A bill for an act

relating to capital investment; appropriating money for flood hazard mitigation and renovation of the Coon Rapids dam; making changes to certain state bond provisions; modifying prior appropriations; reducing certain bond sale authorizations; authorizing the sale and issuance of state bonds; amending Minnesota Statutes 2010, sections 16A.641, subdivisions 4a, 7; 16A.642, subdivision 2; Laws 2006, chapter 258, section 7, subdivisions 3, as amended, 23, as amended; Laws 2008, chapter 179, sections 15, subdivision 8; 18, subdivisions 3, 6, as amended; 19, subdivision 4; 24, subdivision 4; Laws 2009, chapter 93, article 1, section 14, subdivision 3; Laws 2010, chapter 189, sections 6, subdivisions 2, 4; 7, subdivision 22; 14, subdivision 3; 19, subdivision 4, as amended; Laws 2010, chapter 333, article 2, section 23; Laws 2010, Second Special Session chapter 1, article 1, section 9, subdivision 5.

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

Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public land and buildings and other public improvements of a capital nature, or as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or article XIV. Unless otherwise specified, money appropriated in this act for a capital program or project may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget. Unless otherwise specified, the appropriations in this act are available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

SUMMARY

Natural Resources	$	45,000,000
Bond Sale Expenses		45,000
TOTAL	**$**	**45,045,000**
Bond Proceeds Fund (General Fund Debt Service)		45,045,000

APPROPRIATIONS

Sec. 2. **NATURAL RESOURCES**

Subdivision 1. **Total Appropriation**	**$**	**45,000,000**

To the commissioner of natural resources for the purposes specified in this section.

The appropriations in this section are subject to the requirements of the natural resources capital improvement program under Minnesota Statutes, section 86A.12, unless this section or the statutes referred to in this section provide more specific standards, criteria, or priorities for projects than Minnesota Statutes, section 86A.12.

Subd. 2. **Flood Hazard Mitigation Grants**	28,000,000

(a) For the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161. Project priorities shall be determined by the commissioner as appropriate, based on need.

(b) To the extent that the cost of a project exceeds two percent of the median household income in the municipality or unit of government on the commissioner's priority list multiplied by the number of households in the municipality or unit of government on the commissioner's priority list, this appropriation is also for the local share of the project.

Subd. 3. **Coon Rapids Dam Renovation** 17,000,000

To predesign, design, and construct the renovation of the Coon Rapids Dam to serve as a barrier to invasive fish, in cooperation with the Three Rivers Park District. The commissioner of natural resources must enter into a joint powers agreement with the Three Rivers Park District that identifies future ownership and operation responsibilities of the dam by the park district and the commissioner. The agreement and any necessary conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy.

Subd. 4. **Unspent Appropriations**

The unspent portion of an appropriation, but not to exceed ten percent of the appropriation, for a project in this section that is complete, other than an appropriation for flood hazard mitigation, is available for asset preservation under Minnesota Statutes, section 84.946. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred for asset preservation.

Sec. 3. **BOND SALE EXPENSES** **$** **45,000**

To the commissioner of management and budget for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

Sec. 4. **BOND SALE AUTHORIZATION.**

To provide the money appropriated in this act from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to $45,045,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 5. **2008, 2010 BOND SALE AUTHORIZATIONS REDUCED.**

(a) The bond sale authorization in Laws 2008, chapter 179, section 27, subdivision 1, is reduced by $3,000,000.

(b) The bond sale authorization in Laws 2010, chapter 189, section 26, subdivision 1, is reduced by $353,380,000.

(c) The bond sale authorization in Laws 2010, chapter 189, section 26, subdivision 2, is reduced by $5,780,000.

(d) The bond sale authorization in Laws 2010, chapter 189, section 26, subdivision 4, is reduced by $6,500,000.

Sec. 6. Minnesota Statutes 2010, section 16A.641, subdivision 4a, is amended to read:

Subd. 4a. **Negotiated sales~~; temporary authority~~.** Notwithstanding the public sale requirements of subdivision 4 and section 16A.66, subdivision 2, ~~from June 1, 2009, until June 30, 2011,~~ the commissioner may sell bonds, including refunding bonds, at negotiated sale.

Sec. 7. Minnesota Statutes 2010, section 16A.641, subdivision 7, is amended to read:

Subd. 7. **Credit of proceeds.** (a) Proceeds of bonds issued under each law must be credited by the commissioner to a special fund, as provided in this subdivision.

(b) Accrued interest ~~and any premium~~ received on sale of the bonds must be credited to the state bond fund created by the Constitution, article XI, section 7. Any premium received on the sale of the bonds on or prior to December 1, 2012, must be credited to the state bond fund. Any premium received on the sale of the bonds after December 1, 2012, must be credited to either the bond proceeds fund where it is used to reduce the par amount of the bonds issued or the state bond fund.

(c) Except as otherwise provided by law, proceeds of state bonds issued under the Constitution, article XI, section 5, clause (a), must be credited to the bond proceeds fund established by section 16A.631.

(d) Proceeds of state highway bonds must be credited to the trunk highway fund under the Constitution, article XIV, section 6.

(e) Proceeds of bonds issued for programs of grants or loans to political subdivisions must be credited to special accounts in the bond proceeds fund or to special funds established by laws stating the purposes of the grants or loans, and the standards and criteria under which an executive agency is authorized to make them.

(f) Proceeds of refunding bonds must be credited to the state bond fund as provided in section 16A.66, subdivision 1.

(g) Proceeds of other bonds must be credited as provided in the law authorizing their issuance.

Sec. 8. Minnesota Statutes 2010, section 16A.642, subdivision 2, is amended to read:

Subd. 2. **Cancellation.** (a) If the commissioner determines that the purposes for which general obligation bonds of the state have been issued or for which general fund monies were appropriated are accomplished or abandoned, after consultation with the affected agencies, and there is a remaining authorization or appropriation for a specific project of $500 or less, the commissioner may cancel the remaining authorization or appropriation for that project.

(b) If a premium received on the sale of bonds is credited to the bond proceeds fund, pursuant to section 16A.641, subdivision 7, paragraph (b), the corresponding bond authorization to which the premium is attributable must be reduced accordingly by the commissioner.

(c) The commissioner must notify the chairs of the senate Finance Committee and the house of representatives Capital Investment Committee of any bond authorizations or general fund appropriations canceled under this subdivision.

Sec. 9. Laws 2006, chapter 258, section 7, subdivision 3, as amended by Laws 2007, chapter 122, section 4, and Laws 2008, chapter 179, section 59, is amended to read:

Subd. 3. **Flood Hazard Mitigation Grants**	25,000,000

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.

The commissioner shall determine project priorities as appropriate, based on need.

This appropriation includes money for the following projects:

(a) Austin

(b) Albert Lea

(c) Browns Valley

(d) Crookston

(e) Canisteo Mine

(f) Delano

(g) East Grand Forks

(h) Golden Valley

(i) Grand Marais Creek

(j) Granite Falls

(k) Inver Grove Heights

(l) Manston Slough

(m) Oakport Township

(n) Riverton Township

(o) Roseau

(p) Shell Rock Watershed District

(q) St. Vincent

(r) Wild Rice River Watershed District

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.

To the extent that the cost of a project in Ada, Breckenridge, Browns Valley, Crookston, Dawson, East Grand Forks, Granite Falls, Montevideo, Oakport Township, Roseau, St. Vincent, or Warren 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. The local share for the St. Vincent dike may not exceed $30,000.

<u>Notwithstanding Minnesota Statutes, section 16A.642, this appropriation is available until June 30, 2014.</u>

Sec. 10. Laws 2006, chapter 258, section 7, subdivision 23, as amended by Laws 2010, chapter 399, section 2, is amended to read:

Subd. 23. **Trail connections** 2,010,000

For matching grants under Minnesota Statutes, section 85.019, subdivision 4c.

$500,000 is for a grant to Carlton County to predesign, design, and construct a nonmotorized pedestrian trail connection to the Willard Munger State Trail from the city of Carlton through the city of Scanlon continuing to the city of Cloquet, along the St. Louis River in Carlton County.

$260,000 is to provide the state match for the cost of the Soo Line Multiuse Recreational Bridge project over marked Trunk Highway 169 in Mille Lacs County.

$175,000 is for a grant to the city of Bowlus in Morrison County to design, construct, furnish, and equip a trailhead center at the head of the Soo Line Recreational Trail.

$125,000 is for a grant to Morrison County to predesign, design, construct, furnish, and equip a park-and-ride lot and restroom building adjacent to the Soo Line Recreational Trail at U.S. Highway 10.

$950,000 is for a grant to the St. Louis and Lake Counties Regional Railroad Authority for land acquisition, engineering, construction, furnishing, and equipping of all or part of a 19-mile "Boundary Waters Connection" of the Mesabi Trail from ~~Bearhead~~ Lake Vermilion State Park to the International Wolf Center in Ely. ~~This appropriation is contingent upon a matching contribution of $950,000 from other sources, public or private.~~ Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until June 30, 2014.

Sec. 11. Laws 2008, chapter 179, section 15, subdivision 8, is amended to read:

Subd. 8. **Southeastern Minnesota Regional Public Safety Training Center**	~~3,655,000~~ 2,955,000

Notwithstanding any law to the contrary, for a grant to Olmsted County to acquire land for, and to design, construct, furnish, and equip the Southeastern Minnesota Regional Public Safety Training Center in Olmsted County. The facility must include, but is not limited to, a live burn training simulator, a driving range, and a weapons training facility.

This appropriation or any portion of it is ~~not~~ available ~~until~~ when the commissioner has determined that ~~at least an equal amount has been committed~~ it has been matched, dollar-for-dollar, from nonstate sources.

EFFECTIVE DATE. This section is effective retroactively from December 27, 2007.

Sec. 12. Laws 2008, chapter 179, section 18, subdivision 3, is amended to read:

Subd. 3. **Systemwide Campus Redevelopment, Reuse, or Demolition**	3,400,000

To demolish surplus, nonfunctional, or deteriorated facilities and infrastructure or to renovate surplus, nonfunctional, or deteriorated facilities and infrastructure at Department of Human Services campuses. These projects must facilitate the redevelopment or reuse of these campuses consistent with redevelopment plan concepts developed and approved under Laws 2003, First Special Session chapter 14, article 6, section 64, subdivision 2. If a surplus campus is sold or transferred to a local unit of government, unspent portions of this appropriation may be granted to that local unit of government for the purposes stated in this subdivision.

Up to ~~$400,000~~ $125,000 is for preparation and site development, including demolition of buildings and infrastructure, to implement the redevelopment and reuse of the Ah Gwah Ching Regional Treatment Center. This amount may be granted to Cass County for the purposes stated in this subdivision. If the campus is sold or transferred by Cass County to ~~a local unit of government~~ the city of Walker, unspent portions of this appropriation may be granted to ~~that local unit of government~~ the city of Walker for the purposes stated in this subdivision.

Sec. 13. Laws 2008, chapter 179, section 18, subdivision 6, as amended by Laws 2010, chapter 399, section 5, is amended to read:

Subd. 6. **Hennepin County Medical Center** 820,000

For a grant to Hennepin County to predesign, design, construct, furnish, and equip ~~an outpatient clinic and~~ a health education facility at Hennepin County Medical Center ~~that includes teaching clinics and an education center~~.

Sec. 14. Laws 2008, chapter 179, section 19, subdivision 4, is amended to read:

Subd. 4. **Minneapolis Veterans Home Campus**

Building 17 HVAC Replacement ~~3,955,000~~ 1,655,000

~~To replace the sections of the campus-wide heating, ventilation, and air conditioning system that serve Building 17.~~ To predesign, design, and construct improvements to heating, ventilation, air conditioning, and lighting systems and associated areas serving the south wing of Building 17.

Sec. 15. Laws 2008, chapter 179, section 24, subdivision 4, is amended to read:

Subd. 4. **County and Local Preservation Grants** 2,000,000

To be allocated to county and local jurisdictions as matching money for historic preservation projects of a capital nature, as provided in new Minnesota Statutes, section 138.0525. This appropriation includes money for grants to the city of Hokah to renovate the Hokah City Hall building; and the Houston County Historical Society to renovate existing space and to predesign, design, and construct an addition to the Houston County Historical Society building located in the city of Caledonia. Notwithstanding Minnesota Statutes, section 138.0525, the city is not required to provide a match.

$100,000 is for a grant to the city of Wells to renovate the historic Wells Train Depot. No match is required for this grant.

Sec. 16. Laws 2009, chapter 93, article 1, section 14, subdivision 3, is amended to read:

Subd. 3. **Veterans Cemeteries**	1,500,000

Of this amount, up to $500,000 is to acquire land located in ~~Redwood County~~ southeastern, southwestern, and northeastern Minnesota for publicly owned veterans cemeteries, to be operated by the commissioner of veterans affairs. The commissioner also must seek donations of land for the cemeteries. The balance of the appropriation is to predesign and design the cemeteries. Federal reimbursement of design costs for each cemetery must be deposited in the state treasury and credited to a special account and is appropriated to the commissioner of veterans affairs to design the remaining cemeteries. Following completion of all legislatively authorized Minnesota state veterans cemeteries, final federal reimbursement of predesign and design costs is appropriated to the commissioner for asset preservation of veterans homes statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Sec. 17. Laws 2010, chapter 189, section 6, subdivision 2, is amended to read:

Subd. 2. **Alpha Building Demolition** ~~755,000~~ 265,500

To demolish the Alpha Building.

Sec. 18. Laws 2010, chapter 189, section 6, subdivision 4, is amended to read:

Subd. 4. **Storage and Maintenance Building** ~~129,000~~ 618,500

To design, construct, and equip a storage and maintenance building on the site of the demolished Alpha Building.

Sec. 19. Laws 2010, chapter 189, section 7, subdivision 22, is amended to read:

Subd. 22. **Fort Snelling Upper Bluff** 1,200,000

For a grant to Hennepin County to conduct emergency building stabilization at Fort Snelling Upper Bluff. This appropriation may also be used for all work necessary to rehabilitate buildings and sites for occupancy and use. This appropriation is not available until the commissioner of management and budget has determined that Hennepin County has entered into appropriate agreements to use Sentence to Serve labor for the project that will train the Sentence to Serve laborers in the skills needed for the work.

Sec. 20. Laws 2010, chapter 189, section 14, subdivision 3, is amended to read:

Subd. 3. **State Emergency Operations Center** 2,250,000

To the commissioner of administration to predesign and design a new state emergency operations center in Arden Hills.

The commissioner of administration must consult with the commissioner of public safety in the predesign and design. This appropriation is not available until the commissioner has reported to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over public safety policy and finance, capital investment, finance, and ways and means, how the Arden Hills site will be adequately accessible in the event of a disaster that adversely affects major transportation corridors.

Notwithstanding Minnesota Statutes, section 16B.31, subdivision 5, the commissioner of administration, at the request of the commissioner of public safety, may acquire land, utility and road easements, and any other necessary right of access or use from the federal government or other applicable parties for the state emergency operations center proposed to be located in Arden Hills.

Sec. 21. Laws 2010, chapter 189, section 19, subdivision 4, as amended by Laws 2010, chapter 399, section 8, is amended to read:

Subd. 4. **Minneapolis Veterans Home**	~~9,450,000~~ 11,750,000

To predesign, design, construct, furnish, and equip the renovation of building 16 to accommodate a domiciliary program, demolish the north wing of building 17, predesign a new building 17, and design, construct, furnish, and equip the north wing of the new building 17, including site improvements and amenities for building and program support.

Sec. 22. Laws 2010, chapter 333, article 2, section 23, is amended to read:

Sec. 23. **PLANNING NEW VETERANS CEMETERIES.**

(a) The commissioner of veterans affairs shall determine a suitable site and plan for three new state veterans cemeteries, one to be located in northeastern Minnesota, one to be located in southeastern Minnesota, and one to be located in southwestern Minnesota. In determining the site for a cemetery, the commissioner shall consider available public land options and shall seek proposals for donated land from interested counties, local communities, civic organizations, veterans service organizations, and individuals.

(b) For determining the veterans cemetery site in southeastern Minnesota, the commissioner shall give priority consideration to land owned and proposed for donation by the county of Fillmore.

(c) The commissioner's planning process for a state veterans cemetery must include, at a minimum, the following actions:

(1) determining the need for the cemetery;

(2) investigating the availability of suitable land for the cemetery;

(3) assessment of impacts of the cemetery;

(4) encouragement of support from veteran service organizations and local governments; and

(5) preparation and submission of a preapplication for a grant from the United States Department of Veterans Affairs for commitment of funding for establishing the cemetery.

(d) By January 15, 2011, the commissioner shall report to the chair and ranking minority member of the house of representatives and senate committees having responsibility for veterans affairs with a report of the commissioner's progress in implementing this section.

Sec. 23. Laws 2010, Second Special Session chapter 1, article 1, section 9, subdivision 5, is amended to read:

Subd. 5. **Dam Renovation and Removal**	$	1,000,000

To provide cost share for the renovation or removal of publicly owned dams and for streambed restoration adjacent thereto in the DR-1941 area under Minnesota Statutes, sections 103G.511 and 103G.515.

Sec. 24. **EFFECTIVE DATE.**

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