

A bill for an act

relating to capital investment; appropriating money to implement flood damage reduction projects in the Red River of the North; authorizing the sale and issuance of state bonds.

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

Section 1. **FLOOD DAMAGE REDUCTION PROJECTS; FLOOD HAZARD MITIGATION GRANTS.**

Subdivision 1. **Appropriation.** (a) \$9,720,000 is appropriated from the bond proceeds fund to the commissioner of natural resources for the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161, and enhance natural resources consistent with the flood damage reduction mediation agreement.

(b) This appropriation includes money for the following watershed district projects:

(1) Shelly, Felton, Hendrum, and Perley, Wild Rice Watershed District, \$5,100,000; and

(2) Climax and Neilsville, Sand Hill River Watershed District, \$4,620,000.

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

(d) To the extent that the cost of a project to achieve three feet above the 100-year flood protection in Shelly, Felton, Hendrum, Perley, Climax, or Neilsville exceeds two percent of the median household income in the municipality multiplied by the number of households in the municipality, this appropriation is also for the local share of the project.

2.1 Subd. 2. **Appropriation; Wild Rice Watershed District.** (a) \$1,435,000 is
2.2 appropriated from the bond proceeds fund to the commissioner of natural resources for
2.3 the state share of flood hazard mitigation grants for publicly owned capital improvements
2.4 to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161, and
2.5 to enhance natural resources consistent with the flood damage reduction mediation
2.6 agreement. Of this appropriation:

2.7 (1) \$935,000 is for property acquisitions originally approved by the Federal
2.8 Emergency Management Agency for acquisition cost share and then later denied; and

2.9 (2) \$500,000 is for river stability acquisitions.

2.10 (b) The appropriation for the project funded under paragraph (a), clause (1), is
2.11 eligible for up to 100 percent state flood hazard mitigation funding for the acquisition
2.12 and disposal of flood-damaged property.

2.13 (c) The project funded under paragraph (a), clause (2), requires a 50 percent match.

2.14 (d) For any project listed in this subdivision that the commissioner determines is not
2.15 ready to proceed or does not expend all the money allocated to it, the commissioner may
2.16 allocate that project's money to a project on the commissioner's priority list.

2.17 Subd. 3. **Bond sale.** To provide the money appropriated in this section from the
2.18 bond proceeds fund, the commissioner of management and budget shall sell and issue
2.19 bonds of the state in an amount up to \$11,155,000 in the manner, upon the terms, and with
2.20 the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the
2.21 Minnesota Constitution, article XI, sections 4 to 7.

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