

SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 3415

(SENATE AUTHORS: STUMPF and Scalze)

DATE	D-PG	OFFICIAL STATUS
04/01/2016	5458	Introduction and first reading Referred to Capital Investment
05/18/2016	7166	Withdrawn
	7166	Second reading

A bill for an act

1.1 relating to capital investment; authorizing spending to acquire and better public
1.2 land and buildings and other improvements of a capital nature with certain
1.3 conditions; modifying previous appropriations; establishing new programs and
1.4 modifying existing programs; authorizing the sale and issuance of state bonds;
1.5 appropriating money; amending Minnesota Statutes 2014, sections 219.166;
1.6 256E.37; 446A.072; 446A.073, as amended; 446A.081, subdivision 9; 446A.12,
1.7 subdivision 1; 462A.37, subdivisions 1, 2, by adding a subdivision; Minnesota
1.8 Statutes 2015 Supplement, sections 16A.967; 462A.37, subdivision 5; Laws
1.9 2015, chapter 75, article 1, section 3, subdivision 3; proposing coding for new
1.10 law in Minnesota Statutes, chapters 174; 219; repealing Minnesota Statutes
1.11 2014, section 123A.446.

1.12
1.13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1

1.14

1.15

APPROPRIATIONS

1.16 Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

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

2.1 Statutes, section 16A.642. Unless otherwise specified in this act, money appropriated in
 2.2 this act for activities under Minnesota Statutes, sections 16B.307, 84.946, and 135A.046,
 2.3 should not be used for projects that can be financed within a reasonable time frame under
 2.4 Minnesota Statutes, section 16B.322 or 16C.144.

2.5 **APPROPRIATIONS**

2.6 **Sec. 2. UNIVERSITY OF MINNESOTA**

2.7 **Subdivision 1. Total Appropriation** **\$ 153,234,000**

2.8 To the Board of Regents of the University
 2.9 of Minnesota for the purposes specified in
 2.10 this section.

2.11 **Subd. 2. Higher Education Asset Preservation**
 2.12 **and Replacement (HEAPR)** **55,000,000**

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

2.15 **Subd. 3. Chemical Sciences and Advanced**
 2.16 **Materials Science Building** **27,167,000**

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

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

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

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

2.29 To demolish the existing biological sciences
 2.30 greenhouse and to predesign, design,
 2.31 construct, furnish, and equip a greenhouse
 2.32 to support learning and research on the St.
 2.33 Paul campus.

3.1 Subd. 6. University Share

3.2 Except for the appropriation for HEAPR, the
3.3 appropriations in this section are intended to
3.4 cover approximately two-thirds of the cost of
3.5 each project. The remaining costs must be
3.6 paid from university sources.

3.7 Subd. 7. Unspent Appropriations

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

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

3.26 Subdivision 1. Total Appropriation **\$ 190,067,000**

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

3.30 **Subd. 2. Higher Education Asset Preservation**
3.31 **and Replacement (HEAPR)** **80,000,000**

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

3.34 **Subd. 3. Bemidji State University** **18,097,000**

- 4.1 To demolish Hagg-Sauer Hall and construct,
 4.2 furnish, and equip its replacement, the
 4.3 Academic Learning Center; to renovate
 4.4 and renew, furnish, and equip Bensen Hall,
 4.5 Sattgast Hall, Bangsberg Hall, and A.C.
 4.6 Clark Library.
- 4.7 **Subd. 4. Hibbing Community College** 9,958,000
- 4.8 To demolish Building G and connecting
 4.9 links or portions thereof, and to construct,
 4.10 renovate, furnish, and equip buildings, links,
 4.11 and entry spaces on the campus.
- 4.12 **Subd. 5. Minnesota State Community and**
 4.13 **Technical College**
- 4.14 **(a) Fergus Falls campus** 978,000
- 4.15 To design, renovate, furnish, and equip
 4.16 a new Center for Student and Workforce
 4.17 Success (CSWS) that integrates the Regional
 4.18 Workforce Center. The board must enter into
 4.19 a lease agreement with the commissioner of
 4.20 employment and economic development,
 4.21 or partners of the commissioner, for use of
 4.22 the workforce center subject to Minnesota
 4.23 Statutes, section 16A.695. The board must
 4.24 use nonstate money for the remainder of the
 4.25 cost of the renovation.
- 4.26 **(b) Wadena campus** 820,000
- 4.27 To design, renovate, furnish, and equip
 4.28 the relocation of the current library to
 4.29 underutilized space and converting the
 4.30 vacated space into a centralized student
 4.31 services center.
- 4.32 **Subd. 6. Minnesota State University, Mankato** 6,525,000
- 4.33 To complete design, renovate, furnish, and
 4.34 equip space in Armstrong, Morris, Wissink,

5.1	<u>and Wiecking Halls to repurpose space being</u>	
5.2	<u>vacated by programs moving into the new</u>	
5.3	<u>Clinical Sciences building, and complete</u>	
5.4	<u>installation of a solar array on the new</u>	
5.5	<u>Clinical Sciences building (Phase 1).</u>	
5.6	<u>Subd. 7. Northland Community and Technical</u>	
5.7	<u>College, East Grand Forks</u>	<u>826,000</u>
5.8	<u>To design, renovate, furnish, and equip</u>	
5.9	<u>science and radiological lab space on the</u>	
5.10	<u>East Grand Forks campus.</u>	
5.11	<u>Subd. 8. Rochester Community and Technical</u>	
5.12	<u>College</u>	<u>20,385,000</u>
5.13	<u>To complete design, demolish Memorial and</u>	
5.14	<u>Plaza Halls, construct, equip, and furnish an</u>	
5.15	<u>academic building expansion, and renovate,</u>	
5.16	<u>equip, and furnish replacement space for</u>	
5.17	<u>classrooms, labs, and office spaces.</u>	
5.18	<u>Subd. 9. South Central College, North</u>	
5.19	<u>Mankato</u>	<u>8,600,000</u>
5.20	<u>To design, renovate, renew, furnish, and</u>	
5.21	<u>equip laboratory, classroom and office spaces</u>	
5.22	<u>on the North Mankato campus.</u>	
5.23	<u>Subd. 10. St. Cloud State University</u>	<u>18,572,000</u>
5.24	<u>To construct, renovate, furnish, and</u>	
5.25	<u>equip Eastman Hall for the relocation of</u>	
5.26	<u>consolidated student health services and</u>	
5.27	<u>academic programs.</u>	
5.28	<u>Subd. 11. Winona State University, Education</u>	
5.29	<u>Village, Phase 2</u>	<u>25,306,000</u>
5.30	<u>To complete design, construct, renovate,</u>	
5.31	<u>furnish, and equip Phase 2 of the Education</u>	
5.32	<u>Village project, including the renovation</u>	
5.33	<u>of Cathedral and Wabasha Halls and</u>	
5.34	<u>Wabasha Rec, and remove obsolete portions</u>	

6.1 of Wabasha Rec and the Annex building
6.2 between Cathedral School and Wabasha Rec.

6.3 Subd. 12. **Debt Service**

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

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

6.19 (c) The commissioner of management and
6.20 budget shall reduce the board's assessment
6.21 each year by one-third of the net income
6.22 from investment of general obligation bond
6.23 proceeds in proportion to the amount of
6.24 principal and interest otherwise required to
6.25 be paid by the board. The board shall pay its
6.26 resulting net assessment to the commissioner
6.27 of management and budget by December
6.28 1 each year. If the board fails to make
6.29 a payment when due, the commissioner
6.30 of management and budget shall reduce
6.31 allotments for appropriations from the
6.32 general fund otherwise available to the board
6.33 and apply the amount of the reduction to
6.34 cover the missed debt service payment. The
6.35 commissioner of management and budget

7.1 shall credit the payments received from the
7.2 board to the bond debt service account in
7.3 the state bond fund each December 1 before
7.4 money is transferred from the general fund
7.5 under Minnesota Statutes, section 16A.641,
7.6 subdivision 10.

7.7 **Subd. 13. Unspent Appropriations**

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

7.24 (b) The unspent portion of an appropriation
7.25 for a project in this section that is complete is
7.26 available for HEAPR under this subdivision,
7.27 at the same campus as the project for which
7.28 the original appropriation was made and the
7.29 debt service requirement under subdivision
7.30 18 is reduced accordingly. Minnesota
7.31 Statutes, section 16A.642, applies from the
7.32 date of the original appropriation to the
7.33 unspent amount transferred.

7.34 **Sec. 4. EDUCATION**

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

8.2 To the commissioner of education for the
8.3 purposes specified in this section.

8.4 Subd. 2. **Red Lake Independent School District**
8.5 **No. 38 Facility Projects** 14,070,000

8.6 (a) This appropriation is from the maximum
8.7 effort school loan fund for a capital loan
8.8 to Independent School District No. 38,
8.9 Red Lake, as provided in Minnesota
8.10 Statutes, sections 126C.60 to 126C.72.

8.11 This appropriation is to complete design
8.12 and construction of a connection structure
8.13 between the Red Lake Early Learning
8.14 Childhood Center and Red Lake Elementary
8.15 School; renovations to various classrooms,
8.16 labs, and support rooms; updating of
8.17 mechanical systems; and expansion of the
8.18 cafeteria. Before any capital loan contract is
8.19 approved under this subdivision, the district
8.20 must provide documentation acceptable to
8.21 the commissioner of education on how the
8.22 capital loan will be used.

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

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

9.1 For library construction grants under
 9.2 Minnesota Statutes, section 134.45.

9.3 **Sec. 5. MINNESOTA STATE ACADEMIES**

9.4 **Subdivision 1. Total Appropriation** **\$ 2,210,000**

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

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

9.8 For capital asset preservation improvements
 9.9 and betterments on both campuses of the
 9.10 Minnesota State Academies, to be spent in
 9.11 accordance with Minnesota Statutes, section
 9.12 16B.307.

9.13 **Subd. 3. Minnesota State Academies Track** **160,000**

9.14 For the construction of a track located on
 9.15 the Minnesota State Academy for the Blind
 9.16 campus, subject to Minnesota Statutes,
 9.17 section 16A.695. This appropriation is
 9.18 not available until the commissioner of
 9.19 management and budget determines that an
 9.20 amount sufficient to complete the project is
 9.21 committed from nonstate sources.

9.22 **Subd. 4. Minnesota State Academies Security**
 9.23 **Corridor** **50,000**

9.24 For predesign for a safety corridor on the
 9.25 Minnesota State Academy for the Deaf
 9.26 campus.

9.27 **Sec. 6. PERPICH CENTER FOR ARTS**
 9.28 **EDUCATION** **\$ 2,300,000**

9.29 To the commissioner of administration for
 9.30 capital asset preservation improvements and
 9.31 betterments at the Perpich Center for Arts
 9.32 Education, to be spent in accordance with
 9.33 Minnesota Statutes, section 16B.307.

10.1 **Sec. 7. NATURAL RESOURCES**10.2 **Subdivision 1. Total Appropriation** **\$ 73,263,000**

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

10.5 (b) The appropriations in this section are
 10.6 subject to the requirements of the natural
 10.7 resources capital improvement program
 10.8 under Minnesota Statutes, section 86A.12,
 10.9 unless this section or the statutes referred
 10.10 to in this section provide more specific
 10.11 standards, criteria, or priorities for projects
 10.12 than Minnesota Statutes, section 86A.12.

10.13 **Subd. 2. Natural Resources Asset Preservation** **33,000,000**

10.14 For the renovation of state-owned facilities
 10.15 and recreational assets operated by the
 10.16 commissioner of natural resources to
 10.17 be spent in accordance with Minnesota
 10.18 Statutes, section 84.946. Notwithstanding
 10.19 Minnesota Statutes, section 84.946: (1) the
 10.20 commissioner may use this appropriation
 10.21 to replace buildings if, considering the
 10.22 embedded energy in the building, that is the
 10.23 most energy-efficient and carbon-reducing
 10.24 method of renovation; and (2) this
 10.25 appropriation may be used for projects to
 10.26 remove life safety hazards such as building
 10.27 code violations or structural defects.

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

10.29 (a) For the state share of flood hazard
 10.30 mitigation grants for publicly owned capital
 10.31 improvements to prevent or alleviate flood
 10.32 damage under Minnesota Statutes, section
 10.33 103F.161.

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

11.4 (c) Project priorities shall be determined by
 11.5 the commissioner as appropriate and based
 11.6 on need.

11.7 (d) This appropriation includes money for the
 11.8 following municipal projects: Montevideo
 11.9 and Halstad.

11.10 (e) For any project listed in this subdivision
 11.11 that the commissioner determines is not
 11.12 ready to proceed or does not expend all the
 11.13 money allocated to it, the commissioner may
 11.14 allocate that project's money to a project on
 11.15 the commissioner's priority list.

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

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

11.23 To design and construct office and storage
 11.24 buildings, to replace buildings that are in
 11.25 poor condition, outdated, and no longer
 11.26 support the work of the department. This
 11.27 appropriation includes money to predesign a
 11.28 consolidated office in Bemidji.

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

11.30 (a) To renovate or remove publicly owned
 11.31 dams. The commissioner shall determine
 11.32 project priorities as appropriate under
 11.33 Minnesota Statutes, sections 103G.511 and
 11.34 103G.515.

- 12.1 (b) This appropriation includes money for
 12.2 the Bronson Dam in Lake Bronson State
 12.3 Park. If the commissioner determines that
 12.4 the Bronson project is not ready to proceed,
 12.5 this appropriation may be used for other
 12.6 projects on the commissioner's priority list.
- 12.7 **Subd. 6. RIM Critical Habitat** 2,000,000
- 12.8 To provide the state match for the critical
 12.9 habitat private sector matching account under
 12.10 Minnesota Statutes, section 84.943.
- 12.11 **Subd. 7. Fish Hatchery Development** 1,000,000
- 12.12 For improvements and system upgrades of a
 12.13 capital nature to hatchery facilities owned by
 12.14 the state and operated by the commissioner of
 12.15 natural resources under Minnesota Statutes,
 12.16 section 97A.045, subdivision 1, to prevent
 12.17 the spread of invasive species and pathogens.
- 12.18 **Subd. 8. Mille Lacs Lake Fisheries**
 12.19 **Management Station** 3,500,000
- 12.20 To design and construct a fishery
 12.21 management station near Lake Mille Lacs to
 12.22 provide office, hatchery, and storage space.
- 12.23 **Subd. 9. Reforestation and Stand Improvement** 2,000,000
- 12.24 To provide for reforestation and stand
 12.25 improvement on state forest lands to meet
 12.26 the reforestation requirements of Minnesota
 12.27 Statutes, section 89.002, subdivision 2,
 12.28 including purchasing native seeds and native
 12.29 seedlings, planting, seeding, site preparation,
 12.30 and protection on state lands administered
 12.31 by the commissioner.
- 12.32 **Subd. 10. Native Prairie Bank Acquisition and**
 12.33 **Development** 2,000,000

- 13.1 To acquire native prairie bank easements
 13.2 under Minnesota Statutes, section 84.96, and
 13.3 to develop and restore prairie bank lands.
- 13.4 **Subd. 11. Itasca State Park Renovations** 3,000,000
- 13.5 To provide for the renovation of buildings
 13.6 and infrastructure and for natural
 13.7 resources restoration in Itasca State Park.
 13.8 Projects include safety and accessibility
 13.9 improvements, rehabilitation of the historic
 13.10 Nicollet Court building, and erosion
 13.11 protection at the headwaters.
- 13.12 **Subd. 12. Wildlife Management Areas/**
 13.13 **Aquatic Management Areas Acquisition and**
 13.14 **Development** 9,500,000
- 13.15 To acquire wildlife management areas
 13.16 and aquatic management areas and for
 13.17 improvements to develop, protect, or
 13.18 improve habitat under Minnesota Statutes,
 13.19 section 86A.05, subdivisions 8 and 14.
- 13.20 **Subd. 13. State Park Campground Renovations** 1,000,000
- 13.21 To rehabilitate and provide enhancements
 13.22 to campgrounds, including meeting code
 13.23 requirements and improving safety and
 13.24 accessibility. This appropriation is for the
 13.25 campground at Jay Cooke State Park and
 13.26 high-priority work at other campgrounds.
- 13.27 **Subd. 14. Park, State Recreation Area, and**
 13.28 **Trail Development** 2,000,000
- 13.29 For acquisition and development of
 13.30 recreational features in state parks, state
 13.31 recreation areas, and state trails. Priority
 13.32 projects include Heartland Trail-Tower Hill,
 13.33 Gitchi-Gami Trail at Tofte, Paul Bunyan
 13.34 Trail at Bemidji, and design of the Lake
 13.35 Vermilion visitor center.

14.1	<u>Subd. 15. Scientific and Natural Area</u>		
14.2	<u>Acquisition and Development</u>		<u>1,000,000</u>
14.3	<u>To acquire land for scientific and natural</u>		
14.4	<u>areas and for improvements to develop,</u>		
14.5	<u>protect, or improve scientific and natural</u>		
14.6	<u>areas under Minnesota Statutes, sections</u>		
14.7	<u>84.033 and 86A.05, subdivision 5.</u>		
14.8	<u>Subd. 16. Two Harbors Small Craft Harbor</u>		
14.9	<u>Facility</u>		<u>763,000</u>
14.10	<u>For a grant to the City of Two Harbors to</u>		
14.11	<u>design and engineer a small craft harbor</u>		
14.12	<u>within the City of Two Harbors. This</u>		
14.13	<u>appropriation is not available until the</u>		
14.14	<u>commissioner of management and budget</u>		
14.15	<u>confirms that an amount sufficient to</u>		
14.16	<u>complete the project is committed from</u>		
14.17	<u>nonstate sources.</u>		
14.18	<u>Subd. 17. Unspent Appropriations</u>		
14.19	<u>The unspent portion of an appropriation for</u>		
14.20	<u>a project in this section that is complete,</u>		
14.21	<u>upon written notice to the commissioner</u>		
14.22	<u>of management and budget, is available</u>		
14.23	<u>for asset preservation under Minnesota</u>		
14.24	<u>Statutes, section 84.946. Minnesota Statutes,</u>		
14.25	<u>section 16A.642, applies from the date of the</u>		
14.26	<u>original appropriation to the unspent amount</u>		
14.27	<u>transferred.</u>		
14.28	<u>Sec. 8. POLLUTION CONTROL AGENCY</u>		
14.29	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>24,705,000</u>
14.30	<u>To the Pollution Control Agency for the</u>		
14.31	<u>purposes specified in this section.</u>		
14.32	<u>Subd. 2. St. Louis River Cleanup</u>		<u>12,705,000</u>

- 15.1 To design and implement contaminated
 15.2 sediment management actions identified in
 15.3 the St. Louis River remedial action plan to
 15.4 restore water quality in the St. Louis River
 15.5 Area of Concern.
- 15.6 **Subd. 3. Closed Landfill Cleanup** **12,000,000**
- 15.7 To design and construct remedial systems and
 15.8 acquire land at closed landfills throughout the
 15.9 state in accordance with the closed landfill
 15.10 program under Minnesota Statutes, sections
 15.11 115B.39 to 115B.42. The agency must
 15.12 follow the agency priorities, which includes
 15.13 a construction project at the waste disposal
 15.14 engineering (WDE) site in Anoka County.
- 15.15 **Sec. 9. AGRICULTURE** **\$ 2,218,000**
- 15.16 From the general fund in fiscal year
 15.17 2017 to the commissioner of agriculture for
 15.18 equipment and instruments for the agriculture
 15.19 laboratory. This appropriation is available
 15.20 until June 30, 2022.
- 15.21 **Sec. 10. RURAL FINANCE AUTHORITY** **\$ 35,000,000**
- 15.22 For the purposes set forth in the Minnesota
 15.23 Constitution, article XI, section 5, paragraph
 15.24 (h), to the Rural Finance Authority to
 15.25 purchase participation interests in or to
 15.26 make direct agricultural loans to farmers
 15.27 under Minnesota Statutes, chapter 41B. This
 15.28 appropriation is from the bond proceeds
 15.29 account in the rural finance administration
 15.30 fund and is for the beginning farmer program
 15.31 under Minnesota Statutes, section 41B.039;
 15.32 the loan restructuring program under
 15.33 Minnesota Statutes, section 41B.04; the

16.1 seller-sponsored program under Minnesota
 16.2 Statutes, section 41B.042; the agricultural
 16.3 improvement loan program under Minnesota
 16.4 Statutes, section 41B.043; and the livestock
 16.5 expansion loan program under Minnesota
 16.6 Statutes, section 41B.045. All debt service
 16.7 on bond proceeds used to finance this
 16.8 appropriation must be repaid by the Rural
 16.9 Finance Authority under Minnesota Statutes,
 16.10 section 16A.643. Loan participations
 16.11 must be priced to provide full interest
 16.12 and principal coverage and a reserve for
 16.13 potential losses. Priority for loans must be
 16.14 given first to basic beginning farmer loans,
 16.15 second to seller-sponsored loans, and third to
 16.16 agricultural improvement loans.

16.17 **Sec. 11. BOARD OF WATER AND SOIL**
 16.18 **RESOURCES**

16.19 **Subdivision 1. Total Appropriation** **\$ 35,000,000**

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

16.22 **Subd. 2. Reinvest in Minnesota (RIM) Reserve**
 16.23 **Program** **30,000,000**

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

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

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

17.13 **Subd. 3. Local Government Roads Wetland**
 17.14 **Replacement Program**

5,000,000

17.15 To acquire land or permanent easements
 17.16 and to restore, create, enhance, and preserve
 17.17 wetlands to replace those wetlands drained or
 17.18 filled as a result of the repair, reconstruction,
 17.19 replacement, or rehabilitation of existing
 17.20 public roads as required by Minnesota
 17.21 Statutes, section 103G.222, subdivision 1,
 17.22 paragraphs (l) and (m). The board may vary
 17.23 the priority order of Minnesota Statutes,
 17.24 section 103G.222, subdivision 3, paragraph
 17.25 (a), to implement an in-lieu fee agreement
 17.26 approved by the U.S. Army Corps of
 17.27 Engineers under section 404 of the Clean
 17.28 Water Act. The purchase price paid for
 17.29 acquisition of land or perpetual easement
 17.30 must be a fair market value as determined
 17.31 by the board. The board may enter into
 17.32 agreements with the federal government,
 17.33 other state agencies, political subdivisions,
 17.34 nonprofit organizations, fee title owners, or
 17.35 other qualified private entities to acquire

18.1 wetland replacement credits in accordance
 18.2 with Minnesota Rules, chapter 8420.

18.3 **Sec. 12. MINNESOTA ZOOLOGICAL**
 18.4 **GARDEN**

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

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

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

18.9 For capital asset preservation improvements
 18.10 and betterments to infrastructure and
 18.11 exhibits at the Minnesota Zoo, to be spent in
 18.12 accordance with Minnesota Statutes, section
 18.13 16B.307.

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

18.15 To complete the Heart of the Zoo II project,
 18.16 including renovation of the snow monkey
 18.17 exhibit and surrounding public spaces and
 18.18 construction of a meerkat exhibit.

18.19 **Sec. 13. ADMINISTRATION**

18.20 **Subdivision 1. Total Appropriation** **\$ 47,428,000**

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

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

18.25 For the design, construction, and equipping
 18.26 required to upgrade the physical security
 18.27 elements and systems for the buildings
 18.28 listed below, their attached tunnel systems,
 18.29 and their surrounding grounds, and parking
 18.30 facilities as identified in the 2014 Minnesota
 18.31 State Capitol Complex Physical Security
 18.32 Study conducted by Miller Dunwiddie
 18.33 Architecture. Work includes but is not

- 19.1 limited to the installation of bollards, blast
 19.2 protection, infrastructure security screen
 19.3 walls, door access controls, emergency call
 19.4 stations, security kiosks, locking devices,
 19.5 and traffic control. This appropriation
 19.6 includes money for work associated with
 19.7 the following buildings: Administration,
 19.8 Centennial, Judicial, Ag/Health Lab,
 19.9 Minnesota History Center, Minnesota
 19.10 History Center Loading Dock, Capitol
 19.11 Complex Power Plant and Shops, Stassen,
 19.12 State Office, and Veterans Service.
- 19.13 **Subd. 3. Capitol Complex - Physical Security**
 19.14 **Upgrades** 7,700,000
- 19.15 From the general fund in fiscal year 2017,
 19.16 for the design, construction, and equipping
 19.17 required to upgrade the physical security
 19.18 elements and systems for the buildings
 19.19 listed below, their attached tunnel systems,
 19.20 and their surrounding grounds and parking
 19.21 facilities as identified in the 2014 Minnesota
 19.22 State Capitol Complex Physical Security
 19.23 Study conducted by Miller Dunwiddie
 19.24 Architecture. Work includes but is not
 19.25 limited to the installation of bollards, blast
 19.26 protection, infrastructure security screen
 19.27 walls, door access controls, emergency call
 19.28 stations, security kiosks, locking devices,
 19.29 and traffic control. This appropriation
 19.30 includes money for work associated with the
 19.31 following buildings: Andersen, Freeman,
 19.32 Retirement Systems, and Transportation.
- 19.33 **Subd. 4. Centennial Parking Ramp** 10,878,000
- 19.34 For structural repairs throughout the
 19.35 Centennial parking ramp, including damaged

20.1	<u>post-tension cables and the vapor barrier</u>	
20.2	<u>under the top deck green space, and</u>	
20.3	<u>installation of a deck surface protection</u>	
20.4	<u>coating and a storm water retention basin.</u>	
20.5	<u>Subd. 5. Visitor and Staff Parking Facilities</u>	<u>6,000,000</u>
20.6	<u>To acquire property, prepare design</u>	
20.7	<u>documents and demolish existing structures,</u>	
20.8	<u>complete hazardous materials abatement and</u>	
20.9	<u>cleanup, and design, construct, and equip</u>	
20.10	<u>additional visitor and staff surface parking</u>	
20.11	<u>in the Capitol Area.</u>	
20.12	<u>Subd. 6. Capitol Complex Monuments and</u>	
20.13	<u>Memorials</u>	<u>350,000</u>
20.14	<u>To design and complete critical repairs to the</u>	
20.15	<u>Peace Officers and Roy Wilkins memorials</u>	
20.16	<u>located on the Capitol complex.</u>	
20.17	<u>Subd. 7. Capital Asset Preservation and</u>	
20.18	<u>Replacement Account</u>	<u>2,500,000</u>
20.19	<u>To be spent in accordance with Minnesota</u>	
20.20	<u>Statutes, section 16A.632.</u>	
20.21	<u>Subd. 8. Agency Relocation</u>	<u>1,500,000</u>
20.22	<u>From the general fund in fiscal year 2017 to</u>	
20.23	<u>relocate boards, councils, state agencies, and</u>	
20.24	<u>other state entities as needed for the efficient</u>	
20.25	<u>and effective operation of state government.</u>	
20.26	<u>This appropriation is available until June 30,</u>	
20.27	<u>2022.</u>	
20.28	Sec. 14. <u>MN.IT</u>	<u>\$ 1,432,000</u>
20.29	<u>To the commissioner of administration</u>	
20.30	<u>to predesign, design, construct, renovate,</u>	
20.31	<u>furnish, and equip existing state data</u>	
20.32	<u>center facilities at the Bureau of Criminal</u>	
20.33	<u>Apprehension's Maryland Avenue office</u>	
20.34	<u>building and at the Department of Revenue's</u>	

- 21.1 Stassen Office Building for the purpose
 21.2 of decommissioning and repurposing into
 21.3 usable office space.
- 21.4 **Sec. 15. MINNESOTA AMATEUR SPORTS**
 21.5 **COMMISSION**
- 21.6 **Subdivision 1. Total Appropriation** **\$ 5,582,000**
- 21.7 To the Minnesota Amateur Sports
 21.8 Commission for the purposes specified in
 21.9 this section.
- 21.10 **Subd. 2. National Sports Center Expansion** **5,082,000**
- 21.11 To prepare a site for, including demolition,
 21.12 and to construct maintenance facilities,
 21.13 parking lots, roads, athletic fields, and other
 21.14 infrastructure necessary to complete the
 21.15 tournament field expansion at the National
 21.16 Sports Center in Blaine.
- 21.17 **Subd. 3. Asset Preservation** **500,000**
- 21.18 For asset preservation improvements and
 21.19 betterments of a capital nature at the National
 21.20 Sports Center in Blaine, to be spent in
 21.21 accordance with Minnesota Statutes, section
 21.22 16B.307.
- 21.23 **Sec. 16. MILITARY AFFAIRS**
- 21.24 **Subdivision 1. Total Appropriation** **\$ 10,500,000**
- 21.25 To the adjutant general for the purposes
 21.26 specified in this section.
- 21.27 **Subd. 2. Asset Preservation** **2,500,000**
- 21.28 For asset preservation improvements and
 21.29 betterments of a capital nature at military
 21.30 affairs facilities statewide, to be spent in
 21.31 accordance with Minnesota Statutes, section
 21.32 16B.307.

- 22.1 **Subd. 3. Metropolitan Area Armory** 4,500,000
- 22.2 To predesign, design, construct, furnish,
- 22.3 and equip a new National Guard Readiness
- 22.4 Center in a metropolitan county as defined
- 22.5 in Minnesota Statutes, section 473.121,
- 22.6 subdivision 4. This appropriation is intended
- 22.7 to support construction of a joint National
- 22.8 Guard Readiness Center and city of West St.
- 22.9 Paul municipal building located in the city of
- 22.10 West St. Paul, provided that the city identifies
- 22.11 suitable land to meet federal rules for armory
- 22.12 construction and agrees by the end of 2016
- 22.13 to commit sufficient local funds to complete
- 22.14 the project. In the event that the city is
- 22.15 unable to identify suitable land and commit
- 22.16 sufficient local funds within this time frame,
- 22.17 the adjutant general may select the next
- 22.18 preferred metropolitan location for a new
- 22.19 National Guard Readiness Center based on
- 22.20 the following conditions: (1) land availability
- 22.21 in accordance with federal requirements
- 22.22 for armory construction; and (2) local
- 22.23 community ability to provide sufficient funds
- 22.24 to meet federal rules for armory construction.
- 22.25 This appropriation is not available until the
- 22.26 commissioner of management and budget
- 22.27 determines that an amount sufficient to
- 22.28 complete the project is committed from
- 22.29 nonstate sources.
- 22.30 **Subd. 4. St. Cloud Armory** 3,500,000
- 22.31 To complete design, renovation, expansion,
- 22.32 furnishing, and equipping of the St. Cloud
- 22.33 Readiness Center. The renovation includes
- 22.34 but is not limited to: installing HVAC
- 22.35 systems, improving life/safety systems,

23.1 increasing energy efficiency, and upgrading
 23.2 the facility to serve a dual gender force.

23.3 **Subd. 5. Unspent Appropriations**

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

23.13 **Sec. 17. PUBLIC SAFETY**

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

23.15 To the commissioner of public safety for the
 23.16 purposes specified in this section.

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

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

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

23.30 To design and construct a joint emergency
 23.31 railroad and pipeline emergency response
 23.32 training facility at Camp Ripley, including
 23.33 the construction of stations and capital

24.1 infrastructure needed for mock disaster
24.2 training.

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

24.5 For a grant to the city of Minneapolis
24.6 for the predesign, design, engineering,
24.7 and construction of the expansion of the
24.8 Emergency Operation Center and Fire
24.9 Training Facility. This appropriation is
24.10 not available until the commissioner of
24.11 management and budget determines that an
24.12 equal amount is committed to the project
24.13 from nonstate sources.

24.14 **Sec. 18. TRANSPORTATION**

24.15 **Subdivision 1. Total Appropriation** **\$ 232,178,000**

24.16 To the commissioner of transportation for the
24.17 purposes specified in this section.

24.18 **Subd. 2. Local Bridge Replacement and**
24.19 **Rehabilitation** 74,795,000

24.20 This appropriation is from the bond proceeds
24.21 account in the state transportation fund
24.22 to match federal money and to replace
24.23 or rehabilitate local deficient bridges as
24.24 provided in Minnesota Statutes, section
24.25 174.50. Of this amount:

24.26 (1) \$31,875,000 is for a grant to the city of
24.27 Minneapolis to design and construct a major
24.28 rehabilitation of the 10th Avenue SE bridge
24.29 over the Mississippi River; and

24.30 (2) \$42,920,000 is for a grant to the city of
24.31 Saint Paul to remove the existing Kellogg
24.32 Boulevard bridge over the BNSF Railroad
24.33 and Interstate 94, acquire right-of-way,
24.34 design, and construct a replacement bridge

25.1 that includes multimodal elements for
 25.2 bicycles, pedestrians, and transit. In addition,
 25.3 any roadway approach reconstruction work
 25.4 identified within the project limits, including
 25.5 right-of-way acquisition and design, is
 25.6 eligible for funding.

25.7 **Subd. 3. Rail Grade Separation on Crude Oil**
 25.8 **Rail Corridors**

69,624,000

25.9 (a) To design and construct rail safety
 25.10 projects at highway railroad grade crossings
 25.11 in accordance with Minnesota Statutes,
 25.12 section 219.016. Of this appropriation:

25.13 (1) \$42,262,000 is for a grant to the city
 25.14 of Moorhead for environmental analysis,
 25.15 design, engineering, removal of an existing
 25.16 structure, and construction of a rail grade
 25.17 crossing separation in the vicinity of 21st
 25.18 Street South;

25.19 (2) \$14,762,000 is for a grant to the city of
 25.20 Red Wing for environmental analysis, design,
 25.21 engineering, removal of an existing structure,
 25.22 and construction of a rail grade crossing
 25.23 separation at Sturgeon Lake Road; and

25.24 (3) \$12,600,000 is for a grant to Anoka
 25.25 County for environmental analysis, design,
 25.26 engineering, removal of an existing structure,
 25.27 and construction of a rail grade crossing
 25.28 separation at Anoka County State-Aid
 25.29 Highway 78, known as Hanson Boulevard,
 25.30 in Coon Rapids.

25.31 (b) Any unspent portion of this appropriation
 25.32 after completion of any project in this
 25.33 subdivision may be used for additional grants
 25.34 in accordance with Minnesota Statutes,
 25.35 section 219.016.

26.1	<u>Subd. 4. Railroad Warning Devices</u>	<u>5,000,000</u>
26.2	<u>To design, construct, and equip replacement</u>	
26.3	<u>of active highway-rail grade warning devices</u>	
26.4	<u>that have reached the end of their useful life.</u>	
26.5	<u>Subd. 5. Facilities Capital Program</u>	<u>40,000,000</u>
26.6	<u>From the bond proceeds account in the trunk</u>	
26.7	<u>highway fund for the transportation facilities</u>	
26.8	<u>capital program under Minnesota Statutes,</u>	
26.9	<u>section 174.13, which supports the agency's</u>	
26.10	<u>building infrastructure needs.</u>	
26.11	<u>Subd. 6. Passenger Rail Program</u>	<u>1,000,000</u>
26.12	<u>To implement capital improvements and</u>	
26.13	<u>betterments for intercity passenger rail</u>	
26.14	<u>projects as identified in the statewide freight</u>	
26.15	<u>and passenger rail plan under Minnesota</u>	
26.16	<u>Statutes, section 174.03, subdivision 1b,</u>	
26.17	<u>that are determined to be eligible for United</u>	
26.18	<u>States Department of Transportation funding.</u>	
26.19	<u>Notwithstanding any law to the contrary, a</u>	
26.20	<u>portion or phase of an intercity passenger</u>	
26.21	<u>rail project may be accomplished with</u>	
26.22	<u>one or more state appropriations and an</u>	
26.23	<u>intercity passenger rail project need not</u>	
26.24	<u>be completed with any one appropriation.</u>	
26.25	<u>Capital improvements and betterments</u>	
26.26	<u>include preliminary engineering, project</u>	
26.27	<u>administration, design, engineering,</u>	
26.28	<u>environmental analysis, and mitigation,</u>	
26.29	<u>acquisition of land and right-of-way, and</u>	
26.30	<u>construction.</u>	
26.31	<u>Subd. 7. Rail Quiet Zones</u>	<u>10,000,000</u>
26.32	<u>For grants under Minnesota Statutes,</u>	
26.33	<u>section 219.166. Up to ten percent</u>	
26.34	<u>of this appropriation may be used for</u>	

27.1	<u>eligible activities necessary to support the</u>	
27.2	<u>implementation and delivery of the program.</u>	
27.3	<u>Subd. 8. Port Development Assistance</u>	<u>10,000,000</u>
27.4	<u>For grants under Minnesota Statutes, chapter</u>	
27.5	<u>457A. Any improvements made with the</u>	
27.6	<u>proceeds of these grants must be publicly</u>	
27.7	<u>owned.</u>	
27.8	<u>Subd. 9. Duluth Airport Authority</u>	<u>5,274,000</u>
27.9	<u>This appropriation is from the state airports</u>	
27.10	<u>fund in fiscal year 2017 to provide the</u>	
27.11	<u>federal match to design and construct runway</u>	
27.12	<u>infrastructure at the Duluth International</u>	
27.13	<u>and Sky Harbor Airports in accordance</u>	
27.14	<u>with Minnesota Statutes, section 360.017.</u>	
27.15	<u>For the purposes of this appropriation, the</u>	
27.16	<u>commissioner may waive the requirements</u>	
27.17	<u>of Minnesota Statutes, section 360.305,</u>	
27.18	<u>subdivision 4, paragraph (b). This</u>	
27.19	<u>appropriation is available until and must be</u>	
27.20	<u>encumbered by June 30, 2017.</u>	
27.21	<u>Subd. 10. Rochester International Airport</u>	<u>4,985,000</u>
27.22	<u>This appropriation is from the state airports</u>	
27.23	<u>fund in fiscal year 2017 to design, construct,</u>	
27.24	<u>renovate, and improve the Rochester</u>	
27.25	<u>International Airport, in accordance with</u>	
27.26	<u>Minnesota Statutes, section 360.017. For</u>	
27.27	<u>the purposes of this appropriation, the</u>	
27.28	<u>commissioner may waive the requirements</u>	
27.29	<u>of Minnesota Statutes, section 360.305,</u>	
27.30	<u>subdivision 4, paragraph (b). This</u>	
27.31	<u>appropriation is available until and must be</u>	
27.32	<u>encumbered by June 30, 2017.</u>	
27.33	<u>Subd. 11. International Falls-Koochiching</u>	
27.34	<u>County Airport Commission</u>	<u>3,000,000</u>

28.1	<u>For a grant to the International</u>	
28.2	<u>Falls-Koochiching County Airport</u>	
28.3	<u>Commission to demolish the remainder</u>	
28.4	<u>of the existing terminal building, for site</u>	
28.5	<u>preparation, and to design, construct, furnish,</u>	
28.6	<u>and equip Phase II of a new terminal</u>	
28.7	<u>building. This appropriation is not available</u>	
28.8	<u>until at least \$1,500,000 is committed to the</u>	
28.9	<u>project from nonstate sources.</u>	
28.10	Subd. 12. <u>Ramsey County Rail Grade</u>	
28.11	<u>Separation</u>	<u>1,000,000</u>
28.12	<u>For a grant to the Ramsey County Regional</u>	
28.13	<u>Railroad Authority for environmental</u>	
28.14	<u>analysis and design of rail grade separation</u>	
28.15	<u>of Union Pacific and Burlington Northern</u>	
28.16	<u>Santa Fe track between Westminster Junction</u>	
28.17	<u>and Division Street/Hoffman Interlocking in</u>	
28.18	<u>St. Paul. This appropriation is not available</u>	
28.19	<u>until the commissioner determines that an</u>	
28.20	<u>equal amount has been committed to the</u>	
28.21	<u>project from nonstate sources.</u>	
28.22	Subd. 13. <u>Grand Rapids Pedestrian Bridge</u>	<u>750,000</u>
28.23	<u>For a grant to the city of Grand Rapids to</u>	
28.24	<u>design the construction of a bridge over the</u>	
28.25	<u>Mississippi River for pedestrian and bicycle</u>	
28.26	<u>use to provide a safe alternative route to</u>	
28.27	<u>the existing marked Trunk Highway 169</u>	
28.28	<u>vehicle bridge, and to serve as a connection</u>	
28.29	<u>to existing trail systems on each side of the</u>	
28.30	<u>river. This appropriation is not available until</u>	
28.31	<u>the commissioner determines that an equal</u>	
28.32	<u>amount has been committed to the project</u>	
28.33	<u>from nonstate sources.</u>	
28.34	Sec. 19. <u>METROPOLITAN COUNCIL</u>	
28.35	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 31,500,000</u>

29.1 To the Metropolitan Council for the purposes
 29.2 specified in this section.

29.3 **Subd. 2. Metropolitan Regional Parks and**
 29.4 **Trails Capital Improvements**

10,000,000

29.5 For the cost of improvements and betterments
 29.6 of a capital nature and acquisition by the
 29.7 council and local government units of
 29.8 regional recreational open-space lands in
 29.9 accordance with the council's policy plan
 29.10 as provided in Minnesota Statutes, section
 29.11 473.147. This appropriation must not be
 29.12 used to purchase easements.

29.13 **Subd. 3. Metropolitan Cities Inflow and**
 29.14 **Infiltration Grants**

5,000,000

29.15 For grants to cities within the metropolitan
 29.16 area, as defined in Minnesota Statutes,
 29.17 section 473.121, subdivision 2, for capital
 29.18 improvements in municipal wastewater
 29.19 collection systems to reduce the amount of
 29.20 inflow and infiltration to the Metropolitan
 29.21 Council's metropolitan sanitary sewer
 29.22 disposal system. Grants from this
 29.23 appropriation are for up to 50 percent of the
 29.24 cost to mitigate inflow and infiltration in
 29.25 the publicly owned municipal wastewater
 29.26 collection systems. To be eligible for a grant,
 29.27 a city must be identified by the council
 29.28 as a contributor of excessive inflow and
 29.29 infiltration in the metropolitan disposal
 29.30 system or have a measured flow rate within 20
 29.31 percent of its allowable council-determined
 29.32 inflow and infiltration limits. The council
 29.33 must award grants based on applications
 29.34 from cities that identify eligible capital
 29.35 costs and include a timeline for inflow and

- 30.1 infiltration mitigation construction, pursuant
 30.2 to guidelines established by the council.
- 30.3 **Subd. 4. City of St. Paul Como Zoo Project** **14,500,000**
- 30.4 For a grant to the city of St. Paul for
 30.5 predesign, design, and engineering of Phase I
 30.6 of the renovation of seal and sea lion habitat
 30.7 at the Como Zoo. The renovated habitat
 30.8 will support the zoo education programs.
 30.9 This appropriation is not available until
 30.10 the commissioner of management and
 30.11 budget determines that at least \$1,100,000
 30.12 is committed to the project from nonstate
 30.13 sources.
- 30.14 **Subd. 5. Battle Creek Winter Recreation Area** **2,135,000**
- 30.15 For a grant to Ramsey County for design
 30.16 and construction of a winter recreation area
 30.17 in Battle Creek Regional Park, including
 30.18 installation of a permanent snowmaking
 30.19 system and rope tow and construction of
 30.20 a seasonal building. This appropriation
 30.21 is not available until the commissioner of
 30.22 management and budget determines that an
 30.23 equal amount has been committed to the
 30.24 project from nonstate sources.
- 30.25 **Sec. 20. HEALTH** **\$ 2,335,000**
- 30.26 From the general fund in fiscal year 2017 to
 30.27 the commissioner of health for equipment
 30.28 and instruments for the public health
 30.29 laboratory. This appropriation is available
 30.30 until June 30, 2022.
- 30.31 **Sec. 21. HUMAN SERVICES**
- 30.32 **Subdivision 1. Total Appropriation** **\$ 134,925,000**

31.1 To the commissioner of administration, or
 31.2 another named agency, for the purposes
 31.3 specified in this section.

31.4 **Subd. 2. Minnesota Security Hospital - St.**
 31.5 **Peter**

70,255,000

31.6 To complete design, remodel, construct,
 31.7 furnish, and equip the second phase of the
 31.8 two-phase project to remodel existing and to
 31.9 develop new residential, program, activity,
 31.10 and ancillary facilities for the Minnesota
 31.11 Security Hospital on the upper campus of the
 31.12 St. Peter Regional Treatment Center. This
 31.13 appropriation includes money to: demolish,
 31.14 renovate, and remodel existing space;
 31.15 construct new space; address fire and life
 31.16 safety, and other building code deficiencies;
 31.17 replace or renovate interior finishes; purchase
 31.18 furnishings, fixtures, and equipment; replace
 31.19 or renovate the Minnesota Security Hospital
 31.20 building's HVAC, plumbing, electrical,
 31.21 security, and life safety systems; tuck-point;
 31.22 replace windows and doors; design and
 31.23 abate asbestos and hazardous materials; and
 31.24 complete site work necessary to support
 31.25 the programmed use of the facilities on the
 31.26 St. Peter Regional Treatment Center upper
 31.27 campus.

31.28 **Subd. 3. Anoka Metro Regional Treatment**
 31.29 **Center Safety and Security Renovations**

2,250,000

31.30 To provide security upgrades of a capital
 31.31 nature at the Anoka Metro Regional
 31.32 Treatment Center campus, including but
 31.33 not limited to control centers, electronic
 31.34 monitoring and perimeter security
 31.35 equipment, new or updated security fencing,
 31.36 and other building security renovations. This

32.1 appropriation includes money for: predesign,
 32.2 design, furnishing, fixtures, and equipment;
 32.3 construction of safety and security
 32.4 improvements to courtyards on residential
 32.5 treatment units; securely enclosing the
 32.6 nursing station on Unit G; and installing a
 32.7 campus-wide closed-circuit television video
 32.8 security system, a facility-wide personal
 32.9 duress alarm system, a key control system,
 32.10 and an electronic access control system.

32.11 Subd. 4. **Minnesota Sex Offender Program –**
 32.12 **St. Peter**

14,500,000

32.13 To complete design, construct, renovate,
 32.14 furnish, and equip the second phase of a
 32.15 multi-phase project to develop additional
 32.16 residential, program, activity, and ancillary
 32.17 facilities for the Minnesota Sex Offender
 32.18 Program on the lower campus of the St.
 32.19 Peter Regional Treatment Center. This
 32.20 appropriation includes money to complete
 32.21 design, renovate, construct, furnish, and
 32.22 equip the north wing of Green Acres; the
 32.23 west, south, and north wings of Sunrise; and
 32.24 the Tomlinson building. This appropriation
 32.25 also includes money to: replace or renovate
 32.26 HVAC, plumbing, electrical, security, and life
 32.27 safety systems; address fire and life safety,
 32.28 and other building code deficiencies; replace
 32.29 windows and doors; tuck-point exterior
 32.30 building envelopes; reconfigure and remodel
 32.31 space; design and abate asbestos and other
 32.32 hazardous materials; remove or demolish
 32.33 nonfunctioning building components; and
 32.34 complete site work necessary to support the
 32.35 programmed use of facilities.

33.1	<u>Subd. 5. Minnesota Sex Offender Program –</u>	
33.2	<u>Less Restrictive Alternatives</u>	<u>12,420,000</u>
33.3	<u>To acquire land for, and to predesign,</u>	
33.4	<u>design, construct, furnish, and equip two</u>	
33.5	<u>new community-based residential treatment</u>	
33.6	<u>facilities, including any necessary site work,</u>	
33.7	<u>for the Minnesota Sex Offender Program as</u>	
33.8	<u>less restrictive alternatives to the program's</u>	
33.9	<u>existing secure facilities.</u>	
33.10	<u>Subd. 6. St. Paul - Dorothy Day Opportunity</u>	
33.11	<u>Center</u>	<u>12,000,000</u>
33.12	<u>To the commissioner of human services for</u>	
33.13	<u>a grant to the city of St. Paul to predesign,</u>	
33.14	<u>design, construct, furnish, and equip an</u>	
33.15	<u>opportunity center to serve as an integrated</u>	
33.16	<u>one-stop delivery system connecting persons</u>	
33.17	<u>at risk of becoming homeless, and persons</u>	
33.18	<u>working to move up and out of homelessness,</u>	
33.19	<u>and to provide services that improve</u>	
33.20	<u>their health, income, housing stability, or</u>	
33.21	<u>well-being, subject to Minnesota Statutes,</u>	
33.22	<u>section 16A.695. This appropriation may be</u>	
33.23	<u>used to acquire property for these purposes.</u>	
33.24	<u>This appropriation is not available until the</u>	
33.25	<u>commissioner of management and budget</u>	
33.26	<u>has determined that at least an equal amount</u>	
33.27	<u>has been committed to the project from</u>	
33.28	<u>nonstate sources.</u>	
33.29	<u>Subd. 7. Early Childhood Learning Child</u>	
33.30	<u>Facilities</u>	<u>20,000,000</u>
33.31	<u>To the commissioner of human services for</u>	
33.32	<u>grants under Minnesota Statutes, section</u>	
33.33	<u>256E.37, to construct and rehabilitate early</u>	
33.34	<u>childhood learning facilities. \$5,000,000 of</u>	
33.35	<u>this appropriation is from the general fund in</u>	
33.36	<u>fiscal year 2017.</u>	

- 34.1 **Subd. 8. Perspectives Family Center** 2,000,000
- 34.2 From the general fund to the commissioner of
- 34.3 human services in fiscal year 2017 for a grant
- 34.4 to Hennepin County to predesign, design,
- 34.5 construct, furnish, and equip the expansion
- 34.6 and renovation of the existing Perspectives
- 34.7 Family Center facility in St. Louis Park.
- 34.8 The expanded and renovated facility must
- 34.9 be used to promote the public welfare
- 34.10 by providing any or all of the following
- 34.11 programs and services: (1) supportive
- 34.12 housing programs for homeless women
- 34.13 and their children; (2) mental and chemical
- 34.14 health programs; (3) employment services;
- 34.15 (4) academic, social skills, and nutritional
- 34.16 programs for homeless and at-risk children;
- 34.17 (5) an all-day therapeutic early childhood
- 34.18 development program for homeless and
- 34.19 at-risk children; and (6) a culturally sensitive
- 34.20 safe and nurturing environment for at-risk
- 34.21 children to meet with their nonresidential
- 34.22 parents. This appropriation is not available
- 34.23 until the commissioner of management and
- 34.24 budget has determined that at least an equal
- 34.25 amount has been expended or committed to
- 34.26 the project from nonstate sources. Nonstate
- 34.27 money spent on the project since May 1,
- 34.28 2015, shall be included in the determination
- 34.29 of nonstate commitments to the project.
- 34.30 **Subd. 9. Asset Preservation** 1,500,000
- 34.31 For asset preservation improvements and
- 34.32 betterments of a capital nature at Department
- 34.33 of Human Services facilities statewide, to be
- 34.34 spent in accordance with Minnesota Statutes,
- 34.35 section 16B.307.

35.1 **Sec. 22. VETERANS AFFAIRS**35.2 **Subdivision 1. Total Appropriation** **\$ 12,851,000**35.3 To the commissioner of administration for
35.4 the purposes specified in this section.35.5 **Subd. 2. Asset Preservation** **5,000,000**35.6 For asset preservation improvements and
35.7 betterments of a capital nature at the veterans
35.8 homes in Minneapolis, Hastings, Fergus
35.9 Falls, Silver Bay, and Luverne, to be spent in
35.10 accordance with Minnesota Statutes, section
35.11 16B.307.35.12 **Subd. 3. Minneapolis Veterans Home Truss**
35.13 **Bridge Project** **7,851,000**35.14 To design, construct, renovate, and equip
35.15 the historic truss bridge on the Minneapolis
35.16 Veterans Home campus, including asbestos
35.17 and hazardous materials abatement and
35.18 associated site work.35.19 **Sec. 23. CORRECTIONS**35.20 **Subdivision 1. Total Appropriation** **\$ 56,653,000**35.21 To the commissioner of administration for
35.22 the purposes specified in this section.35.23 **Subd. 2. Asset Preservation** **20,000,000**35.24 For asset preservation improvements and
35.25 betterments of a capital nature at Minnesota
35.26 correctional facilities statewide, to be spent
35.27 in accordance with Minnesota Statutes,
35.28 section 16B.307.35.29 **Subd. 3. Minnesota Correctional Facility - St.**
35.30 **Cloud** **23,400,000**35.31 (a) \$19,000,000 of this appropriation is to
35.32 construct and equip a new intake unit and
35.33 a loading dock with a secure connection to

36.1	<u>a new central warehouse at the Minnesota</u>	
36.2	<u>Correctional Facility – St. Cloud.</u>	
36.3	<u>(b) \$4,400,000 of this appropriation is to</u>	
36.4	<u>remove and replace deteriorated mortar with</u>	
36.5	<u>new mortar on the granite perimeter wall</u>	
36.6	<u>surrounding the Minnesota Correctional</u>	
36.7	<u>Facility – St. Cloud.</u>	
36.8	<u>Subd. 4. Minnesota Correctional Facility -</u>	
36.9	<u>Willow River</u>	<u>1,500,000</u>
36.10	<u>To design, construct, renovate, furnish, and</u>	
36.11	<u>equip new and existing buildings to increase</u>	
36.12	<u>living unit and programming capacity for</u>	
36.13	<u>the challenge incarceration program by at</u>	
36.14	<u>least 45 beds at the Minnesota Correctional</u>	
36.15	<u>Facility – Willow River.</u>	
36.16	<u>Subd. 5. Minnesota Correctional Facility - Togo</u>	<u>2,000,000</u>
36.17	<u>To design, construct, renovate, furnish,</u>	
36.18	<u>and equip existing buildings, including</u>	
36.19	<u>improvements to the wastewater and septic</u>	
36.20	<u>systems, and to increase the program capacity</u>	
36.21	<u>for the challenge incarceration program by at</u>	
36.22	<u>least 30 beds at the Minnesota Correctional</u>	
36.23	<u>Facility – Togo.</u>	
36.24	<u>Subd. 6. Minnesota Correctional Facility -</u>	
36.25	<u>Lino Lakes</u>	<u>5,000,000</u>
36.26	<u>To design, renovate, and equip an existing</u>	
36.27	<u>vacant building into an offender living unit</u>	
36.28	<u>that will add at least 60 beds to the capacity</u>	
36.29	<u>at the Minnesota Correctional Facility – Lino</u>	
36.30	<u>Lakes. The renovation includes removal of</u>	
36.31	<u>hazardous materials, upgrades to comply</u>	
36.32	<u>with current building codes, and construction</u>	
36.33	<u>of functional living and program space.</u>	
36.34	<u>Subd. 7. Minnesota Correctional Facility -</u>	
36.35	<u>Moose Lake</u>	<u>1,900,000</u>

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

37.8 **Subd. 8. Northeast Regional Corrections**
 37.9 **Center**

2,853,000

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

37.26 **Subd. 9. Unspent Appropriations**

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

38.1	Sec. 24. <u>EMPLOYMENT AND ECONOMIC</u>	
38.2	<u>DEVELOPMENT</u>	
38.3	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 110,274,000</u>
38.4	<u>To the commissioner of employment and</u>	
38.5	<u>economic development for the purposes</u>	
38.6	<u>specified in this section.</u>	
38.7	<u>Subd. 2. Asset Preservation</u>	<u>1,342,000</u>
38.8	<u>For asset preservation improvements and</u>	
38.9	<u>betterments of a capital nature at the South</u>	
38.10	<u>Minneapolis WorkForce Center, to be spent</u>	
38.11	<u>in accordance with Minnesota Statutes,</u>	
38.12	<u>section 16B.307.</u>	
38.13	<u>Subd. 3. Transportation Economic</u>	
38.14	<u>Development</u>	<u>10,000,000</u>
38.15	<u>For grants under Minnesota Statutes, section</u>	
38.16	<u>116J.436.</u>	
38.17	<u>Subd. 4. Innovative Business Development</u>	
38.18	<u>Public Infrastructure Grants</u>	<u>5,000,000</u>
38.19	<u>For grants under Minnesota Statutes, section</u>	
38.20	<u>116J.435.</u>	
38.21	<u>Subd. 5. Greater Minnesota Business</u>	
38.22	<u>Development Public Infrastructure Grants</u>	<u>21,000,000</u>
38.23	<u>For grants under Minnesota Statutes, section</u>	
38.24	<u>116J.431.</u>	
38.25	<u>Subd. 6. Bemidji - Regional Dental Facility</u>	<u>6,000,000</u>
38.26	<u>For a grant to the city of Bemidji to acquire</u>	
38.27	<u>land for and to predesign, design, construct,</u>	
38.28	<u>renovate, furnish, and equip a regional dental</u>	
38.29	<u>facility in Bemidji, subject to Minnesota</u>	
38.30	<u>Statutes, section 16A.695. This appropriation</u>	
38.31	<u>is not available until the commissioner of</u>	
38.32	<u>management and budget has determined that</u>	
38.33	<u>at least \$3,000,000 has been committed to</u>	
38.34	<u>the project from nonstate sources. The value</u>	

39.1 of the land purchased or acquired by the city
 39.2 after January 1, 2016, for this facility shall
 39.3 count toward the nonstate match.

39.4 **Subd. 7. Duluth - Steam Plant** 21,000,000

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

39.18 **Subd. 8. Hennepin County - Regional Medical**
 39.19 **Examiner's Facility** 25,932,000

39.20 For a grant to Hennepin County to design,
 39.21 construct, furnish, and equip a 67,000
 39.22 square foot regional, state-of-the-art medical
 39.23 examiner's facility. The facility shall: (1)
 39.24 provide forensic death investigation and
 39.25 autopsy services for Dakota, Hennepin,
 39.26 and Scott Counties with the flexibility to
 39.27 accommodate future partner counties and
 39.28 agencies; (2) serve as a teaching facility
 39.29 for the state, on the science of forensic
 39.30 pathology; and (3) be located in southern
 39.31 Hennepin County at a site that best supports
 39.32 access needs for the three founding counties
 39.33 and reasonable scene response times for the
 39.34 geographic service area. This appropriation
 39.35 is not available until the commissioner of

40.1 management and budget determines that an
 40.2 amount sufficient to complete the project has
 40.3 been committed from nonstate sources.

40.4 **Subd. 9. Polk County - North Country Food**
 40.5 **Bank in Crookston**

3,000,000

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

40.19 **Subd. 10. Red Wing - River Town Renaissance**

4,000,000

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

40.34 **Subd. 11. St. Paul - Science Museum of**
 40.35 **Minnesota Building Preservation**

13,000,000

41.1 For a grant to the city of St. Paul for
 41.2 predesign, design, and construction work
 41.3 to replace water-damaged elements of the
 41.4 Science Museum of Minnesota's exterior
 41.5 envelope and some resultant interior damage
 41.6 caused by latent design and construction
 41.7 defects, subject to Minnesota Statutes, section
 41.8 16A.695. This appropriation is not available
 41.9 until the commissioner of management and
 41.10 budget determines that an equal amount has
 41.11 been committed to the project from nonstate
 41.12 sources. Capital costs paid by the Science
 41.13 Museum of Minnesota since January 1, 2014,
 41.14 relating to the water intrusion damage, shall
 41.15 count towards the match requirement.

41.16 **Sec. 25. IRON RANGE RESOURCES AND**
 41.17 **REHABILITATION BOARD**

\$ 5,000,000

41.18 To the Iron Range Resources and
 41.19 Rehabilitation Board to design, acquire,
 41.20 construct, and equip new high-speed aerial
 41.21 lifts at Giants Ridge.

41.22 **Sec. 26. PUBLIC FACILITIES AUTHORITY**

41.23 **Subdivision 1. Total Appropriation**

\$ 167,000,000

41.24 To the Public Facilities Authority for the
 41.25 purposes specified in this section.

41.26 **Subd. 2. State Match for Federal Grants**

25,000,000

41.27 To match federal grants for the clean water
 41.28 revolving fund under Minnesota Statutes,
 41.29 section 446A.07, and the drinking water
 41.30 revolving fund under Minnesota Statutes,
 41.31 section 446A.081. This appropriation must
 41.32 be used for qualified capital projects.

41.33 **Subd. 3. Water Infrastructure Funding**
 41.34 **Program**

80,000,000

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

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

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

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

42.20 **Subd. 4. Point Source Implementation Grants**
 42.21 **Program**

62,000,000

42.22 For grants to eligible municipalities under the
 42.23 point source implementation grants program
 42.24 under Minnesota Statutes, section 446A.073.

42.25 This appropriation must be used for qualified
 42.26 capital projects.

42.27 **Sec. 27. MINNESOTA HOUSING FINANCE**
 42.28 **AGENCY**

\$ 20,000,000

42.29 For transfer to the housing development
 42.30 fund to finance the costs of rehabilitation to
 42.31 preserve public housing under Minnesota
 42.32 Statutes, section 462A.202, subdivision
 42.33 3a. For purposes of this section, "public
 42.34 housing" means housing for low-income
 42.35 persons and households financed by the

43.1 federal government and owned and operated
 43.2 by the public housing authorities and
 43.3 agencies formed by cities and counties.
 43.4 Public housing authorities receiving a public
 43.5 housing assessment composite score of 80
 43.6 or above or an equivalent designation are
 43.7 eligible to receive funding. Priority must be
 43.8 given to proposals that maximize federal or
 43.9 local resources to finance the capital costs.
 43.10 The priority in Minnesota Statutes, section
 43.11 462A.202, subdivision 3a, for projects to
 43.12 increase the supply of affordable housing and
 43.13 the restrictions of Minnesota Statutes, section
 43.14 462A.202, subdivision 7, do not apply to this
 43.15 appropriation.

43.16 **Sec. 28. MINNESOTA HISTORICAL**
 43.17 **SOCIETY**

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

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

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

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

43.26 (b) This appropriation includes up to
 43.27 \$4,000,000 to design facilities to support
 43.28 visitor services and history programs at
 43.29 Historic Fort Snelling. Money for design is
 43.30 available the day following final enactment
 43.31 and is not contingent on demonstrating a
 43.32 nonstate contribution to the project. Upon
 43.33 completion of the design, the unspent portion
 43.34 of the amount specified in this paragraph is
 43.35 available for the purposes of paragraph (c).

44.1 (c) The balance of this appropriation is to
 44.2 demolish the existing visitor center, renovate,
 44.3 construct, furnish, and equip facilities,
 44.4 including landscaping and wayfinding, at
 44.5 Historic Fort Snelling. This appropriation
 44.6 is not available until the commissioner of
 44.7 management and budget determines that an
 44.8 amount sufficient to complete the project has
 44.9 been committed from nonstate sources.

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

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

44.18 **Sec. 29. BOND SALE EXPENSES**

44.19 **Subdivision 1. Total Appropriation** **\$ 1,414,000**

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

44.23 **Subd. 2. Bond Proceeds Fund** **1,374,000**

44.24 From the bond proceeds fund for bond sale
 44.25 expenses under Minnesota Statutes, section
 44.26 16A.641, subdivision 8.

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

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

44.32 **Sec. 30. BOND SALE AUTHORIZATION.**

45.1 Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act
45.2 from the bond proceeds fund, the commissioner of management and budget shall sell and
45.3 issue bonds of the state in an amount up to \$1,305,210,000 in the manner, upon the terms,
45.4 and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and
45.5 by the Minnesota Constitution, article XI, sections 4 to 7.

45.6 Subd. 2. **Transportation fund.** To provide the money appropriated in this act from
45.7 the state transportation fund, the commissioner of management and budget shall sell and
45.8 issue bonds of the state in an amount up to \$74,795,000 in the manner, upon the terms,
45.9 and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and
45.10 by the Minnesota Constitution, article XI, sections 4 to 7.

45.11 Subd. 3. **Trunk highway fund.** To provide the money appropriated in this act from
45.12 the bond proceeds account in the trunk highway fund, the commissioner of management
45.13 and budget shall sell and issue bonds of the state in an amount up to \$40,040,000 in the
45.14 manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections
45.15 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times
45.16 and in the amounts requested by the commissioner of transportation. The proceeds of the
45.17 bonds, except accrued interest and any premium received from the sale of the bonds, must
45.18 be deposited in the bond proceeds account in the trunk highway fund.

45.19 Subd. 4. **Maximum effort school loan fund.** To provide the money appropriated
45.20 in this act from the maximum effort school loan fund, the commissioner of management
45.21 and budget shall sell and issue bonds of the state in an amount up to \$14,070,000 in the
45.22 manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections
45.23 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

45.24 **Sec. 31. CANCELLATIONS; BOND SALE AUTHORIZATION REDUCTIONS.**

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

45.27 (b) The bond sale authorization in Laws 1994, chapter 643, section 31, subdivision
45.28 1, as amended, is reduced by \$24,480.

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

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

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

46.1 (f) The bond sale authorization in Laws 2002, chapter 393, section 30, subdivision
 46.2 1, as amended, is reduced by \$188,471.

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

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

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

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

46.11 Sec. 32. **BOND SALE SCHEDULE.**

46.12 The commissioner of management and budget shall schedule the sale of state
 46.13 general obligation bonds so that, during the biennium ending June 30, 2017, no more
 46.14 than \$1,247,752,000 will need to be transferred from the general fund to the state bond
 46.15 fund to pay principal and interest due and to become due on outstanding state general
 46.16 obligation bonds. During the biennium, before each sale of state general obligation bonds,
 46.17 the commissioner of management and budget shall calculate the amount of debt service
 46.18 payments needed on bonds previously issued and shall estimate the amount of debt service
 46.19 payments that will be needed on the bonds scheduled to be sold. The commissioner shall
 46.20 adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this
 46.21 section. The amount needed to make the debt service payments is appropriated from the
 46.22 general fund as provided in Minnesota Statutes, section 16A.641.

46.23 Sec. 33. **EFFECTIVE DATE.**

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

46.26 **ARTICLE 2**

46.27 **MISCELLANEOUS**

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

46.29 **16A.967 LEWIS AND CLARK APPROPRIATION BONDS.**

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

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

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

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

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

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

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

47.13 Subd. 2. **Authorization to issue appropriation bonds.** (a) Subject to the limitations
47.14 of this subdivision, the commissioner may sell and issue appropriation bonds of the state
47.15 under this section for public purposes as provided by law, ~~including, in particular, the~~
47.16 ~~financing of the land acquisition, design, engineering, and construction of facilities and~~
47.17 ~~infrastructure necessary to complete the next phase of the Lewis and Clark Regional Water~~
47.18 ~~System project, including completion of the pipeline to Magnolia, extension of the project~~
47.19 ~~to the Lincoln-Pipestone Rural Water System connection near Adrian, and engineering,~~
47.20 ~~design, and easement acquisition for the final phase of the project to Worthington. No~~
47.21 ~~bonds shall be sold until the commissioner determines that a nonstate match of at least~~
47.22 ~~\$9,000,000 is committed to this project phase. Grant agreements entered into under this~~
47.23 section must provide for reimbursement to the state from any federal money provided for
47.24 the project, consistent with the Lewis and Clark Regional Water System, Inc., agreement.

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

47.34 ~~(c) Appropriation bonds may be sold and issued in amounts that, in the opinion of~~
47.35 ~~the commissioner, are necessary to provide sufficient money, not to exceed \$19,000,000~~
47.36 ~~net of costs of issuance, for the purposes as provided under paragraph (a), and pay debt~~

48.1 ~~service including capitalized interest, costs of issuance, costs of credit enhancement, or~~
48.2 ~~make payments under other agreements entered into under paragraph (e).~~

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

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

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

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

48.29 Subd. 2a. **Project authorization.** Appropriation bonds may be sold and issued in
48.30 amounts that, in the opinion of the commissioner, are necessary to provide sufficient
48.31 money to the Public Facilities Authority under subdivision 7, paragraph (a), not to exceed
48.32 \$19,000,000 net of costs of issuance, for the purposes as provided under this subdivision,
48.33 and pay debt service including capitalized interest, costs of issuance, costs of credit
48.34 enhancement, or make payments under other agreements entered into under subdivision 2,
48.35 paragraph (d). The bonds authorized by this subdivision are for the purposes of financing
48.36 the land acquisition, design, engineering, and construction of facilities and infrastructure

49.1 necessary to complete Phase 2 of the Lewis and Clark Regional Water System project,
49.2 including completion of the pipeline to Magnolia; extension of the project to the
49.3 Lincoln-Pipestone Rural Water System connection near Adrian; and engineering, design,
49.4 and easement acquisition for the final phase of the project to Worthington. No bonds shall
49.5 be sold under this subdivision until the commissioner determines that a nonstate match
49.6 of at least \$9,000,000 is committed to this project phase.

49.7 Subd. 2b. **Additional project authorization.** Appropriation bonds may be sold
49.8 and issued in amounts that, in the opinion of the commissioner, are necessary to provide
49.9 sufficient money to the Public Facilities Authority under subdivision 7, paragraph (b),
49.10 not to exceed \$11,500,000 net of costs of issuance, for the purposes as provided under
49.11 this subdivision, and pay debt service including capitalized interest, costs of issuance,
49.12 costs of credit enhancement, or make payments under other agreements entered into
49.13 under subdivision 2, paragraph (d). The bonds authorized by this subdivision are for
49.14 the purposes of financing the land acquisition, design, engineering, and construction of
49.15 facilities and infrastructure necessary to complete Phase 3 of the Lewis and Clark Regional
49.16 Water System project, including extension of the project from the Lincoln-Pipestone
49.17 Rural Water System connection near Adrian to Worthington, construction of a reservoir
49.18 in Nobles County and a meter building in Worthington, and acquisition and installation
49.19 of a supervisory control and data acquisition (SCADA) system. No bonds shall be sold
49.20 under this subdivision until the commissioner determines that a nonstate match of at least
49.21 \$9,000,000 is committed to the final phase of the project.

49.22 Subd. 3. **Form; procedure.** (a) Appropriation bonds may be issued in the form
49.23 of bonds, notes, or other similar instruments, and in the manner provided in section
49.24 16A.672. In the event that any provision of section 16A.672 conflicts with this section,
49.25 this section shall control.

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

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

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

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

49.34 Subd. 4. **Refunding bonds.** The commissioner may issue appropriation bonds
49.35 for the purpose of refunding any appropriation bonds then outstanding, including the
49.36 payment of any redemption premiums on the bonds, any interest accrued or to accrue to

50.1 the redemption date, and costs related to the issuance and sale of the refunding bonds. The
50.2 proceeds of any refunding bonds may, in the discretion of the commissioner, be applied
50.3 to the purchase or payment at maturity of the appropriation bonds to be refunded, to the
50.4 redemption of the outstanding appropriation bonds on any redemption date, or to pay
50.5 interest on the refunding bonds and may, pending application, be placed in escrow to be
50.6 applied to the purchase, payment, retirement, or redemption. Any escrowed proceeds,
50.7 pending such use, may be invested and reinvested in obligations that are authorized
50.8 investments under section 11A.24. The income earned or realized on the investment may
50.9 also be applied to the payment of the appropriation bonds to be refunded or interest or
50.10 premiums on the refunded appropriation bonds, or to pay interest on the refunding bonds.
50.11 After the terms of the escrow have been fully satisfied, any balance of the proceeds and
50.12 any investment income may be returned to the general fund or, if applicable, the special
50.13 appropriation Lewis and Clark bond proceeds fund for use in any lawful manner. All
50.14 refunding bonds issued under this subdivision must be prepared, executed, delivered, and
50.15 secured by appropriations in the same manner as the appropriation bonds to be refunded.

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

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

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

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

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

51.1 legislature shall not have appropriated amounts sufficient for debt service, or (2) the date
51.2 of final payment of the principal of and interest on the appropriation bonds.

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

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

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

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

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

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

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

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

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

52.4 Sec. 2. **[174.13] TRANSPORTATION FACILITIES CAPITAL PROGRAM.**

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

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

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

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

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

52.14 (b) A transportation facilities capital account is established in the trunk highway
 52.15 fund. The account consists of all money appropriated from the trunk highway fund
 52.16 for the purposes of this section and any other money donated, allotted, transferred, or
 52.17 otherwise provided to the account by law. Money in the account is appropriated to the
 52.18 commissioner for the purposes specified and consistent with the standards and criteria
 52.19 set forth in this section.

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

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

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

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

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

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

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

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

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

53.16 (4) additional criteria for priorities otherwise specified in state law, statute, or rule
53.17 that applies to a category listed in the act making an appropriation for the program; and

53.18 (5) any other criteria the commissioner deems necessary

53.19 Sec. 3. **[219.016] CRUDE OIL AND HAZARDOUS MATERIALS RAIL SAFETY**
53.20 **ACCOUNT.**

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

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

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

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

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

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

54.11 (2) roadway traffic volumes and speeds;

54.12 (3) train volumes and speeds;

54.13 (4) adjacent land use;

54.14 (5) crash history;

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

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

54.17 (8) local financial contributions to the project.

54.18 Sec. 4. Minnesota Statutes 2014, section 219.166, is amended to read:

54.19 **219.166 ESTABLISHMENT OF QUIET ZONES.**

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

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

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

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

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

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

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

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

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

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

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

55.22 Sec. 5. Minnesota Statutes 2014, section 256E.37, is amended to read:

55.23 **256E.37 EARLY CHILDHOOD LEARNING AND CHILD PROTECTION**
 55.24 **FACILITIES.**

55.25 Subdivision 1. **Grant authority.** The commissioner may make grants to state
 55.26 agencies and political subdivisions to construct or rehabilitate facilities for early childhood
 55.27 programs, ~~crisis nurseries, or parenting time centers.~~ The following requirements apply:

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

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

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

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

56.5 Subd. 1a. **Special authority for grant funded with general fund appropriation.**

56.6 (a) Notwithstanding subdivision 1, clause (1), the commissioner may make a grant that is
 56.7 funded with general fund appropriations to a federally recognized tribal government in
 56.8 Minnesota or to a private nonprofit organization. A facility financed with a grant under
 56.9 this subdivision may be owned by private nonprofit organizations or federally recognized
 56.10 tribal governments in Minnesota.

56.11 (b) Section 16A.642 applies to a general fund appropriation under this section.

56.12 (c) The treatment of appropriations under section 16A.28, subdivision 5, apply to
 56.13 appropriations from the general fund for the purposes of this section.

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

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

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

56.19 ~~(2) (3) grants that involve collaboration among sponsors of programs under this~~
 56.20 ~~section; and~~

56.21 ~~(3) (4) where feasible, grants for programs that utilize Youthbuild under sections~~
 56.22 ~~116L.361 to 116L.366 for at least 25 percent of each grant awarded or \$50,000 of the labor~~
 56.23 ~~portion of the construction, whichever is less, if:~~

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

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

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

56.30 (b) The commissioner may give priority to:

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

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

56.36 ~~(3) (2) projects that will improve the quality of early childhood programs.~~

57.1 Sec. 6. Minnesota Statutes 2014, section 446A.072, is amended to read:

57.2 **446A.072 ~~WASTEWATER~~ WATER INFRASTRUCTURE FUNDING**
 57.3 **PROGRAM.**

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

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

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

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

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

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

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

57.35 (1) calculate the essential project component percentage based on the portion of
 57.36 project costs necessary to convey or treat the existing wastewater flows and loadings or,

58.1 for drinking water projects, to provide safe drinking water to meet existing needs, which
58.2 must be multiplied by the total project cost to determine the eligible project cost for the
58.3 program under this section; and

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

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

58.14 Subd. 5a. **Type and amount of assistance.** (a) For a governmental unit receiving
58.15 grant funding from the USDA/RECD, the authority may provide assistance in the form
58.16 of a grant of up to 65 percent of the eligible grant need determined by USDA/RECD. A
58.17 governmental unit may not receive a grant under this paragraph for more than ~~\$4,000,000~~
58.18 \$5,000,000 per project or ~~\$15,000~~ \$20,000 per existing connection, whichever is less,
58.19 unless specifically approved by law.

58.20 (b) For a governmental unit receiving a loan from the clean water revolving fund
58.21 under section 446A.07, the authority may provide assistance under this section in the form
58.22 of a grant if the average annual residential wastewater system cost after completion of the
58.23 project would otherwise exceed 1.4 percent of the median household income of the project
58.24 service area. In determining whether the average annual residential wastewater system
58.25 cost would exceed 1.4 percent, the authority must consider the total costs associated with
58.26 building, operating, and maintaining the wastewater system, including existing wastewater
58.27 debt service, debt service on the eligible project cost, and operation and maintenance
58.28 costs. Debt service costs for the proposed project are calculated based on the maximum
58.29 loan term permitted for the clean water revolving fund loan under section 446A.07,
58.30 subdivision 7. The amount of the grant is equal to 80 percent of the amount needed to
58.31 reduce the average annual residential wastewater system cost to 1.4 percent of median
58.32 household income in the project service area, to a maximum of ~~\$4,000,000~~ \$5,000,000 per
58.33 project or ~~\$15,000~~ \$20,000 per existing connection, whichever is less, unless specifically
58.34 approved by law. The eligible project cost is determined by multiplying the total project
58.35 costs minus any other grants by the essential project component percentage calculated

59.1 under subdivision 3, paragraph (c), clause (1). In no case may the amount of the grant
59.2 exceed 80 percent of the eligible project cost.

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

59.21 ~~(e)~~ (d) Notwithstanding the limits in paragraphs (a) ~~and~~ (b), ~~and~~ (c), for a
59.22 governmental unit receiving supplemental assistance under this section after January 1,
59.23 2002, if the authority determines that the governmental unit's construction and installation
59.24 costs are significantly increased due to geological conditions of crystalline bedrock or karst
59.25 areas and discharge limits that are more stringent than secondary treatment, the maximum
59.26 award under this section shall not be more than \$25,000 per existing connection.

59.27 ~~Subd. 5b. **Special assessment deferral.** A governmental unit receiving a loan~~
59.28 ~~under subdivision 5a that levies special assessments to repay the loan under subdivision~~
59.29 ~~5a or section 446A.07 may defer payment of such assessments under the provisions of~~
59.30 ~~sections 435.193 to 435.195.~~

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

59.35 ~~Subd. 7. **Loan repayments.** Notwithstanding the limitations set forth in section~~
59.36 ~~475.54, subdivision 1, this subdivision shall govern the maturities and mandatory sinking~~

60.1 ~~fund redemptions of the loans under this section. A governmental unit receiving a loan~~
 60.2 ~~under this section shall repay the loan in semiannual payment amounts determined by~~
 60.3 ~~the authority. The payment amount must be based on the average payments on the~~
 60.4 ~~governmental unit's clean water revolving fund loan or, if greater, the minimum amount~~
 60.5 ~~required to fully repay the loan by the maturity date. Payments must begin within one year~~
 60.6 ~~of the date of the governmental unit's final payment on the clean water revolving fund~~
 60.7 ~~loan. The final maturity date of the loan under this section must be no later than 20 years~~
 60.8 ~~from the date of the first payment on the loan under this section and no later than 40 years~~
 60.9 ~~from the date of the first payment on the clean water revolving fund loan.~~

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

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

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

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

61.1 each year of noncompliance. ~~Failure to make the required deposit or pay the penalty fee as~~
 61.2 ~~required constitutes a default on the loan.~~

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

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

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

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

61.12 Sec. 7. Minnesota Statutes 2014, section 446A.073, as amended by Laws 2015, First
 61.13 Special Session chapter 4, article 4, sections 127, 128, and 129, is amended to read:

61.14 **446A.073 POINT SOURCE IMPLEMENTATION GRANTS.**

61.15 Subdivision 1. **Program established.** When money is appropriated for grants
 61.16 under this program, the authority shall award grants up to a maximum of ~~\$3,000,000~~
 61.17 \$7,000,000 to governmental units to cover ~~up to one-half~~ 80 percent of the cost of water
 61.18 infrastructure projects made necessary by:

61.19 (1) a wasteload reduction prescribed under a total maximum daily load plan required
 61.20 by section 303(d) of the federal Clean Water Act, United States Code, title 33, section
 61.21 1313(d);

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

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

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

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

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

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

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

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

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

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

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

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

62.26 Sec. 8. Minnesota Statutes 2014, section 446A.081, subdivision 9, is amended to read:

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

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

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

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

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

63.6 (5) to earn interest on fund accounts;

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

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

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

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

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

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

63.35 ~~(e)~~ (b) Principal forgiveness or grants provided under paragraph (a), clause (9), may
 63.36 not exceed 25 percent of the eligible project costs as determined by the Department of

64.1 Health for project components directly related to green infrastructure, water or energy
 64.2 efficiency improvements, or other environmentally innovative activities, up to a maximum
 64.3 of \$1,000,000.

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

64.10 Sec. 9. Minnesota Statutes 2014, section 446A.12, subdivision 1, is amended to read:

64.11 Subdivision 1. **Bonding authority.** The authority may issue negotiable bonds in a
 64.12 principal amount that the authority determines necessary to provide sufficient funds for
 64.13 achieving its purposes, including the making of loans and purchase of securities, the
 64.14 payment of interest on bonds of the authority, the establishment of reserves to secure its
 64.15 bonds, the payment of fees to a third party providing credit enhancement, and the payment
 64.16 of all other expenditures of the authority incident to and necessary or convenient to carry
 64.17 out its corporate purposes and powers, but not including the making of grants. Bonds of
 64.18 the authority may be issued as bonds or notes or in any other form authorized by law.
 64.19 The principal amount of bonds issued and outstanding under this section at any time
 64.20 may not exceed ~~\$1,500,000,000~~ \$2,000,000,000, excluding bonds for which refunding
 64.21 bonds or crossover refunding bonds have been issued, and excluding any bonds issued
 64.22 for the credit enhanced bond program or refunding or crossover refunding bonds issued
 64.23 under the program. The principal amount of bonds issued and outstanding under section
 64.24 446A.087, may not exceed \$500,000,000, excluding bonds for which refunding bonds or
 64.25 crossover refunding bonds have been issued.

64.26 Sec. 10. Minnesota Statutes 2014, section 462A.37, subdivision 1, is amended to read:

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

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

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

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

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

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

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

65.12 ~~(h)~~ (f) "Supportive housing" means housing that is not time-limited and provides or
 65.13 coordinates with linkages to services necessary for residents to maintain housing stability
 65.14 and maximize opportunities for education and employment.

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

65.17 Sec. 11. Minnesota Statutes 2014, section 462A.37, subdivision 2, is amended to read:

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

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

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

65.29 ~~(3)~~ (2) to finance that portion of the costs of acquisition of property that is
 65.30 attributable to the land to be leased by community land trusts to low- and moderate-income
 65.31 homebuyers; and

65.32 ~~(4)~~ (3) to finance the costs of acquisition and rehabilitation of federally assisted rental
 65.33 housing and for the refinancing of costs of the construction, acquisition, and rehabilitation
 65.34 of federally assisted rental housing, including providing funds to refund, in whole or in

66.1 part, outstanding bonds previously issued by the agency or another government unit to
66.2 finance or refinance such costs.

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

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

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

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

66.12 Sec. 12. Minnesota Statutes 2014, section 462A.37, is amended by adding a
66.13 subdivision to read:

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

66.17 Sec. 13. Minnesota Statutes 2015 Supplement, section 462A.37, subdivision 5, is
66.18 amended to read:

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

66.22 (b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure
66.23 bonds issued under subdivision 2a remain outstanding, the commissioner of management
66.24 and budget must transfer to the housing infrastructure bond account established under
66.25 section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed
66.26 \$6,400,000 annually. The amounts necessary to make the transfers are appropriated from
66.27 the general fund to the commissioner of management and budget.

66.28 (c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure
66.29 bonds issued under subdivision 2b remain outstanding, the commissioner of management
66.30 and budget must transfer to the housing infrastructure bond account established under
66.31 section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed
66.32 \$800,000 annually. The amounts necessary to make the transfers are appropriated from
66.33 the general fund to the commissioner of management and budget.

67.1 (d) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure
 67.2 bonds issued under subdivision 2c remain outstanding, the commissioner of management
 67.3 and budget must transfer to the housing infrastructure bond account established under
 67.4 section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed
 67.5 \$5,600,000 annually. The amounts necessary to make the transfers are appropriated from
 67.6 the general fund to the commissioner of management and budget.

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

67.9 Sec. 14. Laws 2015, chapter 75, article 1, section 3, subdivision 3, is amended to read:

67.10 Subd. 3. **State Roads**

67.11 (a) Operations and Maintenance	288,405,000	290,916,000
---	-------------	-------------

67.12 The base appropriation in fiscal year 2018
 67.13 is \$292,140,000 and in fiscal year 2019 is
 67.14 \$301,545,000.

67.15 (b) Program Planning and Delivery	237,529,000	231,252,000
--	-------------	-------------

67.16 \$130,000 in each year is available for
 67.17 administrative costs of the targeted group
 67.18 business program.

67.19 \$266,000 in each year is available for grants
 67.20 to metropolitan planning organizations
 67.21 outside the seven-county metropolitan area.

67.22 \$900,000 in each year is available for
 67.23 grants for transportation studies outside
 67.24 the metropolitan area to identify critical
 67.25 concerns, problems, and issues. These
 67.26 grants are available: (1) to regional
 67.27 development commissions; (2) in regions
 67.28 where no regional development commission
 67.29 is functioning, to joint powers boards
 67.30 established under agreement of two or
 67.31 more political subdivisions in the region to
 67.32 exercise the planning functions of a regional
 67.33 development commission; and (3) in regions

68.1 where no regional development commission
 68.2 or joint powers board is functioning, to the
 68.3 department's district office for that region.

68.4 \$1,000,000 in each year is available
 68.5 for management of contaminated and
 68.6 regulated material on property owned by
 68.7 the Department of Transportation, including
 68.8 mitigation of property conveyances, facility
 68.9 acquisition or expansion, chemical release at
 68.10 maintenance facilities, and spills on the trunk
 68.11 highway system where there is no known
 68.12 responsible party. If the appropriation for
 68.13 either year is insufficient, the appropriation
 68.14 for the other year is available for it.

68.15 \$6,804,000 in the first year and \$1,000,000 in
 68.16 the second year are available for the purposes
 68.17 stated in Minnesota Statutes, section 12A.16,
 68.18 subdivision 2.

68.19 The base appropriation for program
 68.20 planning and delivery in fiscal year 2018
 68.21 is \$227,004,000 and in fiscal year 2019 is
 68.22 \$234,331,000.

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

68.24 This appropriation is for the actual
 68.25 construction, reconstruction, and
 68.26 improvement of trunk highways, including
 68.27 design-build contracts, internal department
 68.28 costs associated with delivering the
 68.29 construction program, and consultant usage
 68.30 to support these activities. This includes the
 68.31 cost of actual payment to landowners for
 68.32 lands acquired for highway rights-of-way,
 68.33 payment to lessees, interest subsidies, and
 68.34 relocation expenses.

69.1 \$1,000,000 in the first year is to complete
 69.2 projects using funds made available to
 69.3 the commissioner of transportation under
 69.4 title XII of the American Recovery and
 69.5 Reinvestment Act of 2009, Public Law
 69.6 111-5, and implemented under Minnesota
 69.7 Statutes, section 161.36, subdivision 7.

69.8 \$10,000,000 in each year is for the
 69.9 transportation economic development
 69.10 program under Minnesota Statutes, section
 69.11 174.12.

69.12 The commissioner may expend up to one-half
 69.13 of one percent of the federal appropriations
 69.14 under this paragraph as grants to opportunity
 69.15 industrialization centers and other nonprofit
 69.16 job training centers for job training programs
 69.17 related to highway construction.

69.18 The commissioner may transfer up to
 69.19 \$15,000,000 each year to the transportation
 69.20 revolving loan fund.

69.21 The commissioner may receive money
 69.22 covering other shares of the cost of
 69.23 partnership projects. These receipts are
 69.24 appropriated to the commissioner for these
 69.25 projects.

69.26 The base appropriation for state road
 69.27 construction in each of fiscal years 2018 and
 69.28 2019 is \$695,800,000.

69.29			231,199,000
69.30	(d) Highway Debt Service	197,381,000	<u>234,386,000</u>

69.31 \$187,881,000 the first year and ~~\$221,699,000~~
 69.32 \$224,886,000 the second year are for transfer
 69.33 to the state bond fund. If this appropriation
 69.34 is insufficient to make all transfers required
 69.35 in the year for which it is made, the

70.1 commissioner of management and budget
 70.2 shall transfer the deficiency amount under
 70.3 the statutory open appropriation, and notify
 70.4 the chairs and ranking minority members of
 70.5 the legislative committees with jurisdiction
 70.6 over transportation finance and the chairs of
 70.7 the senate Committee on Finance and the
 70.8 house of representatives Committee on Ways
 70.9 and Means of the amount of the deficiency.

70.10 Any excess appropriation cancels to the
 70.11 trunk highway fund.

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

70.13	Appropriations by Fund		
70.14		2016	2017
70.15	General	35,000	3,000
70.16	Trunk Highway	5,323,000	5,483,000

70.17 \$3,000 in each year is from the general fund to
 70.18 equip and operate the Roosevelt signal tower
 70.19 for Lake of the Woods weather broadcasting.

70.20 \$32,000 in the first year is from the general
 70.21 fund for a weather transmitter in Lake of the
 70.22 Woods County.

70.23 The base appropriation from the trunk
 70.24 highway fund in fiscal year 2018 is
 70.25 \$5,645,000 and in fiscal year 2019 is
 70.26 \$5,826,000.

70.27 **Sec. 15. REPEALER.**

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

70.29 **Sec. 16. EFFECTIVE DATE.**

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

APPENDIX
Article locations in 16-5406

ARTICLE 1	APPROPRIATIONS	Page.Ln 1.14
ARTICLE 2	MISCELLANEOUS	Page.Ln 46.26

APPENDIX
Repealed Minnesota Statutes: 16-5406

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.