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State of Minnesota

Printed Page No. 434

HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 622

- 02/05/2015 Authored by Torkelson, Hausman and Moran  
The bill was read for the first time and referred to the Committee on Capital Investment
- 04/21/2015 Adoption of Report: Re-referred to the Committee on Ways and Means
- 05/16/2015 Adoption of Report: Placed on the General Register as Amended  
Read Second Time
- 05/18/2015 Pursuant to Rule 4.20, returned to the Committee on Ways and Means
- 05/18/2016 Adoption of Report: Placed on the General Register as Amended  
Pursuant to Joint Rule 2.03, re-referred to the Committee on Rules and Legislative Administration  
Adoption of Report: Placed on the General Register  
Read Second Time
- 05/19/2016 Calendar for the Day  
Read Third Time  
Bill was not Passed  
Bill was Laid on the Table

1.1 A bill for an act  
 1.2 relating to capital investment; authorizing spending to acquire and better public  
 1.3 land and buildings and other improvements of a capital nature with certain  
 1.4 conditions; modifying previous appropriations; establishing new programs  
 1.5 and modifying existing programs; authorizing the sale and issuance of state  
 1.6 bonds; appropriating money; amending Minnesota Statutes 2014, sections  
 1.7 16A.86, subdivision 3a; 85.34, subdivision 1; 115A.51; 116J.431, subdivisions  
 1.8 1, 2, 4, 6; 174.50, subdivision 7; 446A.072; 446A.073, as amended; 446A.081,  
 1.9 subdivision 9; 446A.12, subdivision 1; Minnesota Statutes 2015 Supplement,  
 1.10 sections 16A.967, subdivisions 2, 7; 85.015, subdivision 6; Laws 2002, chapter  
 1.11 393, section 22, subdivision 6, as amended; Laws 2010, chapter 189, section 7,  
 1.12 subdivision 5; Laws 2012, chapter 293, sections 7, subdivision 3; 17, subdivision  
 1.13 4; Laws 2014, chapter 294, article 1, sections 7, subdivision 15; 17, subdivisions  
 1.14 6, 12; Laws 2015, First Special Session chapter 5, article 1, sections 10,  
 1.15 subdivision 3; 19; repealing Minnesota Statutes 2014, section 123A.446.

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

1.17 ARTICLE 1

1.18 APPROPRIATIONS

1.19 Section 1. CAPITAL IMPROVEMENT APPROPRIATIONS.

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

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

2.7 **APPROPRIATIONS**

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

2.9 **Subdivision 1. Total Appropriation** **\$ 65,764,000**

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

2.13 **Subd. 2. Higher Education Asset Preservation**  
 2.14 **and Replacement (HEAPR)** **38,597,000**

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

2.17 **Subd. 3. Chemical Sciences and Advanced**  
 2.18 **Materials Science Building** **27,167,000**

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.

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**

2.30 Upon substantial completion of a project  
 2.31 authorized in this section and after written  
 2.32 notice to the commissioner of management  
 2.33 and budget, the Board of Regents must use

3.1 any money remaining in the appropriation  
 3.2 for that project for HEAPR under Minnesota  
 3.3 Statutes, section 135A.046. The Board  
 3.4 of Regents must report by February 1 of  
 3.5 each even-numbered year to the chairs of  
 3.6 the house of representatives and senate  
 3.7 committees with jurisdiction over capital  
 3.8 investment and higher education finance, and  
 3.9 to the chairs of the house of representatives  
 3.10 Ways and Means Committee and the senate  
 3.11 Finance Committee, on how the remaining  
 3.12 money has been allocated or spent.

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

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

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

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

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

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

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

3.26 To design, renovate, furnish, and equip  
 3.27 a new Center for Student and Workforce  
 3.28 Success (CSWS) that integrates the Regional  
 3.29 Workforce Center. The board must enter into  
 3.30 a lease agreement with the commissioner of  
 3.31 employment and economic development,  
 3.32 or partners of the commissioner, for use of  
 3.33 the workforce center subject to Minnesota  
 3.34 Statutes, section 16A.695. The board must

- 4.1 use nonstate money for the remainder of the  
 4.2 cost of the renovation.
- 4.3 **(b) Wadena campus** 820,000
- 4.4 To design, renovate, furnish, and equip  
 4.5 the relocation of the current library to  
 4.6 underutilized space and converting the  
 4.7 vacated space into a centralized student  
 4.8 services center.
- 4.9 **Subd. 4. Northland Community and Technical**  
 4.10 **College, East Grand Forks** 826,000
- 4.11 To design, renovate, furnish, and equip  
 4.12 science and radiological lab space on the  
 4.13 East Grand Forks campus.
- 4.14 **Subd. 5. Riverland Community College, Albert**  
 4.15 **Lea** 7,427,000
- 4.16 To design, construct, furnish, and equip the  
 4.17 renovation and expansion of the Trade and  
 4.18 Industrial Education Center on the Albert Lea  
 4.19 campus of Riverland Community College.
- 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**
- 4.31 (a) Except as provided in paragraph (b), the  
 4.32 Board of Trustees shall pay the debt service  
 4.33 on one-third of the principal amount of state  
 4.34 bonds sold to finance projects authorized

5.1 by this section. After each sale of general  
5.2 obligation bonds, the commissioner of  
5.3 management and budget shall notify the  
5.4 board of the amounts assessed for each year  
5.5 for the life of the bonds.

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

5.12 (c) The commissioner of management and  
5.13 budget shall reduce the board's assessment  
5.14 each year by one-third of the net income  
5.15 from investment of general obligation bond  
5.16 proceeds in proportion to the amount of  
5.17 principal and interest otherwise required to  
5.18 be paid by the board. The board shall pay its  
5.19 resulting net assessment to the commissioner  
5.20 of management and budget by December  
5.21 1 each year. If the board fails to make  
5.22 a payment when due, the commissioner  
5.23 of management and budget shall reduce  
5.24 allotments for appropriations from the  
5.25 general fund otherwise available to the board  
5.26 and apply the amount of the reduction to  
5.27 cover the missed debt service payment. The  
5.28 commissioner of management and budget  
5.29 shall credit the payments received from the  
5.30 board to the bond debt service account in  
5.31 the state bond fund each December 1 before  
5.32 money is transferred from the general fund  
5.33 under Minnesota Statutes, section 16A.641,  
5.34 subdivision 10.

5.35 Subd. 9. **Unspent Appropriations**

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

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

6.27 **Sec. 4. EDUCATION**

6.28 **Subdivision 1. Total Appropriation** **\$ 16,070,000**

6.29 To the commissioner of education for the  
 6.30 purposes specified in this section.

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

6.32 For library construction grants under  
 6.33 Minnesota Statutes, section 134.45.

7.1 Subd. 3. **Red Lake Independent School District**  
 7.2 **No. 38 Facility Projects**

14,070,000

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

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

7.28 Sec. 5. **MINNESOTA STATE ACADEMIES**

7.29 Subdivision 1. **Total Appropriation**

\$ 2,050,000

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

7.32 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.

8.4 **Subd. 3. Minnesota State Academies Security**  
 8.5 **Corridor** 50,000

8.6 For predesign for a safety corridor on the  
 8.7 Minnesota State Academy for the Deaf  
 8.8 campus.

8.9 **Sec. 6. NATURAL RESOURCES**

8.10 **Subdivision 1. Total Appropriation** **\$ 33,990,000**

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

8.13 (b) The appropriations in this section are  
 8.14 subject to the requirements of the natural  
 8.15 resources capital improvement program  
 8.16 under Minnesota Statutes, section 86A.12,  
 8.17 unless this section or the statutes referred  
 8.18 to in this section provide more specific  
 8.19 standards, criteria, or priorities for projects  
 8.20 than Minnesota Statutes, section 86A.12.

8.21 **Subd. 2. Natural Resources Asset Preservation** **12,000,000**

8.22 For the renovation of state-owned facilities  
 8.23 and recreational assets operated by the  
 8.24 commissioner of natural resources to  
 8.25 be spent in accordance with Minnesota  
 8.26 Statutes, section 84.946. Notwithstanding  
 8.27 Minnesota Statutes, section 84.946: (1) the  
 8.28 commissioner may use this appropriation  
 8.29 to replace buildings if, considering the  
 8.30 embedded energy in the building, that is the  
 8.31 most energy-efficient and carbon-reducing  
 8.32 method of renovation; and (2) this  
 8.33 appropriation may be used for projects to



9.1 remove life safety hazards such as building  
 9.2 code violations or structural defects.

9.3 **Subd. 3. Flood Hazard Mitigation** 3,500,000

9.4 (a) For the state share of flood hazard  
 9.5 mitigation grants for publicly owned capital  
 9.6 improvements to prevent or alleviate flood  
 9.7 damage under Minnesota Statutes, section  
 9.8 103F.161.

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

9.12 (c) Project priorities shall be determined by  
 9.13 the commissioner as appropriate and based  
 9.14 on need.

9.15 (d) This appropriation includes \$750,000  
 9.16 for the city of Browns Valley project and  
 9.17 \$1,800,000 for the city of Ortonville project.

9.18 (e) For any project listed in this subdivision  
 9.19 that the commissioner determines is not  
 9.20 ready to proceed or does not expend all the  
 9.21 money allocated to it, the commissioner may  
 9.22 allocate that project's money to a project on  
 9.23 the commissioner's priority list.

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

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

9.31 (a) To renovate or remove publicly owned  
 9.32 dams. The commissioner shall determine  
 9.33 project priorities as appropriate under

10.1 Minnesota Statutes, sections 103G.511 and  
 10.2 103G.515. Of this appropriation:  
 10.3 \$500,000 is for emergencies on state-owned  
 10.4 dams;  
 10.5 \$3,600,000 is for a grant to the city of  
 10.6 Lanesboro for repair of the Lanesboro dam  
 10.7 and notwithstanding the match requirements  
 10.8 in Minnesota Statutes, section 103G.511,  
 10.9 does not require a nonstate contribution.  
 10.10 This includes funding for repairs of the  
 10.11 hydropower system;  
 10.12 \$2,500,000 is for repairs of the Lake Bronson  
 10.13 dam;  
 10.14 \$500,000 is for a grant to the city of Pelican  
 10.15 Rapids for engineering work for the Pelican  
 10.16 Rapids dam;  
 10.17 \$200,000 is for a grant to the city of Norway  
 10.18 Lake for engineering work on the Norway  
 10.19 Lake dam;  
 10.20 \$200,000 is for a grant to Yellow Medicine  
 10.21 County for the Canby R-6 impoundment dam;  
 10.22 \$100,000 is for a grant to St. Louis County  
 10.23 for the Little Stone Lake dam; and  
 10.24 \$1,400,000 is for state dams at Brawner,  
 10.25 Collinwood, Grindstone River, and Sullivan.  
 10.26 If the commissioner determines that a project  
 10.27 is not ready to proceed, this appropriation  
 10.28 may be used for other projects on the  
 10.29 commissioner's priority list.

10.30 **Subd. 5. Trail Development**

6,190,000

10.31 \$2,590,000 is for the Glacial Lakes Trail,  
 10.32 to complete an approximately six and  
 10.33 one-quarter mile trail connection between

11.1 New London and Sibley State Park, and  
 11.2 repair of the bicycle trail in Sibley State Park.

11.3 \$3,600,000 is for acquisition and  
 11.4 development in the Cuyuna Country State  
 11.5 Recreation Area, including the Cuyuna  
 11.6 Mountain Bike System.

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

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

11.13 **Subd. 7. Unspent Appropriations**

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

11.23 **Sec. 7. POLLUTION CONTROL AGENCY**

11.24 **Subdivision 1. Total Appropriation** **\$ 20,505,000**

11.25 To the commissioner of the Pollution Control  
 11.26 Agency for the purposes specified in this  
 11.27 section.

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

11.29 To design and implement contaminated  
 11.30 sediment management actions identified in  
 11.31 the St. Louis River remedial action plan to  
 11.32 restore water quality in the St. Louis River  
 11.33 Area of Concern.

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

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

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

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

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

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

12.25 (a) To acquire conservation easements from  
 12.26 landowners to preserve, restore, create, and  
 12.27 enhance wetlands and associated uplands  
 12.28 of prairie and grasslands, and restore and  
 12.29 enhance rivers and streams, riparian lands,  
 12.30 and associated uplands of prairie and  
 12.31 grasslands in order to protect soil and water  
 12.32 quality, support fish and wildlife habitat,  
 12.33 reduce flood damage, and provide other  
 12.34 public benefits. The provisions of Minnesota

13.1 Statutes, section 103F.515, apply to this  
 13.2 program.  
 13.3 (b) The board shall give priority to leveraging  
 13.4 federal money by enrolling targeted new  
 13.5 lands or enrolling environmentally sensitive  
 13.6 lands that have expiring federal conservation  
 13.7 agreements.  
 13.8 (c) The board is authorized to enter into  
 13.9 new agreements and amend past agreements  
 13.10 with landowners as required by Minnesota  
 13.11 Statutes, section 103F.515, subdivision 5, to  
 13.12 allow for restoration. Of this appropriation,  
 13.13 up to five percent may be used for restoration  
 13.14 and enhancement.

13.15 **Subd. 3. Local Government Roads Wetland**  
 13.16 **Replacement Program**

1,000,000

13.17 To acquire land or permanent easements  
 13.18 and to restore, create, enhance, and preserve  
 13.19 wetlands to replace those wetlands drained or  
 13.20 filled as a result of the repair, reconstruction,  
 13.21 replacement, or rehabilitation of existing  
 13.22 public roads as required by Minnesota  
 13.23 Statutes, section 103G.222, subdivision 1,  
 13.24 paragraphs (l) and (m). The board may vary  
 13.25 the priority order of Minnesota Statutes,  
 13.26 section 103G.222, subdivision 3, paragraph  
 13.27 (a), to implement an in-lieu fee agreement  
 13.28 approved by the U.S. Army Corps of  
 13.29 Engineers under section 404 of the Clean  
 13.30 Water Act. The purchase price paid for  
 13.31 acquisition of land or perpetual easement  
 13.32 must be a fair market value as determined  
 13.33 by the board. The board may enter into  
 13.34 agreements with the federal government,  
 13.35 other state agencies, political subdivisions,  
 13.36 nonprofit organizations, fee title owners, or

14.1 other qualified private entities to acquire  
 14.2 wetland replacement credits in accordance  
 14.3 with Minnesota Rules, chapter 8420.

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

14.5 For the purposes set forth in the Minnesota  
 14.6 Constitution, article XI, section 5, paragraph  
 14.7 (h), to the Rural Finance Authority to  
 14.8 purchase participation interests in or to  
 14.9 make direct agricultural loans to farmers  
 14.10 under Minnesota Statutes, chapter 41B. This  
 14.11 appropriation is from the bond proceeds  
 14.12 account in the rural finance administration  
 14.13 fund and is for the beginning farmer program  
 14.14 under Minnesota Statutes, section 41B.039;  
 14.15 the loan restructuring program under  
 14.16 Minnesota Statutes, section 41B.04; the  
 14.17 seller-sponsored program under Minnesota  
 14.18 Statutes, section 41B.042; the agricultural  
 14.19 improvement loan program under Minnesota  
 14.20 Statutes, section 41B.043; and the livestock  
 14.21 expansion loan program under Minnesota  
 14.22 Statutes, section 41B.045. All debt service  
 14.23 on bond proceeds used to finance this  
 14.24 appropriation must be repaid by the Rural  
 14.25 Finance Authority under Minnesota Statutes,  
 14.26 section 16A.643. Loan participations  
 14.27 must be priced to provide full interest  
 14.28 and principal coverage and a reserve for  
 14.29 potential losses. Priority for loans must be  
 14.30 given first to basic beginning farmer loans,  
 14.31 second to seller-sponsored loans, and third to  
 14.32 agricultural improvement loans.

14.33 **Sec. 10. MINNESOTA ZOOLOGICAL**  
 14.34 **GARDEN**

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

15.1	<u>To the Minnesota Zoological Garden Board</u>		
15.2	<u>for the purposes specified in this section.</u>		
15.3	<b><u>Subd. 2. Asset Preservation</u></b>		<u>4,000,000</u>
15.4	<u>For capital asset preservation improvements</u>		
15.5	<u>and betterments to infrastructure and</u>		
15.6	<u>exhibits at the Minnesota Zoo, to be spent in</u>		
15.7	<u>accordance with Minnesota Statutes, section</u>		
15.8	<u>16B.307. Notwithstanding the specified</u>		
15.9	<u>uses of money under Minnesota Statutes,</u>		
15.10	<u>section 16B.307, the board may use this</u>		
15.11	<u>appropriation to replace buildings that are</u>		
15.12	<u>poor in condition, outdated, and no longer</u>		
15.13	<u>support the work of the Minnesota Zoo and</u>		
15.14	<u>to construct and renovate trails and roads on</u>		
15.15	<u>the Minnesota Zoo site.</u>		
15.16	<b>Sec. 11. <u>ADMINISTRATION</u></b>		
15.17	<b><u>Subdivision 1. Total Appropriation</u></b>	<b>\$</b>	<b><u>9,850,000</u></b>
15.18	<u>To the commissioner of administration for</u>		
15.19	<u>the purposes specified in this section.</u>		
15.20	<b><u>Subd. 2. Centennial Parking Ramp</u></b>		<u>7,000,000</u>
15.21	<u>To complete design and for structural repairs</u>		
15.22	<u>to the Centennial parking ramp, including</u>		
15.23	<u>removal of the top deck green space to</u>		
15.24	<u>provide additional parking capacity, repairing</u>		
15.25	<u>damaged post-tension cables, and installation</u>		
15.26	<u>of a deck surface protection coating.</u>		
15.27	<b><u>Subd. 3. Capital Asset Preservation and</u></b>		
15.28	<b><u>Replacement Account</u></b>		<u>2,500,000</u>
15.29	<u>To be spent in accordance with Minnesota</u>		
15.30	<u>Statutes, section 16A.632.</u>		
15.31	<b><u>Subd. 4. Capitol Complex Monuments and</u></b>		
15.32	<b><u>Memorials</u></b>		<u>350,000</u>

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

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

16.5 To the commissioner of administration  
 16.6 to predesign, design, construct, renovate,  
 16.7 furnish, and equip existing state data  
 16.8 center facilities at the Bureau of Criminal  
 16.9 Apprehension's Maryland Avenue office  
 16.10 building and at the Department of Revenue's  
 16.11 Stassen Office Building for the purpose  
 16.12 of decommissioning and repurposing into  
 16.13 usable office space.

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.

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

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

16.28 Sec. 15. **TRANSPORTATION**

16.29 **Subdivision 1. Total Appropriation** **\$** **334,782,000**

16.30 To the commissioner of transportation for the  
 16.31 purposes specified in this section.



17.1 Subd. 2. Local Bridge Replacement and  
 17.2 Rehabilitation 90,000,000

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

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

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

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

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

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

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

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

18.24 **Subd. 4. Rail Grade Separations** 26,749,000

18.25 (a) \$14,762,000 is for a grant to the city  
 18.26 of Red Wing for environmental analysis,  
 18.27 design, engineering, removal of an existing  
 18.28 structure, and construction of a rail grade  
 18.29 crossing separation at Sturgeon Lake Road.

18.30 (b) \$11,987,000 is for a grant to Anoka  
 18.31 County for environmental analysis, design,  
 18.32 engineering, removal of an existing structure,  
 18.33 and construction of a rail grade crossing  
 18.34 separation at Anoka County State-Aid

19.1	<u>Highway 78, known as Hanson Boulevard,</u>	
19.2	<u>in Coon Rapids.</u>	
19.3	<b><u>Subd. 5. Railroad Warning Devices</u></b>	<u>1,000,000</u>
19.4	<u>To design, construct, and equip new rail</u>	
19.5	<u>grade crossing warning safety devices at</u>	
19.6	<u>active highway-rail grade crossings, or to</u>	
19.7	<u>replace active highway-rail grade warning</u>	
19.8	<u>safety devices that have reached the end of</u>	
19.9	<u>their useful life.</u>	
19.10	<b><u>Subd. 6. Minnesota Valley Regional Rail</u></b>	
19.11	<b><u>Authority</u></b>	<u>4,000,000</u>
19.12	<u>For a grant to the Minnesota Valley Regional</u>	
19.13	<u>Rail Authority for the rehabilitation of</u>	
19.14	<u>a portion of the railroad track between</u>	
19.15	<u>Winthrop and Hanley Falls. The grant</u>	
19.16	<u>under this subdivision may also be used for</u>	
19.17	<u>any required environmental documentation</u>	
19.18	<u>and remediation, predesign, design, and</u>	
19.19	<u>rehabilitation or replacement of bridges with</u>	
19.20	<u>new bridges or culverts between Winthrop</u>	
19.21	<u>and Hanley Falls. A grant under this section</u>	
19.22	<u>is in addition to any grant, loan, or loan</u>	
19.23	<u>guarantee for this project made by the</u>	
19.24	<u>commissioner under Minnesota Statutes,</u>	
19.25	<u>sections 222.46 to 222.62. This appropriation</u>	
19.26	<u>is in addition to the appropriations in Laws</u>	
19.27	<u>2006, chapter 258, section 16, subdivision</u>	
19.28	<u>6; Laws 2008, chapter 179, section 16,</u>	
19.29	<u>subdivision 5; Laws 2009, chapter 93, article</u>	
19.30	<u>1, section 11, subdivision 4; Laws 2010,</u>	
19.31	<u>chapter 189, section 15, subdivision 5; and</u>	
19.32	<u>Laws 2015, First Special Session chapter 5,</u>	
19.33	<u>article 1, section 10, subdivision 4.</u>	
19.34	<b><u>Subd. 7. Hennepin County - U.S. Highway 12</u></b>	<u>15,000,000</u>

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

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

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

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

20.17 **Subd. 8. Chaska - Trunk Highway 212**  
 20.18 **Interchange**

8,000,000

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

20.27 **Subd. 9. Anoka County - I35 Interchange in**  
 20.28 **Columbus**

13,000,000

20.29 From the bond proceeds account in the  
 20.30 trunk highway fund for a grant to Anoka  
 20.31 County to: (1) complete the design, land  
 20.32 acquisition, engineering, and construction of  
 20.33 an interchange at the intersection of marked  
 20.34 Interstate Highway 35, marked Trunk  
 20.35 Highway 97, and County State-Aid Highway

21.1	<u>23, and (2) realign and make associated</u>	
21.2	<u>improvements to County State-Aid Highway</u>	
21.3	<u>54, known as West Freeway Drive, in the</u>	
21.4	<u>city of Columbus.</u>	
21.5	<b><u>Subdivision 10. I-94/Brockton Lane</u></b>	
21.6	<b><u>Interchange</u></b>	<u>34,000,000</u>
21.7	<u>From the bond proceeds account in the</u>	
21.8	<u>trunk highway fund for the I-94/Brockton</u>	
21.9	<u>Lane Interchange Project to construct an</u>	
21.10	<u>interchange and auxiliary lanes on marked</u>	
21.11	<u>Interstate Highway 94 east of the Hennepin</u>	
21.12	<u>County State-Aid Highway 101 (Brockton</u>	
21.13	<u>Lane) overpass in the city of Dayton.</u>	
21.14	<b><u>Subd. 11. Trunk Highway Bonds - Debt Service</u></b>	
21.15	<b><u>2017</u></b>	<u>618,000</u>
21.16	<u>From the trunk highway fund in fiscal year</u>	
21.17	<u>2017 for transfer to the state bond fund. If</u>	
21.18	<u>this appropriation is insufficient to make all</u>	
21.19	<u>transfers required in the year for which it is</u>	
21.20	<u>made, the commissioner of management and</u>	
21.21	<u>budget shall transfer the deficiency amount</u>	
21.22	<u>under the statutory open appropriation,</u>	
21.23	<u>and notify the chairs and ranking minority</u>	
21.24	<u>members of the legislative committees with</u>	
21.25	<u>jurisdiction over transportation finance and</u>	
21.26	<u>the chairs of the senate Committee on Finance</u>	
21.27	<u>and the house of representatives Committee</u>	
21.28	<u>on Ways and Means of the amount of the</u>	
21.29	<u>deficiency. Any excess appropriation cancels</u>	
21.30	<u>to the trunk highway fund.</u>	
21.31	<b><u>Subd. 12. Red Wing - Highway 61</u></b>	
21.32	<b><u>Reconstruction</u></b>	<u>833,000</u>
21.33	<u>From the trunk highway fund in fiscal</u>	
21.34	<u>year 2017 for State Project No. 2514-122,</u>	
21.35	<u>consisting of engineering and reconstruction</u>	
21.36	<u>of the segment of marked U.S. Highway</u>	

- 22.1 61 in Red Wing from westerly of Old West  
 22.2 Main Street to easterly of Potter Street and  
 22.3 is for trunk highway costs in excess of the  
 22.4 engineer's estimate and associated program  
 22.5 delivery.
- 22.6 Subd. 13. **Port Development Assistance** 5,000,000
- 22.7 For grants under Minnesota Statutes, chapter  
 22.8 457A. Any improvements made with the  
 22.9 proceeds of these grants must be publicly  
 22.10 owned.
- 22.11 Sec. 16. **METROPOLITAN COUNCIL**
- 22.12 Subdivision 1. **Total Appropriation** \$ 23,350,000
- 22.13 To the Metropolitan Council for the purposes  
 22.14 specified in this section.
- 22.15 Subd. 2. **Metro Orange Line BRT** 12,100,000
- 22.16 Up to \$12,100,000, but an amount that is no  
 22.17 more than ten percent of the total project  
 22.18 cost, is for the Metropolitan Council, or for  
 22.19 the Metropolitan Council to make grants to  
 22.20 political subdivisions, to construct capital  
 22.21 improvements along the I-35W corridor for  
 22.22 completion of the Metro Orange Bus Rapid  
 22.23 Transit (BRT) Line.
- 22.24 The Metro Orange BRT Line must not follow  
 22.25 a route that requires an underpass or tunnel  
 22.26 to be built under I-494 at Knox Avenue, but  
 22.27 must follow the Penn Avenue route after  
 22.28 coming down into the circle on the bottom of  
 22.29 Knox Avenue on the north side of I-494.
- 22.30 Subd. 3. **Mall of America Station** 8,750,000
- 22.31 For design and construction of improvements  
 22.32 to the Mall of America Station on the  
 22.33 Hiawatha Corridor light rail transit line,

23.1 subject to Minnesota Statutes, section  
 23.2 16A.695. The Metropolitan Council must  
 23.3 consult with the city of Bloomington  
 23.4 throughout the design and construction  
 23.5 process.

23.6 **Subd. 4. Metropolitan Cities Inflow and**  
 23.7 **Infiltration Grants**

2,500,000

23.8 For grants to cities within the metropolitan  
 23.9 area, as defined in Minnesota Statutes,  
 23.10 section 473.121, subdivision 2, for capital  
 23.11 improvements in municipal wastewater  
 23.12 collection systems to reduce the amount of  
 23.13 inflow and infiltration to the Metropolitan  
 23.14 Council's metropolitan sanitary sewer  
 23.15 disposal system. Grants from this  
 23.16 appropriation are for up to 50 percent of the  
 23.17 cost to mitigate inflow and infiltration in  
 23.18 the publicly owned municipal wastewater  
 23.19 collection systems. To be eligible for a grant,  
 23.20 a city must be identified by the council  
 23.21 as a contributor of excessive inflow and  
 23.22 infiltration in the metropolitan disposal  
 23.23 system or have a measured flow rate within 20  
 23.24 percent of its allowable council-determined  
 23.25 inflow and infiltration limits. The council  
 23.26 must award grants based on applications  
 23.27 from cities that identify eligible capital  
 23.28 costs and include a timeline for inflow and  
 23.29 infiltration mitigation construction, pursuant  
 23.30 to guidelines established by the council.

23.31 **Sec. 17. HUMAN SERVICES**

23.32 **Subdivision 1. Total Appropriation**

**\$ 70,071,000**

23.33 To the commissioner of administration, or  
 23.34 another named agency, for the purposes  
 23.35 specified in this section.

24.1 Subd. 2. **Minnesota Security Hospital - St.**  
 24.2 **Peter** 57,611,000

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

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

24.28 To purchase land in or near the city of  
 24.29 Willmar for, and to predesign, design,  
 24.30 construct, furnish, and equip, a 16-bed  
 24.31 psychiatric hospital facility of approximately  
 24.32 17,500 to 18,000 square feet that will house  
 24.33 the Child and Adolescent Behavioral Health  
 24.34 Services (CABHS) program. The facility  
 24.35 shall include space for single bedrooms,  
 24.36 bathing and toilets, dining, living, group and



25.1 treatment rooms, education space, visitation,  
 25.2 clinic/professional staff, operations staff,  
 25.3 patient storage, operations storage, food  
 25.4 preparation, HVAC/telecommunications/data  
 25.5 equipment, a small area for indoor recreation,  
 25.6 and a secure outdoor activity space. The  
 25.7 property for the facility will provide for staff  
 25.8 and visitor parking, outdoor activities, and  
 25.9 appropriate side, front, and rear setbacks.

25.10 **Subd. 4. Anoka Metro Regional Treatment**  
 25.11 **Center Safety and Security Renovations**

2,250,000

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

25.29 **Subd. 5. Regional Medical Examiner's Facility**

2,680,000

25.30 For a grant to Hennepin County to design an  
 25.31 approximately 67,000 square foot regional,  
 25.32 state-of-the-art medical examiner's facility.  
 25.33 The facility shall: (1) provide forensic  
 25.34 death investigation and autopsy services  
 25.35 for Dakota, Hennepin, and Scott Counties

26.1 with the flexibility to accommodate future  
 26.2 partner counties and agencies; (2) serve as a  
 26.3 teaching facility for the state, on the science  
 26.4 of forensic pathology; and (3) be located in  
 26.5 the city of Bloomington as a site that best  
 26.6 supports access needs for the three founding  
 26.7 counties and reasonable scene response times  
 26.8 for the geographic service area.

26.9 **Sec. 18. VETERANS AFFAIRS** **\$** **4,000,000**

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.

26.17 **Sec. 19. CORRECTIONS**

26.18 **Subdivision 1. Total Appropriation** **\$** **28,900,000**

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

26.21 **Subd. 2. Asset Preservation** **8,000,000**

26.22 For asset preservation improvements and  
 26.23 betterments of a capital nature at Minnesota  
 26.24 correctional facilities statewide, to be spent  
 26.25 in accordance with Minnesota Statutes,  
 26.26 section 16B.307.

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

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

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

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

27.10 Subd. 5. **Unspent Appropriations**

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

27.20 Sec. 20. **EMPLOYMENT AND ECONOMIC**  
 27.21 **DEVELOPMENT**

27.22 Subdivision 1. **Total Appropriation** \$ 58,541,000

27.23 To the commissioner of employment and  
 27.24 economic development for the purposes  
 27.25 specified in this section.

27.26 Subd. 2. **Transportation Economic**  
 27.27 **Development** 6,000,000

27.28 For grants under Minnesota Statutes, section  
 27.29 116J.436.

27.30 Subd. 3. **Greater Minnesota Business**  
 27.31 **Development Public Infrastructure Grants** 10,000,000

27.32 For grants under Minnesota Statutes, section  
 27.33 116J.431.

28.1	<u>Subd. 4. <b>Innovative Business Development</b></u>	
28.2	<u><b>Public Infrastructure Grants</b></u>	<u>2,000,000</u>
28.3	<u>For grants under Minnesota Statutes, section</u>	
28.4	<u>116J.435.</u>	
28.5	<u>Subd. 5. <b>Duluth - Steam Plant</b></u>	<u>21,000,000</u>
28.6	<u>For a grant to the city of Duluth to</u>	
28.7	<u>complete the design of and to renovate,</u>	
28.8	<u>construct, furnish, and equip an upgrade</u>	
28.9	<u>to the municipal district heating facility</u>	
28.10	<u>and systems, including conversion of the</u>	
28.11	<u>distribution system along Superior Street</u>	
28.12	<u>from steam, with no condensate return, to</u>	
28.13	<u>closed-loop hot water, subject to Minnesota</u>	
28.14	<u>Statutes, section 16A.695. This appropriation</u>	
28.15	<u>is not available until the commissioner of</u>	
28.16	<u>management and budget determines that an</u>	
28.17	<u>amount sufficient to complete the project is</u>	
28.18	<u>committed from nonstate sources.</u>	
28.19	<u>Subd. 6. <b>Litchfield - Phase 2 Power Generation</b></u>	
28.20	<u><b>Improvements</b></u>	<u>3,000,000</u>
28.21	<u>For a grant to the city of Litchfield to</u>	
28.22	<u>design and construct electrical generation</u>	
28.23	<u>improvements in the city of Litchfield</u>	
28.24	<u>to expand the current standby capacity,</u>	
28.25	<u>including replacement of two old generators.</u>	
28.26	<u>This appropriation is not available until the</u>	
28.27	<u>commissioner of management and budget</u>	
28.28	<u>determines that at least an equal amount</u>	
28.29	<u>is committed to the project from nonstate</u>	
28.30	<u>sources.</u>	
28.31	<u>Subd. 7. <b>Madelia</b></u>	<u>98,000</u>
28.32	<u>For a grant to the city of Madelia for repair</u>	
28.33	<u>and replacement of a capital nature of public</u>	
28.34	<u>infrastructure damaged by a fire in Madelia</u>	

29.1 in February 2016. This appropriation does  
 29.2 not require a nonstate contribution.

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

29.4 For a grant to the city of St. James. Of  
 29.5 this amount, \$2,193,000 is for engineering,  
 29.6 right-of-way acquisition, and reconstruction  
 29.7 of streets, sidewalks, storm water and  
 29.8 sanitary sewer, water mains, lighting,  
 29.9 utilities, and other capital improvements of  
 29.10 publicly owned infrastructure required for  
 29.11 the reconstruction of marked Trunk Highway  
 29.12 4 in the city of St. James, and \$1,250,000  
 29.13 is to replace the storm sewer drain which  
 29.14 serves St. James Lake and the entire southern  
 29.15 section of the City of St. James.

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

29.18 For a grant to the city of St. Paul for  
 29.19 predesign, design, and construction work  
 29.20 to replace water-damaged elements of the  
 29.21 Science Museum of Minnesota's exterior  
 29.22 envelope and some resultant interior damage  
 29.23 caused by latent design and construction  
 29.24 defects, subject to Minnesota Statutes, section  
 29.25 16A.695. This appropriation is not available  
 29.26 until the commissioner of management and  
 29.27 budget determines that an equal amount has  
 29.28 been committed to the project from nonstate  
 29.29 sources. Capital costs paid by the Science  
 29.30 Museum of Minnesota since January 1, 2014,  
 29.31 relating to the water intrusion damage, shall  
 29.32 count towards the match requirement.

29.33 **Sec. 21. PUBLIC FACILITIES AUTHORITY**

29.34 **Subdivision 1. Total Appropriation** **\$ 150,300,000**

30.1 To the Public Facilities Authority for the  
 30.2 purposes specified in this section.

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

30.4 To match federal grants for the clean water  
 30.5 revolving fund under Minnesota Statutes,  
 30.6 section 446A.07, and the drinking water  
 30.7 revolving fund under Minnesota Statutes,  
 30.8 section 446A.081. This appropriation must  
 30.9 be used for qualified capital projects.

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

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

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

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

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

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

30.33 For grants to eligible municipalities under the  
 30.34 point source implementation grants program  
 30.35 under Minnesota Statutes, section 446A.073.

31.1 This appropriation must be used for qualified  
 31.2 capital projects.

31.3 **Subd. 5. Lewis and Clark Regional Water**  
 31.4 **System**

11,500,000

31.5 This appropriation is from the general fund in  
 31.6 fiscal year 2017 for a grant to the Lewis and  
 31.7 Clark Joint Powers Board to acquire land,  
 31.8 design, engineer, and construct facilities  
 31.9 and infrastructure necessary to complete  
 31.10 Phase 3 of the Lewis and Clark Regional  
 31.11 Water System project, including extension  
 31.12 of the project from the Lincoln-Pipestone  
 31.13 Rural Water System connection near  
 31.14 Adrian to Worthington, construction of a  
 31.15 reservoir in Nobles County and a meter  
 31.16 building in Worthington, and acquiring and  
 31.17 installing a supervisory control and data  
 31.18 acquisition (SCADA) system. This is a  
 31.19 onetime appropriation and is not available  
 31.20 until the commissioner of management and  
 31.21 budget determines that at least \$9,000,000  
 31.22 is committed to the Phase 3 of the project  
 31.23 from nonstate sources. This appropriation  
 31.24 is available until the project is completed or  
 31.25 abandoned, subject to Minnesota Statutes,  
 31.26 section 16A.642.

31.27 **Subd. 6. East Grand Forks**

5,300,000

31.28 For a grant to the city of East Grand  
 31.29 Forks to design and construct wastewater  
 31.30 infrastructure improvements interconnecting  
 31.31 the wastewater system of East Grand Forks  
 31.32 to the wastewater treatment system in Grand  
 31.33 Forks, North Dakota. This appropriation  
 31.34 may not be used for improvements outside  
 31.35 the state. This appropriation is in addition

32.1 to grants under Minnesota Statutes, section  
 32.2 446A.072. A nonstate match is not required.

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

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

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

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

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

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

32.19 From the bond proceeds fund for bond sale  
 32.20 expenses under Minnesota Statutes, section  
 32.21 16A.641, subdivision 8.

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

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

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

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



33.1 Subd. 2. **Transportation fund.** To provide the money appropriated in this act  
33.2 from the bond proceeds account in the state transportation fund, the commissioner  
33.3 of management and budget shall sell and issue bonds of the state in an amount up to  
33.4 \$227,200,000 in the manner, upon the terms, and with the effect prescribed by Minnesota  
33.5 Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI,  
33.6 sections 4 to 7.

33.7 Subd. 3. **Maximum effort school loan fund.** To provide the money appropriated  
33.8 in this act from the maximum effort school loan fund, the commissioner of management  
33.9 and budget shall sell and issue bonds of the state in an amount up to \$14,070,000 in the  
33.10 manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections  
33.11 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

33.12 Subd. 4. **Trunk highway bonds.** To provide the money appropriated in subdivision  
33.13 1 from the bond proceeds account in the trunk highway fund, the commissioner of  
33.14 management and budget shall sell and issue bonds of the state in an amount up to  
33.15 \$70,070,000 in the manner, upon the terms, and with the effect prescribed by Minnesota  
33.16 Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section  
33.17 11, at the times and in the amounts requested by the commissioner of transportation. The  
33.18 proceeds of the bonds, except accrued interest and any premium received from the sale of  
33.19 the bonds, must be deposited in the bond proceeds account in the trunk highway fund.

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

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

33.23 (b) The bond sale authorization in Laws 1994, chapter 643, section 31, subdivision  
33.24 1, as amended, is reduced by \$24,480.

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

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

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

33.31 (f) The bond sale authorization in Laws 2002, chapter 393, section 30, subdivision  
33.32 1, as amended, is reduced by \$188,471.

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

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

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

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

34.7 (k) The \$2,285,000 appropriation from the bond proceeds fund in Laws 2012,  
34.8 First Special Session chapter 1, article 1, section 3, subdivision 2, to the commissioner  
34.9 of public safety for disaster relief, is canceled and the bond sale authorization in Laws  
34.10 2012, First Special Session chapter 1, article 1, section 16, subdivision 1, is reduced  
34.11 by the same amount.

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

34.16 (m) \$2,335,000 of the appropriation from the bond proceeds fund in Laws 2012,  
34.17 First Special Session chapter 1, article 1, section 9, subdivision 2, to the commissioner of  
34.18 natural resources for disaster relief, is canceled, and the bond sale authorization in Laws  
34.19 2012, First Special Session chapter 1, article 1, section 16, subdivision 1, is reduced  
34.20 by the same amount.

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

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

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

35.1 Sec. 27. **EFFECTIVE DATE.**

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

35.4 **ARTICLE 2**35.5 **MISCELLANEOUS**

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

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

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

35.11 (2) the public purpose of the project;

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

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

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

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

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

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

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

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

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

36.4 Subd. 2. **Authorization to issue appropriation bonds.** (a) Subject to the limitations  
36.5 of this subdivision, the commissioner may sell and issue appropriation bonds of the state  
36.6 under this section for public purposes as provided by law, ~~including, in particular, the~~  
36.7 ~~financing of the land acquisition, design, engineering, and construction of facilities and~~  
36.8 ~~infrastructure necessary to complete the next phase of the Lewis and Clark Regional Water~~  
36.9 ~~System project, including completion of the pipeline to Magnolia, extension of the project~~  
36.10 ~~to the Lincoln-Pipestone Rural Water System connection near Adrian, and engineering,~~  
36.11 ~~design, and easement acquisition for the final phase of the project to Worthington. No~~  
36.12 ~~bonds shall be sold until the commissioner determines that a nonstate match of at least~~  
36.13 ~~\$9,000,000 is committed to this project phase. Grant agreements entered into under this~~  
36.14 section must provide for reimbursement to the state from any federal money provided for  
36.15 the project, consistent with the Lewis and Clark Regional Water System, Inc., agreement.

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

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

37.1 bonds shall be sold under this subdivision until the commissioner determines that a  
37.2 nonstate match of at least \$9,000,000 is committed to this project phase. Upon completion  
37.3 of Phase 2, the unspent, unencumbered portion of the appropriation in this subdivision  
37.4 is available for the purposes of Phase 3, which includes extension of the project from  
37.5 the Lincoln-Pipestone Rural Water System connection near Adrian to Worthington,  
37.6 construction of a reservoir in Nobles County and a meter building in Worthington, and  
37.7 acquiring and installing a supervisory control and data acquisition (SCADA) system.

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

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

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

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

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

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

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

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

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

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

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

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

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

38.32 Subdivision 1. **Upper bluff; lease terms.** The commissioner of natural resources  
 38.33 with the approval of the Executive Council may lease for purposes of restoration,  
 38.34 preservation, historical, recreational, educational, and commercial use and development,

39.1 that portion of Fort Snelling State Park known as the upper bluff consisting of officer's  
 39.2 row, area J, the polo grounds, the adjacent golf course, and all buildings and improvements  
 39.3 located thereon, all lying within an area bounded by Minneapolis-St. Paul International  
 39.4 Airport, Trunk Highways numbered 5 and 55, and Bloomington Road. The lease or leases  
 39.5 shall be in a form approved by the attorney general and for a term of not to exceed 99  
 39.6 years. The lease or leases may provide for the provision of capital improvements or other  
 39.7 performance by the tenant or tenants in lieu of all or some of the payments of rent that  
 39.8 would otherwise be required. Notwithstanding the continuing ownership of the upper bluff  
 39.9 by the state, any lease of one or more buildings improved with state general obligation  
 39.10 bond proceeds that exceeds 50 years shall be treated as a sale of the buildings for purposes  
 39.11 of section 16A.695, subdivision 3. Any disposition proceeds payable to the commissioner  
 39.12 upon execution of any lease relating to state bond financed buildings at the upper bluff  
 39.13 shall be applied in accordance with the requirements of section 16A.695, subdivision 3,  
 39.14 and used to pay, redeem, or defease state general obligation bonds issued for purposes of  
 39.15 improving those buildings. Any lease revenues paid to the commissioner subsequent to  
 39.16 the payment, redemption, or defeasance of state general obligation bonds shall be used  
 39.17 by the commissioner as further described in this section.

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

39.19 **115A.51 APPLICATION REQUIREMENTS.**

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

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

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

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

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

39.34 (5) that the applicant has identified waste management objectives in applicable  
 39.35 county and regional waste solid management plans that can be achieved only through

40.1 public ownership of the proposed solid waste management facility and has adequately  
40.2 balanced achievement of the objectives against the requirement of the plans to encourage  
40.3 and protect private ownership of solid waste management facilities.

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

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

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

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

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

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

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

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

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

- 40.30 (1) manufacturing;
- 40.31 (2) technology;
- 40.32 (3) warehousing and distribution;
- 40.33 (4) research and development;



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

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

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

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

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

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

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

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

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

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

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

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

41.28 Subd. 6. **Maximum grant amount.** A county or city may receive no more than  
 41.29 ~~\$1,000,000~~ \$2,000,000 in two years for one or more projects.

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

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

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

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

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

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

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

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

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

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

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

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

42.31 **446A.072 ~~WASTEWATER~~ WATER INFRASTRUCTURE FUNDING**  
42.32 **PROGRAM.**

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

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

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

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

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

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

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

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

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

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

43.35 (d) Each fiscal year the authority shall make funds available for projects based on  
43.36 their ranking on the Pollution Control Agency's project priority list or the commissioner

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

44.8 Subd. 5a. **Type and amount of assistance.** (a) For a governmental unit receiving  
44.9 grant funding from the USDA/RECD, the authority may provide assistance in the form  
44.10 of a grant of up to 65 percent of the eligible grant need determined by USDA/RECD. A  
44.11 governmental unit may not receive a grant under this paragraph for more than ~~\$4,000,000~~  
44.12 \$5,000,000 per project or ~~\$15,000~~ \$20,000 per existing connection, whichever is less,  
44.13 unless specifically approved by law.

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

44.32 (c) For a governmental unit receiving a loan from the drinking water revolving  
44.33 fund under section 446A.081, the authority may provide assistance under this section in  
44.34 the form of a grant if the average annual residential drinking water system cost after  
44.35 completion of the project would otherwise exceed 1.2 percent of the median household  
44.36 income of the project service area. In determining whether the average annual residential

45.1 drinking water system cost would exceed 1.2 percent, the authority must consider the total  
 45.2 costs associated with building, operating, and maintaining the drinking water system,  
 45.3 including existing drinking water debt service, debt service on the eligible project cost,  
 45.4 and operation and maintenance costs. Debt service costs for the proposed project are  
 45.5 calculated based on the maximum loan term permitted for the drinking water revolving  
 45.6 fund loan under section 446A.081, subdivision 8, paragraph (c). The amount of the grant  
 45.7 is equal to 80 percent of the amount needed to reduce the average annual residential  
 45.8 drinking water system cost to 1.2 percent of median household income in the project  
 45.9 service area, to a maximum of \$5,000,000 per project or \$20,000 per existing connection,  
 45.10 whichever is less, unless specifically approved by law. The eligible project cost is  
 45.11 determined by multiplying the total project costs minus any other grants by the essential  
 45.12 project component percentage calculated under subdivision 3, paragraph (c), clause (1). In  
 45.13 no case may the amount of the grant exceed 80 percent of the eligible project cost.

45.14 ~~(e)~~ (d) Notwithstanding the limits in paragraphs (a) ~~and~~ (b), and (c), for a  
 45.15 governmental unit receiving supplemental assistance under this section after January 1,  
 45.16 2002, if the authority determines that the governmental unit's construction and installation  
 45.17 costs are significantly increased due to geological conditions of crystalline bedrock or karst  
 45.18 areas and discharge limits that are more stringent than secondary treatment, the maximum  
 45.19 award under this section shall not be more than \$25,000 per existing connection.

45.20 ~~Subd. 5b. **Special assessment deferral.** A governmental unit receiving a loan~~  
 45.21 ~~under subdivision 5a that levies special assessments to repay the loan under subdivision~~  
 45.22 ~~5a or section 446A.07 may defer payment of such assessments under the provisions of~~  
 45.23 ~~sections 435.193 to 435.195.~~

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

45.28 ~~Subd. 7. **Loan repayments.** Notwithstanding the limitations set forth in section~~  
 45.29 ~~475.54, subdivision 1, this subdivision shall govern the maturities and mandatory sinking~~  
 45.30 ~~fund redemptions of the loans under this section. A governmental unit receiving a loan~~  
 45.31 ~~under this section shall repay the loan in semiannual payment amounts determined by~~  
 45.32 ~~the authority. The payment amount must be based on the average payments on the~~  
 45.33 ~~governmental unit's clean water revolving fund loan or, if greater, the minimum amount~~  
 45.34 ~~required to fully repay the loan by the maturity date. Payments must begin within one year~~  
 45.35 ~~of the date of the governmental unit's final payment on the clean water revolving fund~~  
 45.36 ~~loan. The final maturity date of the loan under this section must be no later than 20 years~~

46.1 ~~from the date of the first payment on the loan under this section and no later than 40 years~~  
46.2 ~~from the date of the first payment on the clean water revolving fund loan.~~

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

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

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

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

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

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

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

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

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

47.7 **446A.073 POINT SOURCE IMPLEMENTATION GRANTS.**

47.8 Subdivision 1. **Program established.** When money is appropriated for grants  
47.9 under this program, the authority shall award grants up to a maximum of ~~\$3,000,000~~  
47.10 \$7,000,000 to governmental units to cover ~~up to one-half~~ 80 percent of the cost of water  
47.11 infrastructure projects made necessary by:

47.12 (1) a wasteload reduction prescribed under a total maximum daily load plan required  
47.13 by section 303(d) of the federal Clean Water Act, United States Code, title 33, section  
47.14 1313(d);

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

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

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

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

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

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

47.33 Subd. 3. **Project priorities.** ~~When money is appropriated for grants under this~~  
47.34 ~~program~~, The authority shall accept applications under this program during the month of  
47.35 July and reserve money for projects expected to proceed with construction by the end of

48.1 the fiscal year in the order listed on the Pollution Control Agency's project priority list and  
48.2 in an amount based on the cost estimate submitted to the authority in the grant application  
48.3 or the as-bid costs, whichever is less. Notwithstanding Minnesota Rules, chapter 7077,  
48.4 the Pollution Control Agency may rank a drinking water infrastructure project on the  
48.5 agency's project priority list if the project is necessary to meet an applicable requirement  
48.6 in subdivision 1.

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

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

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

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

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

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

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

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

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

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

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

48.32 (5) to earn interest on fund accounts;

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



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

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

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

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

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

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

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

50.1 Sec. 15. Minnesota Statutes 2014, section 446A.12, subdivision 1, is amended to read:

50.2 Subdivision 1. **Bonding authority.** The authority may issue negotiable bonds in a  
50.3 principal amount that the authority determines necessary to provide sufficient funds for  
50.4 achieving its purposes, including the making of loans and purchase of securities, the  
50.5 payment of interest on bonds of the authority, the establishment of reserves to secure its  
50.6 bonds, the payment of fees to a third party providing credit enhancement, and the payment  
50.7 of all other expenditures of the authority incident to and necessary or convenient to carry  
50.8 out its corporate purposes and powers, but not including the making of grants. Bonds of  
50.9 the authority may be issued as bonds or notes or in any other form authorized by law.  
50.10 The principal amount of bonds issued and outstanding under this section at any time  
50.11 may not exceed ~~\$1,500,000,000~~ \$2,000,000,000, excluding bonds for which refunding  
50.12 bonds or crossover refunding bonds have been issued, and excluding any bonds issued  
50.13 for the credit enhanced bond program or refunding or crossover refunding bonds issued  
50.14 under the program. The principal amount of bonds issued and outstanding under section  
50.15 446A.087, may not exceed \$500,000,000, excluding bonds for which refunding bonds or  
50.16 crossover refunding bonds have been issued.

50.17 Sec. 16. Laws 2002, chapter 393, section 22, subdivision 6, as amended by Laws 2005,  
50.18 chapter 20, article 1, section 43, and Laws 2013, chapter 136, section 10, is amended to  
50.19 read:

50.20 Subd. 6. **Fergus Falls Regional Treatment**  
50.21 **Center** 3,000,000

50.22 To design, renovate, construct, furnish,  
50.23 and equip ancillary support and program  
50.24 facilities, including improvements to basic  
50.25 infrastructure, such as sanitary and storm  
50.26 sewer and water lines, public streets,  
50.27 curb, gutter, street lights, or sidewalks, to  
50.28 make improvements for building envelope  
50.29 and structural integrity for the purposes  
50.30 of stabilizing the buildings for sale, for  
50.31 hazardous materials abatement, and for  
50.32 demolition of all or portions of surplus,  
50.33 nonfunctional, or deteriorated facilities  
50.34 and infrastructure or to renovate surplus,  
50.35 nonfunctional, or deteriorated facilities and

51.1 infrastructure to facilitate the redevelopment  
 51.2 of the Fergus Falls Regional Treatment  
 51.3 Center campus. If the property is sold or  
 51.4 transferred to a local unit of government, the  
 51.5 unspent portion of this appropriation may be  
 51.6 granted to the local unit of government that  
 51.7 acquires the campus for the purposes stated  
 51.8 in this subdivision.

51.9 Notwithstanding Minnesota Statutes, section  
 51.10 16A.642, the bond sale authorization and  
 51.11 appropriation of bond proceeds in this  
 51.12 subdivision are available until December 31,  
 51.13 ~~2016~~ 2018.

51.14 Sec. 17. Laws 2010, chapter 189, section 7, subdivision 5, is amended to read:

51.15 Subd. 5. **Dam Renovation and Removal** 4,750,000

51.16 To renovate or remove publicly owned dams.  
 51.17 The commissioner shall determine project  
 51.18 priorities as appropriate under Minnesota  
 51.19 Statutes, sections 103G.511 and 103G.515.

51.20 This appropriation includes money for the  
 51.21 following projects:

51.22 (a) Byllesby Dam, Dakota and Goodhue  
 51.23 Counties

51.24 (b) Champlin Mill Pond Dam, Hennepin  
 51.25 County

51.26 (c) Clayton Lake Dam, Pine County

51.27 (d) Drayton Dam, Kittson County

51.28 (e) Hallock Dam, Kittson County

51.29 (f) Lake Bronson Dam, Kittson County

51.30 (g) Lanesboro Dam, Fillmore County

51.31 (h) Milaca Dam, Mille Lacs County

51.32 (i) Montevideo Dam, Chippewa County

52.1 (j) Pike River Dam, St. Louis County  
 52.2 Notwithstanding Minnesota Statutes, section  
 52.3 16A.69, subdivision 2, upon the award of  
 52.4 final contracts for the completion of a project  
 52.5 listed in this subdivision, the commissioner  
 52.6 may transfer the unencumbered balance in the  
 52.7 project account to any other dam renovation  
 52.8 or removal project on the commissioner's  
 52.9 priority list. Notwithstanding the match  
 52.10 requirements in Minnesota Statutes, section  
 52.11 103G.511, a grant to the city of Lanesboro  
 52.12 does not require any nonstate match.

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

52.14 Subd. 3. **Dam Repair, Reconstruction, and**  
 52.15 **Removal** 3,000,000

52.16 To renovate or remove publicly owned dams.  
 52.17 The commissioner shall determine project  
 52.18 priorities as appropriate under Minnesota  
 52.19 Statutes, sections 103G.511 and 103G.515.  
 52.20 Notwithstanding the match requirements  
 52.21 in Minnesota Statutes, section 103G.511,  
 52.22 a grant to the city of Lanesboro does not  
 52.23 require any nonstate match.

52.24 Sec. 19. Laws 2012, chapter 293, section 17, subdivision 4, is amended to read:

52.25 Subd. 4. **Phillips Community Center** 1,750,000

52.26 For a grant to the Minneapolis Park and  
 52.27 Recreation Board to predesign, design,  
 52.28 engineer, reconstruct, renovate, furnish,  
 52.29 and equip the Phillips Community Center  
 52.30 indoor competitive swimming pool and to  
 52.31 predesign, design, engineer, and construct  
 52.32 an additional indoor multipurpose family  
 52.33 pool and facilities associated with an aquatic

53.1 center in the community center, subject to  
 53.2 Minnesota Statutes, section 16A.695.

53.3 This appropriation is not available until  
 53.4 the commissioner determines that at least  
 53.5 \$350,000 is committed from nonstate  
 53.6 sources. Notwithstanding Minnesota  
 53.7 Statutes, section 16A.642, the bond  
 53.8 authorization and appropriation of bond  
 53.9 proceeds for this project are available until  
 53.10 December 31, 2018.

53.11 Sec. 20. Laws 2014, chapter 294, article 1, section 7, subdivision 15, is amended to read:

53.12 Subd. 15. **Grant County Trail Grant** 100,000

53.13 For a grant to Grant County for predesign,  
 53.14 acquisition, ~~and~~ or improvements for a trail  
 53.15 from the city of Elbow Lake to Pomme de  
 53.16 Terre Lake. The commissioner of natural  
 53.17 resources may allocate any amount not  
 53.18 needed to complete this project to state  
 53.19 trail acquisition and improvements under  
 53.20 Minnesota Statutes, section 85.015.

53.21 Sec. 21. Laws 2014, chapter 294, article 1, section 17, subdivision 6, is amended to read:

53.22 Subd. 6. **Inver Grove Heights - Heritage**  
 53.23 **Village Park** 2,000,000

53.24 \$1,500,000 of this appropriation is for a  
 53.25 grant to the city of Inver Grove Heights  
 53.26 and \$500,000 of this appropriation is for a  
 53.27 grant to Dakota County. This appropriation  
 53.28 is for public infrastructure improvements  
 53.29 and land acquisition in and adjacent to the  
 53.30 Heritage Village Park, the Mississippi River  
 53.31 Trail, and the Rock Island Swing Bridge.  
 53.32 These improvements will include but are  
 53.33 not limited to motor vehicle access, utility

54.1 service, stormwater treatment, and trail and  
 54.2 sidewalk connections. This appropriation  
 54.3 is not available until the commissioner of  
 54.4 management and budget has determined that  
 54.5 at least an equal amount has been committed  
 54.6 to the project from nonstate sources.

54.7 Sec. 22. Laws 2014, chapter 294, article 1, section 17, subdivision 12, is amended to  
 54.8 read:

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

54.11 For a grant to the city of West St. Paul to  
 54.12 predesign, design, and construct a ~~pedestrian~~  
 54.13 ~~bridge for the North Urban Regional Trail~~  
 54.14 ~~as an overpass~~ grade separated crossing of  
 54.15 Robert Street in the area near Wentworth  
 54.16 Avenue in West St. Paul for the River to River  
 54.17 Regional Greenway. This appropriation may  
 54.18 also be used to acquire property or purchase  
 54.19 rights-of-way needed for ~~bridge~~ construction.  
 54.20 A nonstate match is not required.

54.21 Sec. 23. Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision  
 54.22 3, is amended to read:

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

54.25 (a) From the bond proceeds account in  
 54.26 the state transportation fund as provided  
 54.27 in Minnesota Statutes, section 174.50, for  
 54.28 construction and reconstruction of local  
 54.29 roads with statewide or regional significance  
 54.30 under Minnesota Statutes, section 174.52,  
 54.31 subdivision 4, or for grants to counties to  
 54.32 assist in paying the costs of rural road safety  
 54.33 capital improvement projects on county

55.1 state-aid highways under Minnesota Statutes,  
55.2 section 174.52, subdivision 4a.

55.3 (b) This appropriation includes \$850,000 for  
55.4 a grant to the city of Sandstone for predesign,  
55.5 design, engineering, and construction of a  
55.6 road extending south off of marked Trunk  
55.7 Highway 23 across from Lundorff Drive  
55.8 to the airport area, and including a bridge  
55.9 over Skunk Creek in Sandstone, in order to  
55.10 facilitate repurposing of an area of the airport  
55.11 into a business park. This appropriation  
55.12 is not available until the commissioner of  
55.13 management and budget determines that  
55.14 sufficient resources to complete the project  
55.15 are committed to it from other sources,  
55.16 including any funds made available from the  
55.17 commissioner of transportation.

55.18 (c) This appropriation includes \$3,770,000  
55.19 for a grant to Kandiyohi County for  
55.20 construction and reconstruction of local  
55.21 roads to facilitate the construction of  
55.22 highway-rail grade separations at ~~U.S.~~  
55.23 ~~Highway 12 and Minnesota Highway 40~~  
55.24 ~~as part of one or more of the following~~  
55.25 highway-rail intersections associated with  
55.26 the Willmar Wye project: U.S. Highway 12,  
55.27 marked Trunk Highway 40, and Kandiyohi  
55.28 County State-Aid Highway 55.

55.29 **Sec. 24. REPORT ON FUTURE OF GLENSHEEN.**

55.30 The Board of Regents of the University of Minnesota must develop a plan for the  
55.31 future of Glensheen, the historic Congdon estate in Duluth, in cooperation and consultation  
55.32 with the city of Duluth, the Minnesota Historical Society, and other interested parties. The  
55.33 plan must address facility ownership, a multiphased asset renewal plan, programmatic  
55.34 operations, and cultural interpretation. The plan must be submitted by January 16, 2017,  
55.35 to the chairs and ranking minority members of the legislative committees with jurisdiction

56.1 over higher education policy and finance, and capital investment, and as provided in  
56.2 Minnesota Statutes, section 3.195.

56.3 Sec. 25. **REPEALER.**

56.4 Minnesota Statutes 2014, section 123A.446, is repealed.

56.5 Sec. 26. **EFFECTIVE DATE.**

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



APPENDIX  
Article locations in H0622-2

ARTICLE 1	APPROPRIATIONS .....	Page.Ln 1.17
ARTICLE 2	MISCELLANEOUS .....	Page.Ln 35.4

APPENDIX  
Repealed Minnesota Statutes: H0622-2

**123A.446 STATE BOND AUTHORIZATION.**

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