A bill for an act

relating to capital improvements; appropriating money for asset preservation for various state agencies and higher education facilities; authorizing the sale and issuance of state bonds; proposing coding for new law in Minnesota Statutes, chapter 84.

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

Section 1. **ASSET PRESERVATION; APPROPRIATIONS.**

Subdivision 1. **University of Minnesota.** $20,000,000 is appropriated from the bond proceeds fund to the Board of Regents of the University of Minnesota to be spent in accordance with Minnesota Statutes, section 135A.046.

Subd. 2. **Minnesota State Colleges and Universities.** $30,000,000 is appropriated from the bond proceeds fund to the Board of Trustees of the Minnesota State Colleges and Universities to be spent in accordance with Minnesota Statutes, section 135A.046.

Subd. 3. **Natural resources.** $1,000,000 is appropriated from the bond proceeds fund to the commissioner of natural resources for asset preservation to be spent in accordance with Minnesota Statutes, section 84.986.

Subd. 4. **Minnesota Zoo.** $4,000,000 is appropriated from the bond proceeds fund to the Minnesota Zoological Garden for capital asset preservation improvements and betterments to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 5. **Military affairs.** $3,602,000 is appropriated from the bond proceeds fund to the adjutant general for asset preservation improvements and betterments of a capital nature at military affairs facilities statewide to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 6. **Human services.** $2,000,000 is appropriated from the bond proceeds fund to the commissioner of administration for asset preservation improvements and betterments of a capital nature at Department of Human Services facilities statewide to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 7. **Veterans affairs.** $2,138,000 is appropriated from the bond proceeds fund to the commissioner of administration for asset preservation improvements and betterments of a capital nature at veterans homes statewide to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 8. **Corrections.** $5,000,000 is appropriated from the bond proceeds fund to the commissioner of administration for improvements and betterments of a capital nature at Minnesota correctional facilities statewide to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 9. **Historical Society.** $2,065,000 is appropriated from the bond proceeds fund to the Minnesota Historical Society for capital improvements and betterments at state historic sites, buildings, landscaping at historic buildings, exhibits, markers, and monuments to be spent in accordance with Minnesota Statutes, section 16B.307. The society shall determine project priorities as appropriate based on need.

Subd. 10. **Bond sale.** To provide the money appropriated in subdivision 1 from the bond proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to $69,805,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

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

Sec. 2. **[84.946] NATURAL RESOURCES ASSET PRESERVATION AND REPLACEMENT (NRAPR).**

Subdivision 1. **Purpose.** The legislature recognizes that the Department of Natural Resources owns and operates capital assets that in number, size, and programmatic use differ significantly from the capital assets owned and operated by other state departments and agencies. However, the legislature recognizes the need for standards to aid in categorizing and funding capital projects. The purpose of this section is to provide standards for those natural resource projects that are intended to preserve and replace existing facilities.

Subd. 2. **Standards.** (a) An appropriation for asset preservation may be used only for a capital expenditure on a capital asset previously owned by the state, within the meaning of generally accepted accounting principles as applied to public expenditures. The commissioner of natural resources will consult with the commissioner of finance to the extent necessary to ensure this and will furnish the commissioner of finance a list of projects to be financed from the account in order of their priority. The legislature assumes that many projects for preservation and replacement of portions of existing capital assets will constitute betterments and capital improvements within the meaning of the Constitution and capital expenditures under generally accepted accounting principles, and will be financed more efficiently and economically under this section than by direct appropriations for specific projects.

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

(c) Capital budget expenditures for Natural Resource Asset Preservation and Replacement projects must be for one or more of the following types of capital projects that support the existing programmatic mission of the department: code compliance including health and safety, Americans with Disabilities Act requirements, hazardous material abatement, access improvement, or air quality improvement; building or infrastructure repairs necessary to preserve the interior and exterior of existing buildings; or renovation of other existing improvements to land, including but not limited to trails and bridges.

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

Subd. 3. **Reporting priorities.** The commissioner of natural resources must establish priorities within its Natural Resource Asset Preservation and Replacement projects. By January 15 of each year, the commissioner must submit to the commissioner of finance and to the chairs of the house of representatives and senate committees with jurisdiction over environment and natural resources finance and capital investment a list of the projects that have been paid for with money from a Natural Resource Asset Preservation and Replacement appropriation during the preceding calendar year as well as a list of those priority projects for which Natural Resource Asset Preservation and Replacement appropriations will be sought in that year's legislative session.

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

Sec. 3. **APPROPRIATIONS MADE ONLY ONCE.**

If the appropriations made in this bill are enacted more than once in the 2009 regular session, these appropriations must be given effect only once.

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