bike System.

Senate Language UEH3467-2

Subd. 11. **Park, State Recreation Area, and Trail Development** 19,740,000

(a) For acquisition, development, and renovation of state trails under Minnesota Statutes, section 85.015. Of this amount, $2,000,000 is for the Gitchi-Gami Trail at Tofte; $2,590,000 is for the Glacial Lakes Trail; $1,300,000 is for the Goodhue Pioneer Trail; $3,300,000 is for the Heartland Trail from Detroit Lakes to Frazee and spur from Park Rapids to Itasca State Park; and $650,000 is for the Mill Town Trail.

(b) $1,900,000 is for acquisition and development in the Cuyuna Country State Recreation Area, including the Cuyuna Mountain Bike System.

(c) $8,000,000 is for continued development of recreational opportunities at the Lake Vermilion-Soudan Underground Mine State Park.

(d) The commissioner may allocate money not needed to complete a project listed in this section to another project listed in this section that may need additional money to be completed. For any project listed in this subdivision that the commissioner determines is not ready to proceed, the commissioner may reallocate that project's money to another state trail project described in this section or other state trail infrastructure. The commissioner of natural resources must notify the chairs of the house of representatives and senate committees with jurisdiction over environment and natural resources and legislators from the affected legislative districts of any changes made under this paragraph.

House Language H0622-2

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

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

Senate Language UEH3467-2

Subd. 14. **Champlin - Mill Pond Restoration** 3,300,000

For a grant to the city of Champlin to dredge and remove sediment and for other capital improvements of the Champlin Mill Pond necessary to improve water quality, restore fish habitat, and provide other public benefits. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

Subd. 10. **State Park Campground Renovations** 1,000,000

To rehabilitate and provide enhancements to campgrounds, including meeting code requirements and improving safety and accessibility. This appropriation is for the campground at Jay Cooke State Park and high-priority work at other campgrounds.

Subd. 12. **Itasca State Park Renovations** 6,900,000

To provide for the renovation of buildings and infrastructure and for natural resources restoration in Itasca State Park. Projects include safety and accessibility improvements, rehabilitation of the historic Nicollet Court building, and erosion protection at the headwaters of the Mississippi River.

Subd. 13. **Austin - Waterways Restoration** 600,000

For a grant to the city of Austin to design, construct, and equip improvements at the site of the old 4th Avenue Mill and Dam, including the construction of bituminous trails, completion of landscaping work, and renovation of the existing mill; for stream bank stabilization throughout the city, including the removal of downed trees and debris, replacement of riprap, and establishment of native vegetation. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

Subd. 15. **Dakota County - Byllesby Dam** 6,000,000

For a grant to Dakota County to design and construct capital improvements to the hydro-electric generating facility, including replacement of obsolete turbines, at the Byllesby Dam, located on the Cannon River. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

Subd. 16. **Dakota County - Minnesota River Regional Trail** 2,500,000

For a grant to Dakota County under Minnesota Statutes, section 85.019, subdivision 4b, to design and construct a 3.2-mile multiuse segment, including upgrades to existing facilities and a new trailhead at Lone Oak Road, of the Minnesota River Regional Trail between Cedar Avenue and Lone Oak Road in the city of Eagan.

Subd. 17. **Golden Valley - Storm Water Infrastructure** 8,400,000

For a grant to the city of Golden Valley for storm water infrastructure within the DeCola Ponds and Medicine Lake Road watershed in the cities of Golden Valley, New Hope, and Crystal, including creation of floodwater storage, subwatershed diversion, and runoff rate control projects. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

Subd. 18. **Itasca County - Popple River Recreation Bridge** 385,000

For a grant to Itasca County to design and construct a multiuse recreation bridge over the Popple River and a paved trail connection to Village Road in the city of Squaw Lake. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

Subd. 19. **Lake County - Prospectors ATV Trail System** 1,000,000

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

Subd. 20. **Rochester - Chester Woods Trail** 1,000,000

House Language H0622-2

Subd. 7. **Unspent Appropriations**

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

Sec. 7. **POLLUTION CONTROL AGENCY**

Senate Language UEH3467-2

To complete construction and paving of phase one of the Chester Woods State Trail from the city of Rochester to Chester Woods Park in Olmsted County.

Subd. 21. **St. Louis and Lake Counties Regional Rail Authority - Mesabi Trail** 1,697,000

For a grant to the St. Louis and Lake Counties Regional Railroad Authority to continue construction of the Mesabi Trail, starting near Whalston Road and going toward the city of Tower. This appropriation does not require a nonstate contribution.

Subd. 22. **Two Harbors Small Craft Harbor Facility** 763,000

For a grant to the City of Two Harbors to design and engineer a small craft harbor within the City of Two Harbors. This appropriation is not available until the commissioner of management and budget confirms that an amount sufficient to complete the project is committed from nonstate sources.

Subd. 23. **Unspent Appropriations**

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

Sec. 8. **POLLUTION CONTROL AGENCY**

House Language H0622-2		Senate Language UEH3467-2	
Subdivision 1. **Total Appropriation**	$ **20,505,000**	Subdivision 1. **Total Appropriation**	$ **31,655,000**
To the commissioner of the Pollution Control Agency for the purposes specified in this section.		To the Pollution Control Agency for the purposes specified in this section.	
		Subd. 2. **Capital Assistance Program**	11,750,000
		(a) This appropriation is for the solid waste capital assistance grant program under Minnesota Statutes, section 115A.54.	
		(b) Of this appropriation, $9,250,000 is for a grant to Polk County to complete a regional integrated solid waste management system. An additional renewable energy component shall not be mandated as a requirement of this project to qualify for funding under this section.	
		(c) Of this appropriation, $2,500,000 is for a grant to McLeod County to complete an integrated solid waste system.	
		Subd. 3. **Variance Assistance Reimbursement**	300,000
		From the general fund for deposit in the variance assistance account under Minnesota Statutes, section 115.441, to reimburse municipalities for the cost of applying for a variance from certain permitting requirements.	
Subd. 2. **St. Louis River Cleanup**	12,705,000	Subd. 4. **St. Louis River Area of Concern**	12,705,000
To design and implement contaminated sediment management actions identified in the St. Louis River remedial action plan to restore water quality in the St. Louis River Area of Concern.		To design and implement contaminated sediment management actions identified in the St. Louis River remedial action plan to restore water quality in the St. Louis River Area of Concern.	

House Language H0622-2

Subd. 3. **Redwood-Cottonwood Rivers Joint Powers - Lake Redwood Reclamation and Enhancement Project** 7,800,000

For a grant to the Redwood-Cottonwood Rivers control area, a joint powers entity, to predesign, design, construct, and equip the reservoir reclamation and enhancement of the 66-acre Lake Redwood Reservoir, to remove approximately 650,000 cubic yards of sediment and increase its depth from approximately 2.8 feet to approximately 20 feet in order to secure renewable energy capacity of the hydroelectric dam which is impeded by lack of water capacity, reduce the flow of pollutants to the Minnesota River, and increase fish habitat and enhance recreational opportunities.

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

Subdivision 1. **Total Appropriation** **$ 7,000,000**

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

Subd. 2. **Reinvest in Minnesota (RIM) Reserve Program** 6,000,000

Senate Language UEH3467-2

Subd. 5. **Redwood-Cottonwood Rivers Joint Powers - Lake Redwood Reclamation and Enhancement Project** 6,900,000

For a grant to the Redwood-Cottonwood Rivers control area, a joint powers entity, to predesign, design, construct, and equip the reservoir reclamation and enhancement of the 66-acre Lake Redwood Reservoir. This appropriation is available after the commissioner of management and budget determines that $870,000 is committed from nonstate sources.

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

Subdivision 1. **Total Appropriation** **$ 4,500,000**

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

Subd. 2. **Reinvest in Minnesota (RIM) Reserve Program** 1,500,000

House Language H0622-2

(a) To acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands and associated uplands of prairie and grasslands, and restore and enhance rivers and streams, riparian lands, and associated uplands of prairie and grasslands in order to protect soil and water quality, support fish and wildlife habitat, reduce flood damage, and provide other public benefits. The provisions of Minnesota Statutes, section 103F.515, apply to this program.

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

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

Subd. 3. **Local Government Roads Wetland Replacement Program** 1,000,000

To acquire land or permanent easements and to restore, create, enhance, and preserve wetlands to replace those wetlands drained or filled as a result of the repair, reconstruction, replacement, or rehabilitation of existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m). The board may vary the priority order of Minnesota Statutes, section 103G.222, subdivision 3, paragraph (a), to implement an in-lieu fee agreement approved by the U.S. Army Corps of Engineers under section 404 of the Clean

Senate Language UEH3467-2

(a) To acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands and associated uplands of prairie and grasslands, and restore and enhance rivers and streams, riparian lands, and associated uplands of prairie and grasslands in order to protect soil and water quality, support fish and wildlife habitat, reduce flood damage, and provide other public benefits. The provisions of Minnesota Statutes, section 103F.515, apply to this program.

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

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

Subd. 3. **Local Government Roads Wetland Replacement Program** 3,000,000

To acquire land or permanent easements and to restore, create, enhance, and preserve wetlands to replace those wetlands drained or filled as a result of the repair, reconstruction, replacement, or rehabilitation of existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m). The board may vary the priority order of Minnesota Statutes, section 103G.222, subdivision 3, paragraph (a), to implement an in-lieu fee agreement approved by the U.S. Army Corps of Engineers under section 404 of the Clean

House Language H0622-2

Water Act. The purchase price paid for acquisition of land or perpetual easement must be a fair market value as determined by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, nonprofit organizations, fee title owners, or other qualified private entities to acquire wetland replacement credits in accordance with Minnesota Rules, chapter 8420.

Sec. 9. **RURAL FINANCE AUTHORITY** $ **35,000,000**

Senate Language UEH3467-2

Water Act. The purchase price paid for acquisition of land or perpetual easement must be a fair market value as determined by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, nonprofit organizations, fee title owners, or other qualified private entities to acquire wetland replacement credits in accordance with Minnesota Rules, chapter 8420.

Sec. 10. **AGRICULTURE**

Subdivision 1. **Total Appropriations** $ **2,824,000**

To the commissioner of agriculture for the purposes specified in this section.

Subd. 2. **Agriculture Lab** 2,218,000

From the general fund for equipment and instruments for the agriculture laboratory. This appropriation is available until June 30, 2022.

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

From the general fund for a grant to Agricultural Utilization Research Institute (AURI) for construction of a development kitchen, sensory lab, and safety and security upgrades at AURI's Crookston facility and for communications and information technology upgrades at the Crookston, Marshall, and Waseca facilities.

Sec. 11. **RURAL FINANCE AUTHORITY** $ **35,000,000**

House Language H0622-2

For the purposes set forth in the Minnesota Constitution, article XI, section 5, paragraph (h), to the Rural Finance Authority to purchase participation interests in or to make direct agricultural loans to farmers under Minnesota Statutes, chapter 41B. This appropriation is from the bond proceeds account in the rural finance administration fund and is for the beginning farmer program under Minnesota Statutes, section 41B.039; the loan restructuring program under Minnesota Statutes, section 41B.04; the seller-sponsored program under Minnesota Statutes, section 41B.042; the agricultural improvement loan program under Minnesota Statutes, section 41B.043; and the livestock expansion loan program under Minnesota Statutes, section 41B.045. All debt service on bond proceeds used to finance this appropriation must be repaid by the Rural Finance Authority under Minnesota Statutes, section 16A.643. Loan participations must be priced to provide full interest and principal coverage and a reserve for potential losses. Priority for loans must be given first to basic beginning farmer loans, second to seller-sponsored loans, and third to agricultural improvement loans.

Sec. 10. **MINNESOTA ZOOLOGICAL GARDEN**

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

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

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

Senate Language UEH3467-2

For the purposes set forth in the Minnesota Constitution, article XI, section 5, paragraph (h), to the Rural Finance Authority to purchase participation interests in or to make direct agricultural loans to farmers under Minnesota Statutes, chapter 41B. This appropriation is from the bond proceeds account in the rural finance administration fund and is for the beginning farmer program under Minnesota Statutes, section 41B.039; the loan restructuring program under Minnesota Statutes, section 41B.04; the seller-sponsored program under Minnesota Statutes, section 41B.042; the agricultural improvement loan program under Minnesota Statutes, section 41B.043; and the livestock expansion loan program under Minnesota Statutes, section 41B.045. All debt service on bond proceeds used to finance this appropriation must be repaid by the Rural Finance Authority under Minnesota Statutes, section 16A.643. Loan participations must be priced to provide full interest and principal coverage and a reserve for potential losses. Priority for loans must be given first to basic beginning farmer loans, second to seller-sponsored loans, and third to agricultural improvement loans.

Sec. 12. **MINNESOTA ZOOLOGICAL GARDEN**

Subdivision 1. **Total Appropriation**	**$**	**21,780,000**

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

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

House Language H0622-2

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

Sec. 11. **ADMINISTRATION**

Subdivision 1. **Total Appropriation** **$ 9,850,000**

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

Senate Language UEH3467-2

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

Subd. 3. **Heart of the Zoo II** 17,780,000

To complete the Heart of the Zoo II project, including renovation of the snow monkey exhibit and surrounding public spaces and construction of a meerkat exhibit. This appropriation is in addition to the appropriation in Laws 2014, chapter 294, article 1, section 11, subdivision 3.

Sec. 13. **ADMINISTRATION**

Subdivision 1. **Total Appropriation** **$ 40,203,000**

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

Subd. 2. **Capitol Complex - Physical Security Upgrades** 18,500,000

For the design, construction, and equipping required to upgrade the physical security elements and systems for the buildings listed below, their attached tunnel systems, and their surrounding grounds, and parking facilities as identified in the 2014 Minnesota State Capitol Complex Physical Security Study conducted by Miller Dunwiddie Architecture. Work includes but is not limited to the installation of bollards, blast protection, infrastructure security screen walls, door access controls, emergency call stations, security kiosks, locking devices, and traffic control. This appropriation includes money for work associated with the following buildings: Administration, Centennial, Judicial, Ag/Health Lab, Minnesota History Center, Minnesota History Center Loading Dock, Capitol Complex Power Plant and Shops, Stassen, State Office, and Veterans Service.

Subd. 3. **Capitol Complex - Physical Security Upgrades** 3,400,000

From the general fund in fiscal year 2017, for the design, construction, and equipping required to upgrade the physical security elements and systems for the buildings listed below, their attached tunnel systems, and their surrounding grounds and parking facilities as identified in the 2014 Minnesota State Capitol Complex Physical Security Study conducted by Miller Dunwiddie Architecture. Work includes but is not limited to the installation of bollards, blast protection, infrastructure security screen walls, door access controls, emergency call stations, security kiosks, locking devices, and traffic control. This appropriation includes money for work associated with the Andersen and Freeman Buildings.

House Language H0622-2

Subd. 2. **Centennial Parking Ramp** 7,000,000

To complete design and for structural repairs to the Centennial parking ramp, including removal of the top deck green space to provide additional parking capacity, repairing damaged post-tension cables, and installation of a deck surface protection coating.

Subd. 3. **Capital Asset Preservation and Replacement Account** 2,500,000

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

Subd. 4. **Capitol Complex Monuments and Memorials** 350,000

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

Senate Language UEH3467-2

Subd. 4. **Centennial Parking Ramp** 10,878,000

(a) To complete design and for structural repairs to the Centennial parking ramp, including removal of the top deck green space to provide additional parking capacity, repairing damaged post-tension cables, and installation of a deck surface protection coating.

(b) Any unexpended amount of this appropriation after completing the project in paragraph (a) may be used to design and construct a storm water retention basin, adjacent to the Centennial parking ramp, if the commissioner of administration determines that the basin is feasible.

Subd. 5. **Capital Asset Preservation and Replacement Account** 2,500,000

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

Subd. 6. **Agency Relocation** 1,500,000

From the general fund in fiscal year 2017 to relocate boards, councils, state agencies, and other state entities as needed for the efficient and effective operation of state government. This appropriation is available until June 30, 2022.

House Language H0622-2	Senate Language UEH3467-2
	Subd. 7. **Strategic Plan for Enterprise Facilities** 1,475,000
	From the general fund to create a strategic facilities master plan for facilities used by state agencies.
	Subd. 8. **Granite Falls - Pioneer Public Television** 1,950,000
	From the general fund to provide an equipment grant to Pioneer Public Television as part of the station's construction of a new facility in Granite Falls, Minnesota. The money may be used to purchase and install equipment necessary to the station's operation. This appropriation does not require a nonstate contribution.
Sec. 12. **MN.IT** $ **$1,432,000**	Sec. 14. **MN.IT** $ **$1,432,000**
To the commissioner of administration to predesign, design, construct, renovate, furnish, and equip existing state data center facilities at the Bureau of Criminal Apprehension's Maryland Avenue office building and at the Department of Revenue's Stassen Office Building for the purpose of decommissioning and repurposing into usable office space.	To the commissioner of administration to predesign, design, construct, renovate, furnish, and equip existing state data center facilities at the Bureau of Criminal Apprehension's Maryland Avenue office building and at the Department of Revenue's Stassen Office Building for the purpose of decommissioning and repurposing into usable office space.
	Sec. 15. **MINNESOTA AMATEUR SPORTS COMMISSION**
	Subdivision 1. **Total Appropriation** $ **5,932,000**
	To the Minnesota Amateur Sports Commission for the purposes specified in this section.
	Subd. 2. **Asset Preservation** 850,000

House Language H0622-2

16.14 Sec. 13. **MILITARY AFFAIRS** $ **2,500,000**

16.15 To the adjutant general for asset preservation
16.16 improvements and betterments of a capital
16.17 nature at military affairs facilities statewide,
16.18 to be spent in accordance with Minnesota
16.19 Statutes, section 16B.307.

Senate Language UEH3467-2

29.10 For asset preservation improvements and
29.11 betterments of a capital nature at the National
29.12 Sports Center in Blaine, to be spent in
29.13 accordance with Minnesota Statutes, section
29.14 16B.307.

29.15 Subd. 3. **National Sports Center Expansion** 5,082,000

29.16 To prepare a site for, including demolition,
29.17 and to construct maintenance facilities,
29.18 parking lots, roads, athletic fields, and other
29.19 infrastructure necessary to complete the
29.20 tournament field expansion at the National
29.21 Sports Center in Blaine.

29.22 Sec. 16. **MILITARY AFFAIRS**

29.23 Subdivision 1. **Total Appropriation** $ **10,500,000**

29.24 To the adjutant general for the purposes
29.25 specified in this section.

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

29.27 For asset preservation improvements and
29.28 betterments of a capital nature at military
29.29 affairs facilities statewide, to be spent in
29.30 accordance with Minnesota Statutes, section
29.31 16B.307. Of this appropriation, $1,620,000
29.32 is for asset preservation at the Rochester
30.1 Readiness Center and $880,000 is for asset
30.2 preservation at the Willmar Readiness Center.

30.3 Subd. 3. **St. Cloud Armory** 3,500,000

To complete design, renovation, expansion, furnishing, and equipping of the St. Cloud Readiness Center. The renovation includes but is not limited to: installing HVAC systems, improving life/safety systems, increasing energy efficiency, and upgrading the facility to serve a dual gender force. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

Subd. 4. **West St. Paul Armory** 4,500,000

To predesign, design, construct, furnish, and equip a new National Guard Readiness Center in a metropolitan county as defined in Minnesota Statutes, section 473.121, subdivision 4. This appropriation is intended to support construction of a joint National Guard Readiness Center and city of West St. Paul municipal building located in the city of West St. Paul, provided that the city identifies suitable land to meet federal rules for armory construction and agrees by the end of 2016 to commit sufficient nonstate funds to complete the project.

This appropriation is not available until the commissioner of management and budget determines that an amount sufficient to complete the project is committed from nonstate sources.

Subd. 5. **Unspent Appropriations**

House Language H0622-2

Sec. 14. **PUBLIC SAFETY** **$ 3,521,000**

To the commissioner of administration to design and construct a joint emergency railroad and pipeline emergency response training facility at Camp Ripley, including the construction of stations and capital infrastructure needed for mock disaster training.

Senate Language UEH3467-2

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

Sec. 17. **PUBLIC SAFETY**

Subdivision 1. **Total Appropriation** **$ 42,988,000**

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

Subd. 3. **Camp Ripley - Railroad and Pipeline Incident Training Facility** 3,521,000

To design and construct a joint emergency railroad and pipeline emergency response training facility at Camp Ripley, including the construction of stations and capital infrastructure needed for mock disaster training.

Subd. 2. **Arden Hills - State Emergency Operations Center** 33,302,000

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

Subd. 4. **Glenwood - Police and Fire Departments** 300,000

For a grant to the city of Glenwood to design, renovate, construct, furnish, and equip a facility for the municipal police and fire departments. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

Subd. 5. **Hallock - Fire Hall** 290,000

For a grant to the city of Hallock to construct, furnish, and equip a fire hall facility. Notwithstanding Minnesota Statutes, section 16A.86, subdivision 4, this appropriation is available after the commissioner of management and budget determines that at least $70,000 is committed from nonstate sources.

Subd. 6. **Mahnomen - Public Safety Facility** 175,000

For a grant to the city of Mahnomen for predesign of a public safety facility in the city of Mahnomen to serve the counties of Mahnomen, Clearwater, and Becker. This appropriation is not available until at least an equal amount is committed from nonstate sources.

Subd. 7. **Minneapolis Emergency Operations Training Facility (EOTF) Enhancement** 2,500,000

House Language H0622-2	Senate Language UEH3467-2
	For a grant to the city of Minneapolis for the predesign, design, engineering, and construction of the expansion of the Emergency Operation Center and Fire Training Facility. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed to the project from nonstate sources.
	Subd. 8. **Roseau - Fire Station Expansion** 700,000
	For a grant to the city of Roseau to design, construct, furnish, and equip an addition to the Roseau Fire Station. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.
	Subd. 9. **Windom - Regional Emergency Services Facility** 2,200,000
	For a grant to the city of Windom to predesign, design, construct, furnish, and equip a regional emergency services (fire and ambulance) facility. Notwithstanding Minnesota Statutes, section 16A.86, subdivision 4, this appropriation is available after the commissioner of management and budget determines that at least $1,000,000 is committed to the project from nonstate sources.
Sec. 15. **TRANSPORTATION**	Sec. 18. **TRANSPORTATION**
Subdivision 1. **Total Appropriation** $ **334,782,000**	Subdivision 1. **Total Appropriation** $ **365,590,000**
To the commissioner of transportation for the purposes specified in this section.	To the commissioner of transportation for the purposes specified in this section.

House Language H0622-2

Subd. 2. **Local Bridge Replacement and Rehabilitation** 90,000,000

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

Subd. 3. **Local Road Improvement Fund Grants** 137,200,000

(a) From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for construction and reconstruction of local roads with statewide or regional significance under Minnesota Statutes, section 174.52, subdivision 4, or for grants to counties to assist in paying the costs of rural road safety capital improvement projects on county state-aid highways under Minnesota Statutes, section 174.52, subdivision 4a.

(b) This appropriation includes money for a grant to the city of Baxter for acquisition of land or interests in land, environmental analysis and environmental cleanup, predesign, design, engineering, and construction of improvements to Cypress Drive, including expansion to a four-lane divided urban roadway, between Excelsior Road and College Road.

(c) Of this amount, $1,000,000 is for a grant to the town of Appleton in Swift County for upgrades to an existing township road to provide for a paved, ten-ton capacity township road extending between marked Trunk Highways 7 and 119.

Senate Language UEH3467-2

Subd. 3. **Local Bridge Replacement and Rehabilitation** 80,000,000

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

Subd. 2. **Local Road Improvement Fund Grants** 70,000,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for construction and reconstruction of local roads with statewide or regional significance under Minnesota Statutes, section 174.52, subdivision 4, for grants under Minnesota Statutes, section 174.52, subdivision 2, or for grants to counties to assist in paying the costs of rural road safety capital improvement projects on county state-aid highways under Minnesota Statutes, section 174.52, subdivision 4a.

House Language H0622-2

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

(e) Of this amount, $20,500,000 is for a grant to Ramsey County for preliminary and final design, environmental documentation, and construction of the interchange of marked Interstate Highway 694 and Rice Street in Ramsey County.

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

Senate Language UEH3467-2

Subd. 23. **Ramsey County - I-694 Rice Street Interchange** 15,421,000

For a grant to Ramsey County for preliminary and final design, environmental documentation, and construction of the interchange of marked Interstate Highway 694 and Rice Street in Ramsey County. The $6,600,000 previously expended from nonstate sources to acquire property for this project shall count toward the nonstate match and no further nonstate match is required.

Subd. 4. **Safe Routes to School** 3,000,000

For grants under Minnesota Statutes, section 174.40.

Subd. 5. **Golden Valley - Douglas Drive and Highway 55** 3,000,000

House Language H0622-2		Senate Language UEH3467-2	
		For a grant to the city of Golden Valley to reconstruct approximately one and three-quarters miles of Douglas Drive north of Highway 55, including on-street bicycle lanes and off-street trails and sidewalks, and to design, engineer, and construct public safety improvements at the intersection of Douglas Drive and Highway 55, including a box culvert underpass across Highway 55, a roundabout and extended frontage road south of Highway 55, retaining wall construction, underground utility relocation, sidewalk and trail connections to existing facilities, Americans with Disabilities Act-compliant facilities, and landscaping. This appropriation does not require a nonstate contribution.	
		Subd. 6. **St. Joseph - Pedestrian Bridge**	1,404,000
		For a grant to the city of St. Joseph to construct a pedestrian bridge over County Road 75 in Stearns County.	
Subd. 4. **Rail Grade Separations**	26,749,000	Subd. 8. **Rail Grade Separation on Crude Oil Rail Corridors**	65,478,000
		(a) To design and construct rail safety projects at highway railroad grade crossings in accordance with Minnesota Statutes, section 219.016. Of this appropriation:	
		(1) $39,729,000 is for a grant to the city of Moorhead for environmental analysis, design, engineering, removal of an existing structure, and construction of a rail grade crossing separation in the vicinity of 21st Street South;	

House Language H0622-2		Senate Language UEH3467-2	
(a) $14,762,000 is for a grant to the city of Red Wing for environmental analysis, design, engineering, removal of an existing structure, and construction of a rail grade crossing separation at Sturgeon Lake Road.		(2) $13,762,000 is for a grant to the city of Red Wing for environmental analysis, design, engineering, removal of an existing structure, and construction of a rail grade crossing separation at Sturgeon Lake Road; and	
(b) $11,987,000 is for a grant to Anoka County for environmental analysis, design, engineering, removal of an existing structure, and construction of a rail grade crossing separation at Anoka County State-Aid Highway 78, known as Hanson Boulevard, in Coon Rapids.		(3) $11,987,000 is for a grant to Anoka County for environmental analysis, design, engineering, removal of an existing structure, and construction of a rail grade crossing separation at Anoka County State-Aid Highway 78, known as Hanson Boulevard, in Coon Rapids.	
		(b) Any unspent portion of this appropriation after completion of any project in this subdivision may be used for additional grants in accordance with Minnesota Statutes, section 219.016.	
Subd. 5. **Railroad Warning Devices**	1,000,000	Subd. 9. **Railroad Warning Devices**	5,000,000
To design, construct, and equip new rail grade crossing warning safety devices at active highway-rail grade crossings, or to replace active highway-rail grade warning safety devices that have reached the end of their useful life.		To design, construct, and equip replacement of active highway-rail grade warning devices that have reached the end of their useful life.	
Subd. 6. **Minnesota Valley Regional Rail Authority**	4,000,000	Subd. 21. **Minnesota Valley Regional Rail Authority**	3,000,000

House Language H0622-2

For a grant to the Minnesota Valley Regional Rail Authority for the rehabilitation of a portion of the railroad track between Winthrop and Hanley Falls. The grant under this subdivision may also be used for any required environmental documentation and remediation, predesign, design, and rehabilitation or replacement of bridges with new bridges or culverts between Winthrop and Hanley Falls. A grant under this section is in addition to any grant, loan, or loan guarantee for this project made by the commissioner under Minnesota Statutes, sections 222.46 to 222.62. This appropriation is in addition to the appropriations in Laws 2006, chapter 258, section 16, subdivision 6; Laws 2008, chapter 179, section 16, subdivision 5; Laws 2009, chapter 93, article 1, section 11, subdivision 4; Laws 2010, chapter 189, section 15, subdivision 5; and Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 4.

Subd. 7. **Hennepin County - U.S. Highway 12** 15,000,000

From the bond proceeds account in the trunk highway fund for projects, including preliminary and final design, engineering, environmental analysis, right-of-way acquisition, construction, and reconstruction on marked U.S. Highway 12 as follows:

(1) realignment at the intersections with Hennepin County State-Aid Highway 92;

(2) realignment and safety improvements at the intersection with Hennepin County State-Aid Highway 90; and

Senate Language UEH3467-2

For a grant to the Minnesota Valley Regional Rail Authority for the rehabilitation of railroad track from Winthrop to Hanley Falls. The grant under this subdivision may also be used for any required environmental documentation and remediation, predesign, design, and rehabilitation or replacement of bridges with new bridges or culverts between Winthrop and Hanley Falls. A grant under this section is in addition to any grant, loan, or loan guarantee for this project made by the commissioner under Minnesota Statutes, sections 222.46 to 222.62. This appropriation is in addition to the appropriations in Laws 2006, chapter 258, section 16, subdivision 6; Laws 2008, chapter 179, section 16, subdivision 5; Laws 2009, chapter 93, article 1, section 11, subdivision 4; Laws 2010, chapter 189, section 15, subdivision 5; and Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 4.

Subd. 17. **Hennepin County - U.S. Highway 12** 15,000,000

From the bond proceeds account in the trunk highway fund for projects, including preliminary and final design, engineering, environmental analysis, right-of-way acquisition, construction, and reconstruction on marked U.S. Highway 12 as follows:

(1) realignment at the intersections with Hennepin County State-Aid Highway 92;

(2) realignment and safety improvements at the intersection with Hennepin County State-Aid Highway 90; and

House Language H0622-2

(3) safety median improvements from the interchange with Wayzata Boulevard in Wayzata to approximately one-half mile east of the interchange with Hennepin County State-Aid Highway 6.

Subd. 8. **Chaska - Trunk Highway 212 Interchange** 8,000,000

From the bond proceeds account in the trunk highway fund for right-of-way acquisition and construction of an interchange at marked Trunk Highway 212 and Carver County Road 140 in the city of Chaska, to support the development of approximately 400 acres of property in the city of Chaska's comprehensive plan.

Subd. 9. **Anoka County - I35 Interchange in Columbus** 13,000,000

From the bond proceeds account in the trunk highway fund for a grant to Anoka County to: (1) complete the design, land acquisition, engineering, and construction of an interchange at the intersection of marked Interstate Highway 35, marked Trunk Highway 97, and County State-Aid Highway 23, and (2) realign and make associated improvements to County State-Aid Highway 54, known as West Freeway Drive, in the city of Columbus.

Senate Language UEH3467-2

(3) safety median improvements from the interchange with Wayzata Boulevard in Wayzata to approximately one-half mile east of the interchange with Hennepin County State-Aid Highway 6.

Subd. 14. **Chaska - Trunk Highway 212 Interchange** 28,000,000

From the bond proceeds account in the trunk highway fund for right-of-way acquisition and construction of an interchange at marked Trunk Highway 212 and Carver County Road 140 in the city of Chaska, to support the development of approximately 400 acres of property in the city of Chaska's comprehensive plan. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available for five years after the effective date of this act.

Subd. 10. **Rail Service Improvement** 2,000,000

For the rail service improvement program to be spent for the purposes set forth in Minnesota Statutes, section 222.50, subdivision 7.

Subd. 11. **Goodview and Minnesota City - Rail Quiet Zone** 301,000

For a grant to the city of Goodview for construction of a railroad crossing quiet zone that consists of construction and installation of concrete median barriers and associated road improvements at five Canadian Pacific railroad crossings in the cities of Goodview and Minnesota City. This appropriation does not require a local match.

Subd. 12. **St. Louis Park - Quiet Zone** 105,000

For a grant to the city of St. Louis Park to install safety improvements that reduce or eliminate the need for rail horns and whistles in St. Louis Park. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

Subd. 13. **Blaine - 105th Avenue Reconstruction** 3,246,000

For a grant to the city of Blaine to predesign, design, and reconstruct 105th Avenue in the vicinity of the National Sports Center in Blaine. The reconstruction will include changing the street from five lanes to four lanes with median, turn lanes, sidewalk, trail, landscaping, lighting, and consolidation of access driveways. This appropriation is not available until the commissioner of management and budget determines that at least $3,000,000 is committed to the project from sources available to the city, including

municipal state aid and county turnback funds.

Subd. 15. **Duluth Airport Authority** 5,900,000

From the state airports fund in fiscal year 2017 to provide the federal match to design and construct runway infrastructure at the Duluth International and Sky Harbor Airports in accordance with Minnesota Statutes, section 360.017. For the purposes of this appropriation, the commissioner may waive the requirements of Minnesota Statutes, section 360.305, subdivision 4, paragraph (b). This appropriation is for costs incurred after March 1, 2016, and is available until and must be encumbered by June 30, 2017. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

Subd. 16. **Grand Rapids Pedestrian Bridge** 750,000

For a grant to the city of Grand Rapids to design the construction of a bridge over the Mississippi River for pedestrian and bicycle use to provide a safe alternative route to the existing marked Trunk Highway 169 vehicle bridge, and to serve as a connection to existing trail systems on each side of the river. This appropriation is not available until the commissioner determines that an equal amount has been committed to the project from nonstate sources.

Subd. 18. **Hennepin County - Interstate Highway 35W and Lake Street Access Project** 25,000,000

From the bond proceeds account in the state transportation fund for a grant to Hennepin County for design, right-of-way acquisition, engineering, and construction of public improvements related to the Interstate Highway 35W and Lake Street access project and related improvements within the Interstate Highway 35W corridor. This appropriation is not available until the commissioner of management and budget determines that an amount sufficient to complete the project has been committed to the project.

Subd. 19. **Hugo - Short Line Railway** 1,100,000

For a grant to Minnesota Commercial Railway for construction of repairs and other capital improvements to approximately 6.5 miles of railroad track described as that portion of the Minnesota Commercial Railway main running lead, between M & D Junction in White Bear Lake and the end of the track in Hugo. This appropriation must be used for the purposes set forth in the Minnesota Constitution, article XI, section 5, clause (i), to improve and rehabilitate railroad rights-of-way and other rail facilities, whether public or private. This appropriation does not require a nonstate match.

Subd. 20. **International Falls-Koochiching County Airport Commission** 3,000,000

(a) From the state airports fund for a grant to the International Falls-Koochiching County Airport Commission for the following improvements to the Falls International Airport:

(1) demolition of the existing terminal building;

Subdivision 10. **I-94/Brockton Lane Interchange** 34,000,000

From the bond proceeds account in the trunk highway fund for the I-94/Brockton Lane Interchange Project to construct an interchange and auxiliary lanes on marked Interstate Highway 94 east of the Hennepin County State-Aid Highway 101 (Brockton Lane) overpass in the city of Dayton.

(2) rehabilitation;

(3) site preparation, including utilities and civil work;

(4) design, construction, furnishing, and equipping Phase II of the new terminal building, including a Transportation Safety Administration office, weather office, conference room, circulation corridor, airport administration offices, U.S. Customs and Border Protection storage rooms, offices, restrooms, passenger-processing area, wet-hold room, interview room, search room, precustoms and postcustoms passenger waiting areas, and vestibule; and

(5) associated appurtenances of a capital nature.

(b) After completion of the improvements under paragraph (a), any unspent money from this appropriation may be used by the International Falls-Koochiching County Airport Commission for a commercial airline apron expansion project at the Falls International Airport.

(c) This appropriation does not require a nonstate contribution or match.

House Language H0622-2		Senate Language UEH3467-2	
Subd. 11. **Trunk Highway Bonds - Debt Service 2017**	618,000		
From the trunk highway fund in fiscal year 2017 for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget shall transfer the deficiency amount under the statutory open appropriation, and notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and the chairs of the senate Committee on Finance and the house of representatives Committee on Ways and Means of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.			
Subd. 12. **Red Wing - Highway 61 Reconstruction**	833,000		
From the trunk highway fund in fiscal year 2017 for State Project No. 2514-122, consisting of engineering and reconstruction of the segment of marked U.S. Highway 61 in Red Wing from westerly of Old West Main Street to easterly of Potter Street and is for trunk highway costs in excess of the engineer's estimate and associated program delivery.			
Subd. 13. **Port Development Assistance**	5,000,000	Subd. 7. **Port Development Assistance**	10,000,000
For grants under Minnesota Statutes, chapter 457A. Any improvements made with the proceeds of these grants must be publicly owned.		For grants under Minnesota Statutes, chapter 457A. Any improvements made with the proceeds of these grants must be publicly owned. Wabasha shall be a priority project for a grant under this appropriation.	

Subd. 22. **Ramsey - Rail Grade Separation at County Road 56** 1,500,000

For a grant to the city of Ramsey for predesign and design of a highway-rail grade separation at the intersection of Anoka County Road 56, also known as Ramsey Boulevard, with the Burlington Northern Santa Fe mainline. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

Subd. 24. **Rochester International Airport** 4,985,000

From the general fund to design, construct, renovate, and improve the Rochester International Airport, in accordance with Minnesota Statutes, section 360.017. For the purposes of this appropriation, the commissioner may waive the requirements of Minnesota Statutes, section 360.305, subdivision 4, paragraph (b). This appropriation is available until and must be encumbered by June 30, 2017. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

Subd. 25. **Rosemount - County Road 42 and Marked Trunk Highway 52 Interchange** 2,000,000

From the bond proceeds account in the state transportation fund for the city of Rosemount local share of the project that reconstructs the interchange of County Road 42 at marked Trunk Highway 52 in Dakota County. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

Subd. 26. **St. Paul - Rail Grade Separation at Westminster Junction and Division Street** 1,000,000

For a grant to the Ramsey County Regional Railroad Authority for environmental analysis and design of rail grade separation of Union Pacific and Burlington Northern Santa Fe between Westminster Junction and Division Street/Hoffman Interlocking in St. Paul. This appropriation is not available until the commissioner determines that an equal amount has been committed to the project from nonstate sources.

Subd. 27. **Virginia - Highway 53 Relocation** 3,400,000

From the bond proceeds account in the state transportation fund for grants to the city of Virginia and the Virginia Public Utilities Commission to acquire land for and to predesign, design, construct, furnish, and equip relocated public utilities, including sanitary and storm water sewers and water, electrical, and gas utilities; and to demolish and remove old utility infrastructure, all associated with the relocation of Highway 53. This appropriation does not require a nonstate contribution.

Subd. 28. **West St. Paul - Robert Street Reconstruction** 12,000,000

From the trunk highway fund for a grant to the city of West St. Paul to complete the reconstruction of South Robert Street, marked as Trunk Highway 952. This appropriation is available after the commissioner of management and budget determines that $7,363,000 is committed from nonstate sources.

House Language H0622-2	Senate Language UEH3467-2
Sec. 16. **METROPOLITAN COUNCIL**	Sec. 19. **METROPOLITAN COUNCIL**
Subdivision 1. **Total Appropriation** $ **23,350,000**	Subdivision 1. **Total Appropriation** $ **42,750,000**
To the Metropolitan Council for the purposes specified in this section.	To the Metropolitan Council for the purposes specified in this section.
Subd. 2. **Metro Orange Line BRT** 12,100,000	
Up to $12,100,000, but an amount that is no more than ten percent of the total project cost, is for the Metropolitan Council, or for the Metropolitan Council to make grants to political subdivisions, to construct capital improvements along the I-35W corridor for completion of the Metro Orange Bus Rapid Transit (BRT) Line.	
The Metro Orange BRT Line must not follow a route that requires an underpass or tunnel to be built under I-494 at Knox Avenue, but must follow the Penn Avenue route after coming down into the circle on the bottom of Knox Avenue on the north side of I-494.	
	Subd. 2. **Metropolitan Regional Parks and Trails Capital Improvements** 10,000,000
	For the cost of improvements and betterments of a capital nature and acquisition by the council and local government units of regional recreational open-space lands in accordance with the council's policy plan as provided in Minnesota Statutes, section 473.147. This appropriation must not be used to purchase easements.
Subd. 3. **Mall of America Station** 8,750,000	Subd. 4. **Bloomington - Mall of America Transit Station** 8,750,000

House Language H0622-2

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

Subd. 4. **Metropolitan Cities Inflow and Infiltration Grants** 2,500,000

For grants to cities within the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, for capital improvements in municipal wastewater collection systems to reduce the amount of inflow and infiltration to the Metropolitan Council's metropolitan sanitary sewer disposal system. Grants from this appropriation are for up to 50 percent of the cost to mitigate inflow and infiltration in the publicly owned municipal wastewater collection systems. To be eligible for a grant, a city must be identified by the council as a contributor of excessive inflow and infiltration in the metropolitan disposal system or have a measured flow rate within 20 percent of its allowable council-determined inflow and infiltration limits. The council must award grants based on applications from cities that identify eligible capital costs and include a timeline for inflow and infiltration mitigation construction, pursuant to guidelines established by the council.

Senate Language UEH3467-2

For design and construction of improvements to the Mall of America Station on the Hiawatha Corridor light rail transit line. The Metropolitan Council must consult with the city of Bloomington throughout the design and construction process.

Subd. 3. **Metropolitan Cities Inflow and Infiltration Grants** 5,000,000

For grants to cities within the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, for capital improvements in municipal wastewater collection systems to reduce the amount of inflow and infiltration to the Metropolitan Council's metropolitan sanitary sewer disposal system. Grants from this appropriation are for up to 50 percent of the cost to mitigate inflow and infiltration in the publicly owned municipal wastewater collection systems. To be eligible for a grant, a city must be identified by the council as a contributor of excessive inflow and infiltration in the metropolitan disposal system or have a measured flow rate within 20 percent of its allowable council-determined inflow and infiltration limits. The council must award grants based on applications from cities that identify eligible capital costs and include a timeline for inflow and infiltration mitigation construction, pursuant to guidelines established by the council.

Subd. 5. **Minneapolis - Sculpture Garden** 500,000

From the general fund for a grant to the Minneapolis Parks and Recreation Board for noncapital expenses relating to the renovation of the Minneapolis Sculpture Garden. This appropriation is available until June 30, 2019. This appropriation is in addition to the appropriation in Laws 2014, chapter 194, article 1, section 17, subdivision 8. This appropriation does not require a nonstate match.

Subd. 6. **St. Paul - Como Zoo** 14,500,000

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

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

For a grant to Washington County for environmental analysis, design, and engineering for the Gateway Corridor Transitway, also known as the Metro Gold Line. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

Subd. 8. **Washington County - Red Rock Corridor Transitway** 1,000,000

House Language H0622-2		Senate Language UEH3467-2	
		For a grant to the Washington County Regional Railroad Authority for engineering and environmental analysis for the Red Rock Corridor transitway. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.	
		Sec. 20. **HEALTH**	**$ 2,335,000**
		From the general fund in fiscal year 2017 to the commissioner of health for equipment and instruments for the public health laboratory. Notwithstanding Minnesota Statutes, section 16A.642, this appropriation is available until June 30, 2022.	
Sec. 17. **HUMAN SERVICES**		Sec. 21. **HUMAN SERVICES**	
Subdivision 1. **Total Appropriation**	**$ 70,071,000**	Subdivision 1. **Total Appropriation**	**$ 135,135,000**
To the commissioner of administration, or another named agency, for the purposes specified in this section.		To the commissioner of administration, or another named agency, for the purposes specified in this section.	
		Subd. 2. **Asset Preservation**	5,000,000
		For asset preservation improvements and betterments of a capital nature at Department of Human Services facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.	
Subd. 2. **Minnesota Security Hospital - St. Peter**	57,611,000	Subd. 3. **Minnesota Security Hospital - St. Peter**	70,255,000

House Language H0622-2

To complete design, remodel, construct, furnish, and equip the second phase of the two-phase project to remodel existing and to develop new residential, program, activity, and ancillary facilities for the Minnesota Security Hospital on the upper campus of the St. Peter Regional Treatment Center. This does not include construction of a new 48-bed transitional housing unit. This appropriation includes money to: demolish, renovate, and remodel existing space; construct new space; address fire and life safety, and other building code deficiencies; replace or renovate interior finishes; purchase furnishings, fixtures, and equipment; replace or renovate the Minnesota Security Hospital building's HVAC, plumbing, electrical, security, and life safety systems; tuck-point; replace windows and doors; design and abate asbestos and hazardous materials; and complete site work necessary to support the programmed use of the facilities on the St. Peter Regional Treatment Center upper campus.

Subd. 3. **Child and Adolescent Behavioral Health Services** 7,530,000

To purchase land in or near the city of Willmar for, and to predesign, design, construct, furnish, and equip, a 16-bed psychiatric hospital facility of approximately 17,500 to 18,000 square feet that will house the Child and Adolescent Behavioral Health Services (CABHS) program. The facility shall include space for single bedrooms, bathing and toilets, dining, living, group and treatment rooms, education space, visitation, clinic/professional staff, operations staff, patient storage, operations storage, food preparation, HVAC/telecommunications/data equipment, a small area for indoor recreation, and a secure outdoor activity space. The property for the facility will provide for staff

Senate Language UEH3467-2

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

Subd. 11. **Willmar - Child and Adolescent Behavioral Health Services (CABHS)** 7,530,000

For a grant to the city of Willmar to purchase land in or near the city of Willmar for, and to predesign, design, construct, furnish, and equip, a 16-bed psychiatric hospital facility of approximately 17,500 to 18,000 square feet that will house the Child and Adolescent Behavioral Health Services (CABHS) program. The facility shall include space for single bedrooms, bathing and toilets, dining, living, group and treatment rooms, education space, visitation, clinic/professional staff, operations staff, patient storage, operations storage, food preparation, HVAC/telecommunications/data equipment, a small area for indoor recreation, and a secure outdoor activity space. The

House Language H0622-2

and visitor parking, outdoor activities, and appropriate side, front, and rear setbacks.

Subd. 4. **Anoka Metro Regional Treatment Center Safety and Security Renovations** 2,250,000

Senate Language UEH3467-2

property for the facility will provide for staff and visitor parking, outdoor activities, and appropriate side, front, and rear setbacks. This appropriation does not require a nonstate match.

Subd. 4. **Minnesota Sex Offender Program – St. Peter** 14,500,000

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

Subd. 5. **Anoka Metro Regional Treatment Center Safety and Security Renovations** 2,250,000

House Language H0622-2

To provide security upgrades of a capital nature at the Anoka Metro Regional Treatment Center campus, including but not limited to control centers, electronic monitoring and perimeter security equipment, new or updated security fencing, and other building security renovations. This appropriation includes money for: predesign, design, furnishing, fixtures, and equipment; construction of safety and security improvements to courtyards on residential treatment units; securely enclosing the nursing station on Unit G; and installing a campus-wide closed-circuit television video security system, a facility-wide personal duress alarm system, a key control system, and an electronic access control system.

Subd. 5. **Regional Medical Examiner's Facility** 2,680,000

For a grant to Hennepin County to design an approximately 67,000 square foot regional, state-of-the-art medical examiner's facility. The facility shall: (1) provide forensic death investigation and autopsy services for Dakota, Hennepin, and Scott Counties with the flexibility to accommodate future partner counties and agencies; (2) serve as a teaching facility for the state, on the science of forensic pathology; and (3) be located in the city of Bloomington as a site that best supports access needs for the three founding counties and reasonable scene response times for the geographic service area.

Senate Language UEH3467-2

To provide security upgrades of a capital nature at the Anoka Metro Regional Treatment Center campus, including but not limited to control centers, electronic monitoring and perimeter security equipment, new or updated security fencing, and other building security renovations. This appropriation includes money for: predesign, design, furnishing, fixtures, and equipment; construction of safety and security improvements to courtyards on residential treatment units; securely enclosing the nursing station on Unit G; and installing a campus-wide closed-circuit television video security system, a facility-wide personal duress alarm system, a key control system, and an electronic access control system.

Subd. 6. **Early Childhood Learning Facilities** 5,000,000

To the commissioner of human services for grants under Minnesota Statutes, section 256E.37, to construct and rehabilitate early childhood learning facilities.

Subd. 7. **Hennepin County - Perspectives Family Center** 600,000

From the general fund to the commissioner of human services in fiscal year 2017 for a grant to Hennepin County to predesign and design the expansion and renovation of the existing Perspectives Family Center facility in St. Louis Park, subject to Minnesota Statutes, section 16A.695. The expanded and renovated facility must be used to promote the public welfare by providing any or all of the following programs and services: (1) supportive housing programs for homeless women and their children; (2) mental and chemical health programs; (3) employment services; (4) academic, social skills, and nutritional programs for homeless and at-risk children; (5) an all-day therapeutic early childhood development program for homeless and at-risk children; and (6) a culturally sensitive safe and nurturing environment for at-risk children to meet with their nonresidential parents. This appropriation is not available until the commissioner of management and budget has determined that at least an equal amount has been expended or committed to the project from nonstate sources. Nonstate money spent on the project since May 1, 2015, shall be included in the determination of nonstate commitments to the project.

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

From the general fund for a grant to the Family Partnership in Minneapolis to predesign and design a facility to provide mental health, early childhood education, and other services to support children and families. This appropriation is not available until at least an equal amount of money is committed from nonstate resources. This appropriation is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

Subd. 9. **Red Lake Indian Reservation - Social Service Building Construction and Whitefeather/Moe Education Technology Center Remodel** 17,000,000

(a) From the general fund for a grant to the Red Lake Indian Reservation to:

(1) construct a building to house the social services of Oshkiimaajitahdah in Redby; and

(2) remodel the Whitefeather/Moe Education Technology Center to return space to classrooms and laboratories for educational purposes.

(b) This appropriation is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

(c) This appropriation is available after the commissioner of management and budget determines that $200,000 is committed or has been expended by nonstate sources. Money spent for site preparation shall count toward the $200,000 nonstate contribution.

Subd. 10. **St. Paul - Dorothy Day Opportunity Center** 12,000,000

House Language H0622-2	Senate Language UEH3467-2
	51.5 For a grant to the city of St. Paul to predesign, 51.6 design, construct, furnish, and equip an 51.7 opportunity center to serve as an integrated 51.8 one-stop delivery system connecting persons 51.9 at risk of becoming homeless, and persons 51.10 working to move up and out of homelessness, 51.11 and to provide services that improve 51.12 their health, income, housing stability, or 51.13 well-being, subject to Minnesota Statutes, 51.14 section 16A.695. This appropriation may be 51.15 used to acquire property for these purposes. 51.16 This appropriation is not available until the 51.17 commissioner of management and budget has 51.18 determined that at least an equal amount has 51.19 been committed to the project from nonstate 51.20 sources. This appropriation is in addition to 51.21 the appropriation in Laws 2014, chapter 294, 51.22 article 1, section 18, subdivision 9.
26.9 Sec. 18. **VETERANS AFFAIRS** **$ 4,000,000**	52.10 Sec. 22. **VETERANS AFFAIRS**
26.10 To the commissioner of administration 26.11 for asset preservation improvements and 26.12 betterments of a capital nature at the veterans 26.13 homes in Minneapolis, Hastings, Fergus 26.14 Falls, Silver Bay, and Luverne, to be spent in 26.15 accordance with Minnesota Statutes, section 26.16 16B.307.	52.11 Subdivision 1. **Total Appropriation** **$ 22,851,000** 52.12 To the commissioner of administration for 52.13 the purposes specified in this section. 52.14 Subd. 2. **Asset Preservation** 5,000,000 52.15 For asset preservation improvements and 52.16 betterments of a capital nature at the veterans 52.17 homes in Minneapolis, Hastings, Fergus 52.18 Falls, Silver Bay, and Luverne, to be spent in 52.19 accordance with Minnesota Statutes, section 52.20 16B.307. 52.21 Subd. 3. **Minneapolis Veterans Home Truss** 52.22 **Bridge Project** 7,851,000 52.23 To design, construct, renovate, and equip 52.24 the historic truss bridge on the Minneapolis 52.25 Veterans Home campus, including asbestos 52.26 and hazardous materials abatement and 52.27 associated site work.

House Language H0622-2	Senate Language UEH3467-2
	Subd. 4. **Bemidji and Montevideo Veterans Homes** 10,000,000
	(a) $5,000,000 of this appropriation is to design, construct, furnish, and equip a veterans home in Montevideo to provide a continuum of care, including skilled nursing care, to veterans.
	(b) $5,000,000 of this appropriation is to design, construct, furnish, and equip a new veterans home in Bemidji to provide a continuum of care, including skilled nursing care, to veterans.
	(c) The commissioner of administration may accept contributions of land or money from private individuals, businesses, local governments, veterans service organizations, and other nonstate sources for the purpose of providing matching funding when soliciting federal funding for the development of the homes.
Sec. 19. **CORRECTIONS**	Sec. 23. **CORRECTIONS**
Subdivision 1. **Total Appropriation** $ **28,900,000**	Subdivision 1. **Total Appropriation** $ **52,253,000**
To the commissioner of administration for the purposes specified in this section.	To the commissioner of administration for the purposes specified in this section.
Subd. 2. **Asset Preservation** 8,000,000	Subd. 2. **Asset Preservation** 20,000,000
For asset preservation improvements and betterments of a capital nature at Minnesota correctional facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.	For asset preservation improvements and betterments of a capital nature at Minnesota correctional facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

House Language H0622-2

Subd. 3. **Minnesota Correctional Facility - St. Cloud** 19,000,000

To construct and equip a new intake unit and a loading dock with a secure connection to a new central warehouse at the Minnesota Correctional Facility – St. Cloud.

Subd. 4. **Minnesota Correctional Facility - Moose Lake** 1,900,000

To expand and renovate the outdated master control center to improve security and efficiency at the Minnesota Correctional Facility - Moose Lake. The renovation includes updating fire alarm panels and mechanical and electrical systems and improving visibility of the visiting area.

Senate Language UEH3467-2

Subd. 3. **Lino Lakes - Minnesota Correctional Facility** 5,000,000

To design, renovate, and equip an existing vacant building into an offender living unit that will add at least 60 beds to the capacity at the Minnesota Correctional Facility – Lino Lakes. The renovation includes removal of hazardous materials, upgrades to comply with current building codes, and construction of functional living and program space.

Subd. 5. **St. Cloud - Minnesota Correctional Facility** 19,000,000

To construct and equip a new intake unit and a loading dock with a secure connection to a new central warehouse at the Minnesota Correctional Facility – St. Cloud.

Subd. 4. **Moose Lake - Minnesota Correctional Facility** 1,900,000

To expand and renovate the outdated master control center to improve security and efficiency at the Minnesota Correctional Facility – Moose Lake. The renovation includes updating fire alarm panels and mechanical and electrical systems and improving visibility of the visiting area.

Subd. 6. **Togo - Minnesota Correctional Facility** 2,000,000

To design, construct, renovate, furnish, and equip existing buildings, including improvements to the wastewater and septic systems, and to increase the program capacity for the challenge incarceration program by at least 30 beds at the Minnesota Correctional Facility – Togo.

House Language H0622-2

Senate Language UEH3467-2

Subd. 5. **Unspent Appropriations**

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

Subd. 7. **Willow River - Minnesota Correctional Facility** 1,500,000

To design, construct, renovate, furnish, and equip new and existing buildings to increase living unit and programming capacity for the challenge incarceration program by at least 45 beds at the Minnesota Correctional Facility – Willow River.

Subd. 8. **Northeast Regional Corrections Center** 2,853,000

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

Subd. 9. **Unspent Appropriations**

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

House Language H0622-2		Senate Language UEH3467-2	
Sec. 20. **EMPLOYMENT AND ECONOMIC DEVELOPMENT**		Sec. 24. **EMPLOYMENT AND ECONOMIC DEVELOPMENT**	
Subdivision 1. **Total Appropriation**	**$ 58,541,000**	Subdivision 1. **Total Appropriation**	**$ 159,304,000**
To the commissioner of employment and economic development for the purposes specified in this section.		To the commissioner of employment and economic development for the purposes specified in this section.	
		Subd. 2. **Asset Preservation**	1,342,000
		For asset preservation improvements and betterments of a capital nature at the South Minneapolis WorkForce Center, to be spent in accordance with Minnesota Statutes, section 16B.307.	
Subd. 2. **Transportation Economic Development**	6,000,000	Subd. 3. **Transportation Economic Development**	20,000,000
For grants under Minnesota Statutes, section 116J.436.		For grants under Minnesota Statutes, section 116J.436.	
Subd. 3. **Greater Minnesota Business Development Public Infrastructure Grants**	10,000,000	Subd. 4. **Greater Minnesota Business Development Public Infrastructure Grants**	15,000,000
For grants under Minnesota Statutes, section 116J.431.		For grants under Minnesota Statutes, section 116J.431.	
Subd. 4. **Innovative Business Development Public Infrastructure Grants**	2,000,000	Subd. 5. **Innovative Business Development Public Infrastructure Grants**	5,000,000
For grants under Minnesota Statutes, section 116J.435.		For grants under Minnesota Statutes, section 116J.435.	
		Subd. 6. **Redevelopment Grant Program**	4,328,000
		(a) From the general fund for purposes of the redevelopment account under Minnesota Statutes, sections 116J.571 to 116J.575.	

House Language H0622-2

Senate Language UEH3467-2

(b) Of this appropriation, $3,500,000 is for a grant to the city of Albert Lea for predesign, design, site work, and construction, including the relocation of Front Street, for Phase I of the Blazing Star Landing project to redevelop the former Farmland Foods property along Albert Lea Lake. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

Subd. 7. **Bemidji - Regional Dental Facility** 6,000,000

For a grant to the city of Bemidji to acquire land for and to predesign, design, construct, renovate, furnish, and equip a regional dental facility in Bemidji, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner of management and budget has determined that at least $3,000,000 has been committed to the project from nonstate sources. The value of the land purchased or acquired by the city after January 1, 2016, for this facility shall count toward the nonstate match.

Subd. 5. **Duluth - Steam Plant** 21,000,000

For a grant to the city of Duluth to complete the design of and to renovate, construct, furnish, and equip an upgrade to the municipal district heating facility and systems, including conversion of the distribution system along Superior Street from steam, with no condensate return, to closed-loop hot water, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner of management and budget determines that an amount sufficient to complete the project is committed from nonstate sources.

Subd. 8. **Duluth - Lake Superior Zoo** 1,909,000

For a grant to the city of Duluth to design, construct, furnish, and equip an outdoor amphitheater at the Lake Superior Zoo. This appropriation is not available until the commissioner determines that at least an equal amount is committed to the project from nonstate sources.

Subd. 9. **Hastings - Riverfront Renaissance** 1,500,000

For a grant to the city of Hastings for the design, engineering, constructing, and equipping of improvements to the city's sewer, electrical, utility, and street infrastructure; for renovations and improvements to Oliver's Grove Park; and screening of an electrical substation. These projects are part of the rehabilitation of Hastings' historic downtown and Levee Park along the Mississippi River. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources. Expenditures made for Phases 1 and 2 of this project shall count towards the nonstate match.

Subd. 10. **Hennepin County - Cedar Cultural Center** 3,000,000

From the general fund for a grant to the Cedar Cultural Center to predesign, design, construct, furnish, and equip the renovation of the historic Cedar Cultural Center.

Subd. 11. **Hennepin County - Hennepin Center for the Arts** 6,000,000

For a grant to Hennepin County for improvements and betterments of a capital nature to renovate the historic Hennepin Center for the Arts, subject to Minnesota Statutes, section 16A.695. Notwithstanding Minnesota Statutes, section 16A.86, subdivision 4, this appropriation is available after the commissioner of management and budget determines that $3,000,000 has been committed to complete the project from nonstate sources.

Subd. 12. **Hermantown - Arrowhead Regional Health and Wellness Center** 8,000,000

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

Subd. 13. **Jackson - Memorial Park Redevelopment Phase I** 282,000

House Language H0622-2		Senate Language UEH3467-2	
		For a grant to the city of Jackson to complete Phase I of the redevelopment of Memorial Park, including trails, landscaping, a canoe launch, and other amenities. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount is committed to the project from nonstate sources. This appropriation does not require a nonstate match.	
Subd. 6. **Litchfield - Phase 2 Power Generation Improvements**	3,000,000	Subd. 14. **Litchfield - Power Generation Improvements**	5,000,000
For a grant to the city of Litchfield to design and construct electrical generation improvements in the city of Litchfield to expand the current standby capacity, including replacement of two old generators. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount is committed to the project from nonstate sources.		For a grant to the city of Litchfield to design and construct electrical generation improvements in the city of Litchfield to expand the current standby capacity, including replacement of two old generators. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount is committed to the project from nonstate sources.	
Subd. 7. **Madelia**	98,000	Subd. 15. **Madelia - Public Infrastructure**	98,000
For a grant to the city of Madelia for repair and replacement of a capital nature of public infrastructure damaged by a fire in Madelia in February 2016. This appropriation does not require a nonstate contribution.		For a grant to the city of Madelia for repair and replacement of a capital nature of public infrastructure damaged by a fire in Madelia in February 2016. This appropriation does not require a nonstate match.	
		Subd. 16. **Medford - Municipal Complex**	2,940,000

For a grant to the city of Medford to predesign, design, construct, furnish, and equip a municipal complex that includes an emergency operations center/storm shelter or safe area for use during a public emergency, public meeting and community room, fire department offices and facilities, and city hall offices. Money spent by the city for this project before the effective date of this section is the nonstate contribution to the project and no further nonstate contribution is required.

Subd. 17. **Minneapolis - Arts Incubator** 900,000

From the general fund for a grant to the city of Minneapolis for planning and predesign of an arts incubator and manufacturing center consisting of artist studios, maker spaces, and small arts commercial enterprises, subject to Minnesota Statutes, section 16A.695. The project shall be located in North Minneapolis.

Subd. 18. **Minneapolis - Northern Metals** 4,100,000

From the general fund for a grant to Northern Metals, Inc., for costs of relocation due to the closure of St. Anthony Falls Lock on the Mississippi River. This appropriation does not require a nonstate match. This appropriation is not available until the commissioner of employment and economic development determines that Northern Metals has met and is current on all permitting requirements and is vacating the entirety of its current premises in Minneapolis.

Subd. 19. **Minneapolis - Norway House** 5,000,000

From the general fund for a grant to the Norway House to acquire land and predesign, design, construct, furnish, and equip a conference and event center at 913 East Franklin Avenue and adjacent property in Minneapolis to celebrate the culture of Norway and American Norwegians. This appropriation is not available until at least an equal amount is committed from nonstate sources. Land purchased for this expansion project shall count toward the nonstate match.

Subd. 20. **Minneapolis - Pioneers and Soldiers Cemetery Restoration** 1,029,000

For a grant to the city of Minneapolis to restore the historic steel and limestone pillar fence along Cedar Avenue and Lake Street, install a new steel fence and pillars along 21st Avenue South, and install a waterproofing system for preservation of the fence and pillars, at the Pioneer and Soldiers Cemetery. This appropriation is available after the commissioner of management and budget determines that $394,000 is committed from nonstate sources.

Subd. 21. **Moose Lake - Riverside Center** 600,000

For a grant to the city of Moose Lake to design, construct, and equip an addition of 5,000 square feet to include public restrooms, a concessions area, changing rooms, meeting space, accessibility improvements for Americans with Disabilities Act (ADA) compliance, and other improvements of a capital nature to the Riverside Center. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

Subd. 22. **Parkers Prairie - Community Pool** 250,000

For a grant to the city of Parkers Prairie to renovate the city swimming pool, including accessibility improvements. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

Subd. 23. **Plymouth - Ice Center Renovation** 2,203,000

For a grant to the city of Plymouth to predesign, design, construct, furnish, and equip the renovation of the Plymouth Ice Center, and to complete related work for the state-mandated transition of R-22 refrigerant to an ammonia-based system. The project also includes resizing an existing ice sheet for energy efficiencies, roof repairs, and parking lot enhancements. This appropriation is not available until the commissioner of management and budget determines that at least $2,119,000 is committed to the project from nonstate sources.

Subd. 24. **Polk County - North Country Food Bank in Crookston** 3,000,000

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

Subd. 25. **Red Wing - River Town Renaissance** 4,480,000

For a grant to the city of Red Wing to complete removal and replacement of approximately 250 lineal feet of the harbor retaining wall; to design, construct, furnish, and equip the renovation of the historic T.B. Sheldon Performing Arts Theater; and to design and construct transient riverboat docking facilities, levee wall extension, and levee promenade improvements at Levee Park. This appropriation is not available until the commissioner of management and budget determines that an amount sufficient to complete the project has been committed from nonstate sources.

Subd. 26. **Roseau County - Transportation Facility** 3,900,000

For a grant to Roseau County to construct, furnish, and equip a multipurpose transportation facility adjacent to an existing transportation facility in Roseau. This appropriation is not available until at least an equal amount is committed from nonstate sources.

Subd. 27. **St. Cloud - Friedrich Regional Park** 1,505,000

For a grant to the city of St. Cloud to acquire land for and to predesign and design site improvements including trails, picnic and parking areas, restrooms, and other public facilities and amenities for the development of Friedrich Regional Park. This appropriation is available after the commissioner of management and budget determines that $300,000 is committed from nonstate sources.

House Language H0622-2		Senate Language UEH3467-2	
Subd. 8. **St. James - Public Infrastructure**	3,443,000	Subd. 13. **St. James - Storm Sewer Line Replacement**	1,250,000
For a grant to the city of St. James. Of this amount, $2,193,000 is for engineering, right-of-way acquisition, and reconstruction of streets, sidewalks, storm water and sanitary sewer, water mains, lighting, utilities, and other capital improvements of publicly owned infrastructure required for the reconstruction of marked Trunk Highway 4 in the city of St. James, and $1,250,000 is to replace the storm sewer drain which serves St. James Lake and the entire southern section of the City of St. James.		For a grant to the city of St. James to replace a storm sewer line in St. James. This appropriation is not available until at least an equal amount is committed from nonstate sources.	
		Subd. 28. **St. Louis County - Arrowhead Economic Development Center and Mental Health Facility**	12,975,000
		For a grant to St. Louis County to design, construct, furnish, and equip a new building at 701 4th Street N in Virginia, to house a jobs and economic development center and a mental health facility. St. Louis County may enter into one or more lease or management agreements for the facility, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner has determined that an amount sufficient to complete the project has been committed from nonstate sources.	
		Subd. 29. **St. Paul - Bruce Vento Nature Sanctuary**	3,000,000

House Language H0622-2		Senate Language UEH3467-2	
		For a grant to the city of St. Paul to predesign, design, furnish, and equip a center in the Bruce Vento Nature Sanctuary in St. Paul that will be used for uses and programs that the city determines meet regional and city park purpose requirements. The city may enter into a lease or management agreement under Minnesota Statutes, section 16A.695, to operate the programs in the center. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount is committed to the project from nonstate sources.	
		Subd. 30. **St. Paul - East Side Freedom Library**	500,000
		From the general fund for a grant to the city of St. Paul to complete the design and to renovate, restore, construct, furnish, and equip capital improvements to the Carnegie Library formerly known as the Arlington Hills Public Library. This appropriation does not require a nonstate match.	
Subd. 9. **St. Paul - Science Museum of Minnesota Building Preservation**	13,000,000	Subd. 31. **St. Paul - Science Museum of Minnesota Building Preservation**	13,000,000
For a grant to the city of St. Paul for predesign, design, and construction work to replace water-damaged elements of the Science Museum of Minnesota's exterior envelope and some resultant interior damage caused by latent design and construction defects, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner of management and budget determines that an equal amount has been committed to the project from nonstate sources. Capital costs paid by the Science Museum of Minnesota since January 1, 2014, relating to the water intrusion damage, shall count towards the match requirement.		For a grant to the city of St. Paul for predesign, design, and construction work to replace water-damaged elements of the Science Museum of Minnesota's exterior envelope and some resultant interior damage caused by latent design and construction defects, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner of management and budget determines that an equal amount has been committed to the project from nonstate sources. Capital costs paid by the Science Museum of Minnesota since January 1, 2014, relating to the water intrusion damage, shall count towards the match requirement.	

Subd. 32. **St. Paul Port Authority - Minnesota Museum of American Art** 6,000,000

From the general fund for a grant to the St. Paul Port Authority to design, construct, furnish, and equip improvements for the Minnesota Museum of American Art for the historic Pioneer Endicott Building renovation. The project shall include galleries and education facilities, art storage, access to the St. Paul skyway, museum loading, and other capital improvements required for a museum and related education facility. The appropriation shall be available upon a determination by the commissioner that at least $8,500,000 of nonstate funds have been raised for the project and there are sufficient funds to complete the overall project.

Subd. 33. **St. Paul - Roy Wilkins Auditorium; RiverCentre Parking** 1,900,000

For a grant to the city of St. Paul to complete predesign for and to design a new Roy Wilkins Center to replace the existing Roy Wilkins Auditorium and RiverCentre parking ramp. This appropriation does not require a nonstate contribution.

Subd. 34. **St. Peter - Minnesota Square Park Pavilion** 855,000

For a grant to the city of St. Peter to demolish the existing pavilion and to predesign, design, construct, furnish, and equip a new park pavilion in Minnesota Square Park, and to design and construct a veterans memorial to be located at the corner of Highway 169 and West College Avenue in St. Peter. This appropriation is not available until the commissioner of management and budget determines that at least an equal amount is committed to the project from nonstate sources.

Subd. 35. **Silver Bay - Black Beach Municipal Campground** 1,708,000

For a grant to the city of Silver Bay to predesign, design, construct, furnish, and equip a campground adjacent to the Black Beach recreational beach in Silver Bay, including: camping sites; electrical, water, and sewer infrastructure; a playground; a pavilion; lavatory vaults; a shower and lavatory building; and a main office building. This appropriation may also be used to design, construct, furnish, and equip a walking trail from the campground to the Black Beach recreational site. This appropriation is not available until $548,000 is committed from nonstate sources. The nonstate contribution may be in kind. In-kind contributions may include the value of site preparation.

Subd. 36. **Thief River Falls - Wellness Center** 7,000,000

House Language H0622-2	Senate Language UEH3467-2
	From the general fund in fiscal year 2017 for a grant to the city of Thief River Falls to predesign, design, construct, furnish, and equip a wellness center. This appropriation is available after the commissioner of management and budget determines that $18,000,000 is committed from nonstate sources.
	Subd. 37. **Virginia - Miner's Memorial Building Renovation Phase I** 4,000,000
	For a grant to the city of Virginia for Phase I of the renovation and reconstruction of the Miner's Memorial Building in Virginia. This appropriation is not available until at least an equal amount is committed from nonstate sources.
	Subd. 38. **Wabasha - Seawall** 1,000,000
	For a grant to the city of Wabasha for development of a riverboat landing and dock.
Sec. 21. **PUBLIC FACILITIES AUTHORITY**	Sec. 25. **PUBLIC FACILITIES AUTHORITY**
Subdivision 1. **Total Appropriation** **$ 150,300,000**	Subdivision 1. **Total Appropriation** **$ 197,831,000**
To the Public Facilities Authority for the purposes specified in this section.	To the Public Facilities Authority for the purposes specified in this section.
Subd. 2. **State Match for Federal Grants** 17,000,000	Subd. 2. **State Match for Federal Grants** 25,000,000
To match federal grants for the clean water revolving fund under Minnesota Statutes, section 446A.07, and the drinking water revolving fund under Minnesota Statutes, section 446A.081. This appropriation must be used for qualified capital projects.	To match federal grants for the clean water revolving fund under Minnesota Statutes, section 446A.07, and the drinking water revolving fund under Minnesota Statutes, section 446A.081. This appropriation must be used for qualified capital projects.

House Language H0622-2

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

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

(b) $51,500,000 is for wastewater projects listed on the Pollution Control Agency's project priority list in the fundable range under the clean water revolving fund program.

(c) $18,500,000 is for drinking water projects listed on the commissioner of health's project priority list in the fundable range under the drinking water revolving fund program.

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

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

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

Senate Language UEH3467-2

Subd. 3. **Water Infrastructure Funding Program** 80,000,000

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

(b) $55,000,000 is for wastewater projects listed on the Pollution Control Agency's project priority list in the fundable range under the clean water revolving fund program.

(c) $25,000,000 is for drinking water projects listed on the Department of Health's project priority list in the fundable range under the drinking water revolving fund program.

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

Subd. 4. **Point Source Implementation Grants Program** 62,000,000

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

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

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

Subd. 6. **Brainerd - Airport Water and Sewer** 6,000,000

For a grant to the city of Brainerd to design, construct, and equip publicly owned infrastructure to increase the water supply and expand sewer and water service to the Brainerd Lakes Regional Airport.

Subd. 7. **Clear Lake and Clearwater - Wastewater Treatment Facility** 1,400,000

For a grant to the Clear Lake-Clearwater Sewer Authority for predesign, design, and construction of wastewater facility improvements. This appropriation is not available until the commissioner of management and budget determines that at least $200,000 is committed to the project from nonstate sources and the authority has applied for at least two grants to offset the cost. Any money received by the authority from grants will be returned to the general fund.

Subd. 8. **Dennison - Sewage Treatment System Improvements** 726,000

House Language H0622-2		Senate Language UEH3467-2	
		For a grant to the city of Dennison to predesign, design, and construct a new lift station and make sewage pond improvements. This appropriation does not require a nonstate contribution.	
Subd. 5. **Lewis and Clark Regional Water System**	11,500,000		
This appropriation is from the general fund in fiscal year 2017 for a grant to the Lewis and Clark Joint Powers Board to acquire land, design, engineer, and construct facilities and infrastructure necessary to complete Phase 3 of the Lewis and Clark Regional Water System project, including extension of the project from the Lincoln-Pipestone Rural Water System connection near Adrian to Worthington, construction of a reservoir in Nobles County and a meter building in Worthington, and acquiring and installing a supervisory control and data acquisition (SCADA) system. This is a onetime appropriation and is not available until the commissioner of management and budget determines that at least $9,000,000 is committed to the Phase 3 of the project from nonstate sources. This appropriation is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.			
Subd. 6. **East Grand Forks**	5,300,000	Subd. 9. **East Grand Forks - Wastewater Infrastructure**	5,275,000

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For a grant to the city of East Grand Forks to design and construct wastewater infrastructure improvements interconnecting the wastewater system of East Grand Forks to the wastewater treatment system in Grand Forks, North Dakota. This appropriation may not be used for improvements outside the state. This appropriation is in addition to grants under Minnesota Statutes, section 446A.072. A nonstate match is not required.

Senate Language UEH3467-2

For a grant to East Grand Forks to design and construct wastewater infrastructure improvements interconnecting the wastewater system of East Grand Forks to the wastewater treatment system in Grand Forks, North Dakota. This appropriation may not be used for improvements outside the state. This appropriation is in addition to grants under Minnesota Statutes, section 446A.072. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

Subd. 10. **Koochiching County - Voyageurs National Park Clean Water Project** 6,240,000

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

(b) This appropriation is in addition to the appropriation in Laws 2014, chapter 294, article 1, section 22, subdivision 7. Notwithstanding the match requirement in Laws 2014, chapter 294, article 1, section 22, subdivision 7, the nonstate match required for this appropriation and the 2014 appropriation for a grant to Koochiching County is 25 percent of the state grant amounts. Any money remaining from this appropriation after completion of the projects in paragraph (a) is available for grants to Koochiching County or St. Louis County to be used for other projects described in the comprehensive plan.

Subd. 11. **Lilydale - Highway 13 Storm Water Conveyance** 140,000

From the general fund for a grant to the city of Lilydale to design, acquire, construct, and install a storm water sewer and drop structure along Trunk Highway 13 in Lilydale that will be large enough to effectively collect water from springs and storm water runoff from above the road and safely convey the water to below the bluff. The city must coordinate this project with the Department of Transportation's Trunk Highway 13 project. The appropriation and project also include capital repairs and improvements to existing drainage structures along the Big Rivers Regional Trail at the base of the bluff. This appropriation does not require a nonstate contribution.

Subd. 12. **Oronoco - Wastewater Collection and Treatment Facilities** 500,000

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

Subd. 14. **Western Lake Superior Sanitary District - Combined Heat and Power System** 8,100,000

For a grant to the Sanitary Board of the Western Lake Superior Sanitary District for Phase I and II of a project to design, construct, furnish, and equip a combined heat and power system to capture process heat and generate electricity for use at the Western Lake Superior Sanitary District wastewater treatment facilities. This appropriation is not available until the commissioner determines that at least an equal amount is committed to the project from state and nonstate sources. Loans obtained from the Public Facilities Authority shall count toward the match requirement.

Sec. 26. **MINNESOTA HOUSING FINANCE AGENCY** **$ 20,000,000**

For transfer to the housing development fund to finance the costs of rehabilitation to preserve public housing under Minnesota Statutes, section 462A.202, subdivision 3a. For purposes of this section, "public housing" means housing for low-income persons and households financed by the federal government and owned and operated by the public housing authorities and agencies formed by cities and counties. Public housing authorities receiving a public housing assessment composite score of 80 or above or an equivalent designation are eligible to receive funding. Priority must be given to proposals that maximize federal or local resources to finance the capital costs. The priority in Minnesota Statutes, section 462A.202, subdivision 3a, for projects to increase the supply of affordable housing and the restrictions of Minnesota Statutes, section 462A.202, subdivision 7, do not apply to this appropriation.

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Sec. 22. **MINNESOTA HISTORICAL SOCIETY** **$ 2,500,000**

To the Minnesota Historical Society for capital improvements and betterments at state historic sites, buildings, landscaping at historic buildings, exhibits, markers, and monuments, to be spent in accordance with Minnesota Statutes, section 16B.307. The society shall determine project priorities as appropriate based on need.

Senate Language UEH3467-2

Sec. 27. **MINNESOTA HISTORICAL SOCIETY**

Subdivision 1. **Total Appropriation** **$ 38,000,000**

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

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

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

Subd. 3. **Historic Fort Snelling** 34,000,000

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

(b) This appropriation includes up to $4,000,000 to design facilities to support visitor services and history programs at Historic Fort Snelling. Money for design is available the day following final enactment and is not contingent on demonstrating a nonstate contribution to the project. Upon completion of the design, the unspent portion of the amount specified in this paragraph is available for the purposes of paragraph (c).

74.7 (c) The balance of this appropriation is to
74.8 demolish the existing visitor center, renovate,
74.9 construct, furnish, and equip facilities,
74.10 including landscaping and wayfinding, at
74.11 Historic Fort Snelling. This appropriation
74.12 is not available until the commissioner of
74.13 management and budget determines that an
74.14 amount sufficient to complete the project has
74.15 been committed from nonstate sources.

74.16 Subd. 4. **County and Local Preservation Grants** 1,500,000

74.17 To be allocated to county and local
74.18 jurisdictions as matching money for historic
74.19 preservation projects of a capital nature,
74.20 as provided in Minnesota Statutes, section
74.21 138.0525.

74.22 Sec. 28. **OFFICE OF THE LEGISLATIVE**
74.23 **AUDITOR - ASSET PRESERVATION**
74.24 **FUNDING REPORT** **$ 50,000**

74.25 From the general fund to the Office of the
74.26 Legislative Auditor for the report on options
74.27 for funding asset preservation, as described
74.28 in article 2, section 19.

74.29 Sec. 29. **MINNESOTA SUPREME COURT** **$ 6,000,000**

74.30 From the general fund to the chief justice of
74.31 the Supreme Court for a competitive grant
74.32 program established by the chief justice for
74.33 the distribution of grants to government
74.34 entities for capital improvements to make
75.1 courthouses or other facilities where court
75.2 proceedings are held safe and secure. Grant
75.3 recipients must provide a 50 percent nonstate
75.4 match.

32.13 Sec. 23. **BOND SALE EXPENSES**

75.5 Sec. 30. **BOND SALE EXPENSES**

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Subdivision 1. **Total Appropriation** $ **935,000**

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

Subd. 2. **Bond Proceeds Fund** 865,000

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

Subd. 3. **Trunk Highway Fund** 70,000

From the bond proceeds account in the trunk highway fund for bond sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8, and 167.50, subdivision 4.

Sec. 24. **BOND SALE AUTHORIZATIONS.**

Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to $624,709,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. **Transportation fund.** To provide the money appropriated in this act from the bond proceeds account in the state transportation fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to $227,200,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 4. **Trunk highway bonds.** To provide the money appropriated in subdivision 1 from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to $70,070,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be deposited in the bond proceeds account in the trunk highway fund.

Senate Language UEH3467-2

Subdivision 1. **Total Appropriation** $ **1,640,000**

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

Subd. 2. **Bond Proceeds Fund** 1,595,000

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

Subd. 3. **Trunk Highway Fund** 45,000

From the bond proceeds account in the trunk highway fund for bond sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8, and 167.50, subdivision 4.

Sec. 32. **BOND SALE AUTHORIZATION.**

Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to $1,406,551,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. **Transportation fund.** To provide the money appropriated in this act from the state transportation fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to $180,400,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 3. **Trunk highway fund.** To provide the money appropriated in this act from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to $43,045,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be deposited in the bond proceeds account in the trunk highway fund.

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Subd. 3. **Maximum effort school loan fund.** To provide the money appropriated in this act from the maximum effort school loan fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to $14,070,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

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

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

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

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

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

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

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

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

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

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

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

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

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

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Subd. 4. **Maximum effort school loan fund.** To provide the money appropriated in this act from the maximum effort school loan fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to $9,735,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 33. **CANCELLATIONS; BOND SALE AUTHORIZATION REDUCTIONS.**

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

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

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

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

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

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

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

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

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

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

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(m) $2,335,000 of the appropriation from the bond proceeds fund in Laws 2012, First Special Session chapter 1, article 1, section 9, subdivision 2, to the commissioner of natural resources for disaster relief, is canceled, and the bond sale authorization in Laws 2012, First Special Session chapter 1, article 1, section 16, subdivision 1, is reduced by the same amount.

Sec. 26. Laws 2015, First Special Session chapter 5, article 1, section 19, is amended to read:

Sec. 19. **BOND SALE SCHEDULE.**

The commissioner of management and budget shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2017, no more than ~~$1,267,459,000~~ $1,239,580,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. During the biennium, before each sale of state general obligation bonds, the commissioner of management and budget shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 27. **EFFECTIVE DATE.**

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

ARTICLE 2
MISCELLANEOUS

Section 1. Minnesota Statutes 2014, section 16A.86, subdivision 3a, is amended to read:

Subd. 3a. **Information provided.** All requests for state assistance under this section must include the following information:

(1) the name of the political subdivision that will own the capital project for which state assistance is being requested;

(2) the public purpose of the project;

(3) the extent to which the political subdivision has or expects to provide local, private, user financing, or other nonstate funding for the project;

(4) a list of the bondable activities that the project encompasses; examples of bondable activities are public improvements of a capital nature for land acquisition, predesign, design, construction, and furnishing and equipping for occupancy;

(5) whether the project will require new or additional state operating subsidies;

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Sec. 31. Laws 2015, First Special Session chapter 5, article 1, section 19, is amended to read:

Sec. 19. **BOND SALE SCHEDULE.**

The commissioner of management and budget shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2017, no more than ~~$1,267,459,000~~ $1,250,584,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. During the biennium, before each sale of state general obligation bonds, the commissioner of management and budget shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 34. **EFFECTIVE DATE.**

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

ARTICLE 2
MISCELLANEOUS

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(6) whether the governing body of the political subdivision requesting the project has passed a resolution in support of the project and has established priorities for all projects within its jurisdiction for which bonding appropriations are requested when submitting multiple requests;

(7) if the project requires a predesign under section 16B.335, whether the predesign has been completed at the time the capital project request is submitted, and whether the political subdivision has submitted the project predesign to the commissioner of administration for review and approval; ~~and~~

(8) if applicable, the information required under section 174.93, subdivision 1a~~.~~; and

(9) for an applicant that is a public entity, as defined in section 115A.471, paragraph (b), that is requesting assistance for a solid waste management facility, certification by the commissioner of the Pollution Control Agency that the applicant has filed a report with the agency analyzing the issues addressing private ownership of solid waste management facilities identified in section 115A.51, paragraph (a), clauses (4) and (5), and that the commissioner has determined that public ownership of the proposed solid waste management facility is the best alternative. Within five days of filing the report with the agency, the applicant must submit a copy of the report to each privately owned solid waste management facility mentioned in the report.

EFFECTIVE DATE. This section is effective the day following final enactment.

Senate Language UEH3467-2

Section 1. Minnesota Statutes 2015 Supplement, section 16A.967, is amended to read:

16A.967 LEWIS AND CLARK APPROPRIATION BONDS.

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

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

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

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

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

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

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Sec. 2. Minnesota Statutes 2015 Supplement, section 16A.967, subdivision 2, is amended to read:

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

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

(c) Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient money to the Public Facilities Authority under subdivision 7, not to exceed $19,000,000 net of costs of issuance, for the purposes as provided under this paragraph ~~(a)~~, and pay debt service including capitalized interest, costs of issuance, costs of credit enhancement, or make payments under other agreements entered into under paragraph (e). The bonds authorized by this paragraph are for the purposes of financing the land acquisition, design, engineering, and construction of facilities and infrastructure necessary to complete Phase 2 of the Lewis and Clark Regional Water System project, including completion of the pipeline to Magnolia; extension of the project to the Lincoln-Pipestone Rural Water System connection near Adrian; and engineering, design, and easement acquisition for the final phase of the project to Worthington. No bonds shall be sold under this subdivision until the commissioner determines that a nonstate match of at least $9,000,000 is committed to this project phase. Upon completion of Phase 2, the unspent, unencumbered portion of the appropriation in this subdivision is available for the purposes of Phase 3, which includes extension of the project from the Lincoln-Pipestone Rural Water System connection near Adrian to Worthington,

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

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

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

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

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construction of a reservoir in Nobles County and a meter building in Worthington, and acquiring and installing a supervisory control and data acquisition (SCADA) system.

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

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

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

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

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

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

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

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

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

be sold under this subdivision until the commissioner determines that a nonstate match of at least $9,000,000 is committed to this project phase.

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

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

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

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

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

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

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

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

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

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

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

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

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Sec. 3. Minnesota Statutes 2015 Supplement, section 16A.967, subdivision 7, is amended to read:

Subd. 7. **Appropriation of proceeds.** The proceeds of appropriation bonds issued under this section and interest credited to the special appropriation Lewis and Clark bond proceeds fund are appropriated ~~to the commissioner~~:

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

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

Senate Language UEH3467-2

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

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

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

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

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

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

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

(b) An amount up to $855,000 needed to pay principal and interest on appropriation bonds issued under subdivision 2b is appropriated each fiscal year from the general fund to the commissioner, subject to repeal, unallotment under section 16A.152, or cancellation, otherwise pursuant to subdivision 6, for deposit into the bond payments account established for such purpose in the special Lewis and Clark appropriation bond proceeds fund. The appropriation is available beginning in fiscal year 2018 and through fiscal year 2039.

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

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82.26 Sec. 2. **[16C.053] ACCOMMODATION FOR HARD-OF-HEARING IN**
82.27 **STATE-FUNDED CAPITAL PROJECTS.**

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

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

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

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

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

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

83.22 **EFFECTIVE DATE.** This act is effective August 1, 2016, and applies to all projects
83.23 funded with an appropriation enacted after August 1, 2016, for which requests for bids
83.24 or proposals are issued after January 1, 2018. For projects for which requests for bids or
83.25 proposals are issued before January 1, 2018, the commissioners and agency heads are
83.26 encouraged to comply with this section.

38.12 Sec. 4. Minnesota Statutes 2015 Supplement, section 85.015, subdivision 6, is
38.13 amended to read:

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Subd. 6. **Minnesota Valley Trail, Hennepin, Dakota, Scott, Carver, Sibley and Le Sueur Counties.** (a) The trail shall originate at Fort Snelling State Park and thence extend generally southwesterly along the Minnesota River Valley through Hennepin, Dakota, Scott, Carver, Sibley, and Le Sueur Counties to the city of Le Sueur, and there terminate. The trail shall include the following state waysides: (a) Rice Lake Wayside, in Scott County; (b) Carver Rapids Wayside, in Scott County; (c) Lawrence wayside, in Scott county; (d) Belle Plaine Wayside, in Carver, Scott, and Sibley Counties; (e) Blakeley Wayside, in Scott County; and (f) Rush River Wayside, in Sibley County.

(b) The trail shall be developed primarily for riding and hiking. Motorized vehicles are prohibited from that portion of the trail on the north side of the Minnesota River, lying between Fort Snelling State Park and Rice Lake Wayside. ~~That portion of the trail on the north side of the Minnesota River, lying between the Bloomington Ferry Bridge pedestrian crossing and the Cedar Avenue Bridge, must be a paved trail developed primarily for hiking and bicycling.~~

(c) In establishing, developing, maintaining, and operating the trail the commissioner shall cooperate with local units of government and private individuals and groups whenever feasible.

Sec. 5. Minnesota Statutes 2014, section 85.34, subdivision 1, is amended to read:

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

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Sec. 3. Minnesota Statutes 2014, section 85.34, subdivision 1, is amended to read:

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

Sec. 4. **[115.441] VARIANCE ASSISTANCE FOR MUNICIPALITIES.**

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Sec. 6. Minnesota Statutes 2014, section 115A.51, is amended to read:

115A.51 APPLICATION REQUIREMENTS.

(a) Applications for assistance under the program ~~shall~~ must demonstrate:

~~(a)~~ (1) that the project is conceptually and technically feasible;

~~(b)~~ (2) that affected political subdivisions are committed to implement the project, to provide necessary local financing, and to accept and exercise the government powers necessary to the project;

~~(c)~~ (3) that operating revenues from the project, considering the availability and security of sources of solid waste and of markets for recovered resources, together with any proposed federal, state, or local financial assistance, will be sufficient to pay all costs over the projected life of the project;

~~(d)~~ (4) that the applicant has evaluated the feasible and prudent alternatives to disposal, including the use of existing privately owned solid waste management facilities with available capacity sufficient to accomplish, in whole or in part, the goals of the proposed project, and has compared and evaluated the costs of the alternatives, including capital and operating costs, and the effects of the alternatives on the cost to generators~~.~~; and

(5) that the applicant has identified waste management objectives in applicable county and regional waste solid management plans that can be achieved only through public ownership of the proposed solid waste management facility and has adequately balanced achievement of the objectives against the requirement of the plans to encourage and protect private ownership of solid waste management facilities.

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Subdivision 1. **Reimbursement account.** A variance assistance account is established as an account in the special revenue fund.

Subd. 2. **Eligible expenditures.** Money in the variance assistance account may be used to reimburse an eligible municipality for up to 95 percent of the fee charged under Minnesota Rules, part 7002.0253, for an application for a variance under section 116.07, subdivision 5.

Subd. 3. **Eligible municipality.** To be eligible for a reimbursement from the account established in this section, a municipality must demonstrate need for financial assistance in one of the following ways:

(1) a score of 2.0 or less on the Minnesota Pollution Control Agency's multifactor index of financial hardship;

(2) a score greater than 2.0 and up to 2.5 on the financial hardship index and a description of unique extenuating financial circumstances that exist for the municipality resulting in an inability to afford the variance application fee; or

(3) a municipality with a population under 1,000.

(b) The commissioner may require completion of a comprehensive solid waste management plan conforming to the requirements of section 115A.46, before accepting an application. Within five days of filing an application with the agency, the applicant must submit a copy of the application to each privately owned solid waste management facility mentioned in the portion of the application addressing the requirements of paragraph (a), clause (5).

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 7. Minnesota Statutes 2014, section 116J.431, subdivision 1, is amended to read:

Subdivision 1. **Grant program established; purpose.** (a) The commissioner shall make grants to counties or cities to provide up to 50 percent of the capital costs of public infrastructure necessary for an eligible economic development project. The county or city receiving a grant must provide for the remainder of the costs of the project, either in cash or in kind. In-kind contributions may include the value of site preparation other than the public infrastructure needed for the project.

(b) The purpose of the grants made under this section is to keep or enhance jobs in the area, increase the tax base, or to expand or create new economic development.

(c) In awarding grants under this section, the commissioner must adhere to the criteria under subdivision 4.

(d) If the commissioner awards a grant for less than 50 percent of the project, the commissioner shall provide the applicant and the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over economic development finance a written explanation of the reason less than 50 percent of the capital costs were awarded in the grant.

Sec. 8. Minnesota Statutes 2014, section 116J.431, subdivision 2, is amended to read:

Subd. 2. **Eligible projects.** An economic development project for which a county or city may be eligible to receive a grant under this section includes:

(1) manufacturing;

(2) technology;

(3) warehousing and distribution;

(4) research and development;

(5) agricultural processing, defined as transforming, packaging, sorting, or grading livestock or livestock products into goods that are used for intermediate or final consumption, including goods for nonfood use; or

(6) industrial park development that would be used by any other business listed in this subdivision even if no business has committed to locate in the industrial park at the time the grant application is made.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 9. Minnesota Statutes 2014, section 116J.431, subdivision 4, is amended to read:

Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section. At a minimum, a county or city must include in its application a resolution of the county or city council certifying that the required local match is available. The commissioner must evaluate complete applications for eligible projects using the following criteria:

(1) the project is an eligible project as defined under subdivision 2;

(2) the project ~~will~~ is expected to result in or will attract substantial public and private capital investment and provide substantial economic benefit to the county or city in which the project would be located;

(3) the project is not relocating substantially the same operation from another location in the state, unless the commissioner determines the project cannot be reasonably accommodated within the county or city in which the business is currently located, or the business would otherwise relocate to another state; and

(4) the project is expected to or will create or ~~maintain~~ retain full-time jobs.

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

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 10. Minnesota Statutes 2014, section 116J.431, subdivision 6, is amended to read:

Subd. 6. **Maximum grant amount.** A county or city may receive no more than ~~$1,000,000~~ $2,000,000 in two years for one or more projects.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 5. Minnesota Statutes 2014, section 161.14, is amended by adding a subdivision to read:

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Sec. 11. Minnesota Statutes 2014, section 174.50, subdivision 7, is amended to read:

Subd. 7. **Bridge grant program; rulemaking.** (a) The commissioner of transportation shall develop rules, procedures for application for grants, conditions of grant administration, standards, and criteria as provided under subdivision 6, including bridge specifications, in cooperation with road authorities of political subdivisions, for use in the administration of funds appropriated to the commissioner and for the administration of grants to subdivisions.

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

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

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

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

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

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

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

(f) The maximum grant amount for a local bridge replacement or rehabilitation project under this section is $5,000,000.

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Subd. 82. **James Metzen Street.** Notwithstanding section 10.49, that segment of marked Trunk Highway 952 located within Dakota County is designated as "James Metzen Street." Notwithstanding section 161.139, the commissioner shall adopt a suitable design to mark this highway and erect appropriate signs.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 6. Minnesota Statutes 2014, section 174.52, subdivision 2, is amended to read:

Subd. 2. ~~**Trunk highway corridor projects**~~ **Local cost-share assistance account.** A ~~trunk highway corridor projects~~ local cost-share assistance account is established in the local road improvement fund. Money in the account is annually appropriated to the commissioner of transportation for expenditure as specified in this section. Money in the account must be used as grants ~~or loans~~ to statutory or home rule charter cities, towns, and counties to assist in paying the local share of trunk highway projects that have local costs that are directly or partially related to the trunk highway improvement and that are not funded or are only partially funded with other state and federal funds. ~~The commissioner shall determine the amount of the local share of costs eligible for assistance from the account.~~

Sec. 7. **[219.016] CRUDE OIL AND HAZARDOUS MATERIALS RAIL SAFETY ACCOUNT AND GRANT PROGRAM.**

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

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

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

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

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

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

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Sec. 12. Minnesota Statutes 2014, section 446A.072, is amended to read:

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

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

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

(1) whose projects are listed on the Pollution Control Agency's project priority list or the commissioner of health's project priority list;

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

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

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(2) roadway traffic volumes and speeds;

(3) train volumes and speeds;

(4) adjacent land use;

(5) crash history;

(6) use of the crossing by emergency vehicles;

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

(8) local financial contributions to the project; and

(9) private financial contributions to the project.

Sec. 8. Minnesota Statutes 2014, section 446A.072, is amended to read:

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

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

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

(1) whose projects are listed on the Pollution Control Agency's project priority list or the commissioner of health's project priority list;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) the county has adopted specific land use ordinances or controls so as to meet or exceed the requirements of Minnesota Rules, part 7080.0305.

Sec. 13. Minnesota Statutes 2014, section 446A.073, as amended by Laws 2015, First Special Session chapter 4, article 4, sections 127, 128, and 129, is amended to read:

446A.073 POINT SOURCE IMPLEMENTATION GRANTS.

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

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

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

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

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

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

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

(3) the county has adopted specific land use ordinances or controls so as to meet or exceed the requirements of Minnesota Rules, part 7080.0305.

Sec. 9. Minnesota Statutes 2014, section 446A.073, as amended by Laws 2015, First Special Session chapter 4, article 4, sections 127, 128, and 129, is amended to read:

446A.073 POINT SOURCE IMPLEMENTATION GRANTS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 14. Minnesota Statutes 2014, section 446A.081, subdivision 9, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

Sec. 10. Minnesota Statutes 2014, section 446A.081, subdivision 9, is amended to read:

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

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

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

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

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

(5) to earn interest on fund accounts;

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

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

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

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

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

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

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

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

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

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

(5) to earn interest on fund accounts;

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

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

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

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

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

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

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

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

Sec. 15. Minnesota Statutes 2014, section 446A.12, subdivision 1, is amended to read:

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

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

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

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

Sec. 11. Minnesota Statutes 2014, section 446A.12, subdivision 1, is amended to read:

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

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Sec. 12. Minnesota Statutes 2014, section 462A.37, is amended by adding a subdivision to read:

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

Sec. 13. Minnesota Statutes 2015 Supplement, section 462A.37, subdivision 5, is amended to read:

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

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

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

(d) Each July 15, beginning in 2018 and through 2039, if any housing infrastructure bonds issued under subdivision 2c remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed $5,600,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

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

Sec. 16. Laws 2002, chapter 393, section 22, subdivision 6, as amended by Laws 2005, chapter 20, article 1, section 43, and Laws 2013, chapter 136, section 10, is amended to read:

Subd. 6. **Fergus Falls Regional Treatment Center** 3,000,000

Sec. 14. Laws 2002, chapter 393, section 22, subdivision 6, as amended by Laws 2005, chapter 20, article 1, section 43, and Laws 2013, chapter 136, section 10, is amended to read:

Subd. 6. **Fergus Falls Regional Treatment Center** 3,000,000

House Language H0622-2

To design, renovate, construct, furnish, and equip ancillary support and program facilities, including improvements to basic infrastructure, such as sanitary and storm sewer and water lines, public streets, curb, gutter, street lights, or sidewalks, to make improvements for building envelope and structural integrity for the purposes of stabilizing the buildings for sale, for hazardous materials abatement, and for demolition of all or portions of surplus, nonfunctional, or deteriorated facilities and infrastructure or to renovate surplus, nonfunctional, or deteriorated facilities and infrastructure to facilitate the redevelopment of the Fergus Falls Regional Treatment Center campus. If the property is sold or transferred to a local unit of government, the unspent portion of this appropriation may be granted to the local unit of government that acquires the campus for the purposes stated in this subdivision.

Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds in this subdivision are available until December 31, ~~2016~~ 2018.

Senate Language UEH3467-2

To design, renovate, construct, furnish, and equip ancillary support and program facilities, including improvements to basic infrastructure, such as sanitary and storm sewer and water lines, public streets, curb, gutter, street lights, or sidewalks, to make improvements for building envelope and structural integrity for the purposes of stabilizing the buildings for sale, for hazardous materials abatement, and for demolition of all or portions of surplus, nonfunctional, or deteriorated facilities and infrastructure or to renovate surplus, nonfunctional, or deteriorated facilities and infrastructure to facilitate the redevelopment of the Fergus Falls Regional Treatment Center campus. If the property is sold or transferred to a local unit of government, the unspent portion of this appropriation may be granted to the local unit of government that acquires the campus for the purposes stated in this subdivision.

Notwithstanding Minnesota Statutes, section 16A.642, the bond sale authorization and appropriation of bond proceeds in this subdivision are available until December 31, ~~2016~~ 2018.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 15. Laws 2008, chapter 179, section 7, subdivision 27, as amended by Laws 2010, chapter 189, section 56, Laws 2010, chapter 399, section 4, Laws 2012, chapter 293, section 39, and Laws 2014, chapter 294, article 2, section 9, is amended to read:

Subd. 27. **State Trail Acquisition, Rehabilitation, and Development** 15,320,000

To acquire land for and to construct and renovate state trails under Minnesota Statutes, section 85.015.

$970,000 is for the Chester Woods Trail from Rochester to Dover. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until June 30, 2016.

$700,000 is for the Casey Jones Trail.

$750,000 is for the Gateway Trail, to replace an at-grade crossing of the Gateway Trail at Highway 120 with a grade-separated crossing. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 31, 2017.

$1,600,000 is for the Gitchi-Gami Trail between Silver Bay and Tettegouche State Park.

$1,500,000 is for the Great River Ridge Trail from Plainview to Elgin to Eyota.

$1,500,000 is for the Heartland Trail.

$500,000 is for the Mill Towns Trail from Lake Byllesby Park to Cannon Falls. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 30, 2014.

$150,000 is for the Mill Towns Trail within the city of Faribault.

$1,500,000 is for the Minnesota River Trail from Appleton to Milan and to the Marsh Lake Dam. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 30, 2014.

$2,000,000 is for the Paul Bunyan Trail from Walker to Guthrie.

$250,000 is for the Root River Trail from Preston to Forestville State Park.

$100,000 is for the Root River Trail, the eastern extension.

$250,000 is for the Root River Trail, the eastern extension Wagon Wheel.

$550,000 is to connect the Stagecoach Trail with the Douglas Trail in Olmsted County. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 31, 2016.

$3,000,000 is to rehabilitate state trails.

For any project listed in this subdivision that the commissioner determines is not ready to proceed, the commissioner may allocate that project's money to another state trail project in this subdivision. The chairs of the house and senate committees with jurisdiction over environment and natural resources and legislators from the affected legislative districts must be notified of any changes.

Sec. 17. Laws 2010, chapter 189, section 7, subdivision 5, is amended to read:

Subd. 5. **Dam Renovation and Removal** 4,750,000

To renovate or remove publicly owned dams. The commissioner shall determine project priorities as appropriate under Minnesota Statutes, sections 103G.511 and 103G.515.

This appropriation includes money for the following projects:

(a) Byllesby Dam, Dakota and Goodhue Counties

(b) Champlin Mill Pond Dam, Hennepin County

(c) Clayton Lake Dam, Pine County

(d) Drayton Dam, Kittson County

(e) Hallock Dam, Kittson County

(f) Lake Bronson Dam, Kittson County

(g) Lanesboro Dam, Fillmore County

(h) Milaca Dam, Mille Lacs County

(i) Montevideo Dam, Chippewa County

(j) Pike River Dam, St. Louis County

House Language H0622-2

Notwithstanding Minnesota Statutes, section 16A.69, subdivision 2, upon the award of final contracts for the completion of a project listed in this subdivision, the commissioner may transfer the unencumbered balance in the project account to any other dam renovation or removal project on the commissioner's priority list. Notwithstanding the match requirements in Minnesota Statutes, section 103G.511, a grant to the city of Lanesboro does not require any nonstate match.

Senate Language UEH3467-2

Sec. 16. Laws 2011, First Special Session chapter 12, section 13, subdivision 8, is amended to read:

Subd. 8. **Rail Service Improvement - St. Louis Park Noise Barrier** 700,000

For a grant to the city of St. Louis Park to predesign, design, construct, and install noise mitigation barriers associated with route changes for freight rail. This appropriation may be used to design and construct trail safety improvements for the Beltline trail bridge, the Wooddale trail underpass, and the Louisiana trail underpass. Notwithstanding Minnesota Statutes, section 16A.642, this appropriation is available until January 1, 2018.

Sec. 17. Laws 2012, chapter 293, section 7, subdivision 8, is amended to read:

Subd. 8. **Lake Zumbro** 3,000,000

House Language H0622-2

Senate Language UEH3467-2

For a grant to Olmsted County for the removal of sedimentation in Lake Zumbro, including final engineering, dredging, and dredged soil disposal from the sites identified in the Preliminary Engineering Report for Dredging Lake Zumbro. This project is designed to improve the recreational economy, water quality, and habitat, and increase water storage capacity within the lake to achieve renewable energy goals by optimizing long-term hydroelectric operations. This appropriation is not available until the commissioner has determined that at least an equal amount has been committed to the project from nonstate sources. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 31, 2018.

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

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

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

Sec. 19. Laws 2012, chapter 293, section 17, subdivision 4, is amended to read:

Subd. 4. **Phillips Community Center** 1,750,000

Sec. 18. Laws 2012, chapter 293, section 17, subdivision 4, is amended to read:

Subd. 4. **Phillips Community Center** 1,750,000

House Language H0622-2

For a grant to the Minneapolis Park and Recreation Board to predesign, design, engineer, reconstruct, renovate, furnish, and equip the Phillips Community Center indoor competitive swimming pool and to predesign, design, engineer, and construct an additional indoor multipurpose family pool and facilities associated with an aquatic center in the community center, subject to Minnesota Statutes, section 16A.695.

This appropriation is not available until the commissioner determines that at least $350,000 is committed from nonstate sources. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 31, 2018.

Sec. 20. Laws 2014, chapter 294, article 1, section 7, subdivision 15, is amended to read:

Subd. 15. **Grant County Trail Grant** 100,000

For a grant to Grant County for predesign, acquisition, ~~and~~ or improvements for a trail from the city of Elbow Lake to Pomme de Terre Lake. The commissioner of natural resources may allocate any amount not needed to complete this project to state trail acquisition and improvements under Minnesota Statutes, section 85.015.

Sec. 21. Laws 2014, chapter 294, article 1, section 17, subdivision 6, is amended to read:

Subd. 6. **Inver Grove Heights - Heritage Village Park** 2,000,000

Senate Language UEH3467-2

For a grant to the Minneapolis Park and Recreation Board to predesign, design, engineer, reconstruct, renovate, furnish, and equip the Phillips Community Center indoor competitive swimming pool and to predesign, design, engineer, and construct an additional indoor multipurpose family pool and facilities associated with an aquatic center in the community center, subject to Minnesota Statutes, section 16A.695.

This appropriation is not available until the commissioner determines that at least $350,000 is committed from nonstate sources. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 31, 2018.

Sec. 19. Laws 2014, chapter 294, article 1, section 7, subdivision 15, is amended to read:

Subd. 15. **Grant County Trail Grant** 100,000

For a grant to Grant County for predesign, acquisition, ~~and~~ or improvements for a trail from the city of Elbow Lake to Pomme de Terre Lake. The commissioner of natural resources may allocate any amount not needed to complete this project to state trail acquisition and improvements under Minnesota Statutes, section 85.015.

Sec. 20. Laws 2014, chapter 294, article 1, section 17, subdivision 6, is amended to read:

Subd. 6. **Inver Grove Heights - Heritage Village Park** 2,000,000

House Language H0622-2

$1,500,000 of this appropriation is for a grant to the city of Inver Grove Heights and $500,000 of this appropriation is for a grant to Dakota County. This appropriation is for public infrastructure improvements and land acquisition in and adjacent to the Heritage Village Park, the Mississippi River Trail, and the Rock Island Swing Bridge. These improvements will include but are not limited to motor vehicle access, utility service, stormwater treatment, and trail and sidewalk connections. This appropriation is not available until the commissioner of management and budget has determined that at least an equal amount has been committed to the project from nonstate sources.

Sec. 22. Laws 2014, chapter 294, article 1, section 17, subdivision 12, is amended to read:

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

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

Sec. 23. Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 3, is amended to read:

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

Senate Language UEH3467-2

$1,500,000 of this appropriation is for a grant to the city of Inver Grove Heights and $500,000 of this appropriation is for a grant to Dakota County. This appropriation is for public infrastructure improvements and land acquisition in and adjacent to the Heritage Village Park, the Mississippi River Trail, and the Rock Island Swing Bridge. These improvements will include but are not limited to motor vehicle access, utility service, stormwater treatment, and trail and sidewalk connections. This appropriation is not available until the commissioner of management and budget has determined that at least an equal amount has been committed to the project from nonstate sources.

Sec. 21. Laws 2014, chapter 294, article 1, section 17, subdivision 12, is amended to read:

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

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

Sec. 22. Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 3, is amended to read:

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

House Language H0622-2

(a) From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for construction and reconstruction of local roads with statewide or regional significance under Minnesota Statutes, section 174.52, subdivision 4, or for grants to counties to assist in paying the costs of rural road safety capital improvement projects on county state-aid highways under Minnesota Statutes, section 174.52, subdivision 4a.

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

(c) This appropriation includes $3,770,000 for a grant to Kandiyohi County for construction and reconstruction of local roads to facilitate the construction of highway-rail grade separations at ~~U.S. Highway 12 and Minnesota Highway 40 as part of~~ one or more of the following highway-rail intersections associated with the Willmar Wye project: U.S. Highway 12, marked Trunk Highway 40, and Kandiyohi County State-Aid Highway 55.

Senate Language UEH3467-2

(a) From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for construction and reconstruction of local roads with statewide or regional significance under Minnesota Statutes, section 174.52, subdivision 4, or for grants to counties to assist in paying the costs of rural road safety capital improvement projects on county state-aid highways under Minnesota Statutes, section 174.52, subdivision 4a.

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

(c) This appropriation includes $3,770,000 for a grant to Kandiyohi County for construction and reconstruction of local roads to facilitate the construction of highway-rail grade separations at U.S. Highway 12 ~~and~~, Minnesota Highway 40, or County State-Aid Highway 55 as part of the Willmar Wye project.

Sec. 23. **OFFICE OF LEGISLATIVE AUDITOR REPORT - FUNDING FOR ASSET PRESERVATION.**

Subdivision 1. **Report.** By November 15, 2016, the legislative auditor shall report to the chairs and ranking minority members of the committees in the senate with jurisdiction over finance and capital investment and in the house of representatives with jurisdiction over ways and means and capital investment, with recommendations for sustainable, reliable, predictable funding for preservation of capital assets owned by agencies.

Subd. 2. **Funding options and approaches.** The report shall assess the feasibility of implementing the following options and may include evaluation of other feasible options:

(1) establishing a standing appropriation from the general fund to pay a portion of certified asset preservation needs;

(2) establishing a standing appropriation from the bond proceeds fund, and authorizing the sale of general obligation bonds, to pay a portion of certified asset preservation needs;

(3) dedicating a specified portion of fees collected by agencies to use for asset preservation; and

(4) shifting asset preservation from the capital budget to the operating budget so that asset preservation is built into the base budget.

Evaluations should include a comparison to current law and practice.

Subd. 3. **Real property portfolio management system.** The commissioner of administration shall provide assistance, as requested by the legislative auditor, for preparing the report, including providing data from the ARCHIBUS real property portfolio management system.

Subd. 4. **Demolition.** The report shall evaluate whether the metrics and process used by each agency to recommend demolition of capital assets are comprehensive enough to reflect what is in the best interest of the state.

Subd. 5. **Definition.** "Agencies" as used in this section means all executive branch agencies, the Board of Regents of the University of Minnesota, and the Board of Trustees of Minnesota State Colleges and Universities.

Sec. 24. **VETERANS HOMES; MONTEVIDEO AND BEMIDJI.**

The fiscal year 2018 and fiscal year 2019 general fund base appropriation for veterans homes is increased by $10,000,000 each fiscal year. This increase is for the operating costs of 143 skilled nursing beds added after July 1, 2016, in one or more veteran homes, including Montevideo and Bemidji. None of this increased amount may be used for operating costs at a veterans home in Minneapolis.

Sec. 25. **APPROPRIATION; WATER SUPPLY SUSTAINABILITY STUDY.**

(a) $1,780,000 is appropriated in fiscal year 2017 from the general fund to the commissioner of natural resources.

House Language H0622-2

Senate Language UEH3467-2

(b) Of this amount:

(1) $1,500,000 is for a study to evaluate long-term water supply sustainability in the north and east metro, identify options to address any challenges identified to the north and east metro's long-term water supply sustainability, and assess the feasibility and costs of those options. The study must consider available information concerning interactions between the region's surface water and groundwater systems, including White Bear Lake. The commissioner must conduct this study in consultation and coordination with affected communities, the Metropolitan Council and other state and regional agencies, water utilities, watershed districts, counties, industrial water permit holders, and other entities with a demonstrated interest in the water supply challenges facing the north and east metro. The commissioner must complete a report summarizing study findings regarding long-term water supply sustainability challenges in the north and east metro and the feasibility of various options for addressing those challenges. Efficient water use and water reuse options must be included in the report. The commissioner's report must consider sufficient detail regarding preliminary design considerations, including supply source, treatment, distribution, operation, and financing, of all feasible options evaluated. The report must be provided no later than January 15, 2018, to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources finance and policy and the clean water fund. No detailed design may be undertaken by the commissioner without legislative approval. A copy of the draft report will be provided to all affected local agencies for review and comment prior to finalization and presentation by the commissioner to the legislature. The appropriation in this clause is available until June 30, 2018; and

(2) $280,000 is for water quality monitoring, modeling, and data analysis to establish baseline water quality conditions and to assess the water quality impacts and other potential ecological effects of augmenting White Bear Lake with water from Vadnais Lake on both White Bear Lake and Vadnais Lake. The appropriation in this clause is available until June 30, 2018.

Sec. 24. **REPORT ON FUTURE OF GLENSHEEN.**

The Board of Regents of the University of Minnesota must develop a plan for the future of Glensheen, the historic Congdon estate in Duluth, in cooperation and consultation with the city of Duluth, the Minnesota Historical Society, and other interested parties. The plan must address facility ownership, a multiphased asset renewal plan, programmatic operations, and cultural interpretation. The plan must be submitted by January 16, 2017, to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education policy and finance, and capital investment, and as provided in Minnesota Statutes, section 3.195.

Sec. 25. **REPEALER.**

Minnesota Statutes 2014, section 123A.446, is repealed.

Sec. 26. **REPEALER.**

Minnesota Statutes 2014, section 123A.446, is repealed.

House Language H0622-2

Sec. 26. **EFFECTIVE DATE.**

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

Senate Language UEH3467-2

Sec. 27. **EFFECTIVE DATE.**

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