A bill for an act

relating to capital investment; canceling appropriations and reducing the corresponding bond sale authorizations; requiring the sale of refunding bonds to achieve savings.

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

Section 1. **CANCELLATIONS; BOND SALE AUTHORIZATIONS REDUCED.**

Subdivision 1. **2006; rail service improvement program.** The uncommitted amount of the appropriation in Laws 2006, chapter 258, section 16, subdivision 6, for the rail service improvement program, estimated to be $2,000,000, is canceled. The bond sale authorization in Laws 2006, chapter 258, section 25, subdivision 1, is reduced by the same amount.

Subd. 2. **2008; DNR.** The uncommitted amount of the appropriation in Laws 2008, chapter 179, section 7, subdivision 29, as amended by Laws 2009, chapter 93, article 1, section 41, for a walking path in Clara City, estimated to be $225,000, is canceled. The bond sale authorization in Laws 2008, chapter 179, section 27, subdivision 1, is reduced by the same amount.

Subd. 3. **2008; Central Corridor LRT.** The unexpended amount of the appropriation in Laws 2008, chapter 365, section 4, subdivision 2, for the Central Corridor light rail transit line, estimated to be $42,811,182, is canceled. The bond sale authorization in Laws 2008, chapter 365, section 6, is reduced by the same amount.

Subd. 4. **2010; metropolitan area regional parks.** (a) The uncommitted amount of the appropriation in Laws 2010, chapter 189, section 16, subdivision 4, paragraph (a), for metropolitan regional parks and trails, estimated to be $10,418,145.06, is canceled.

The bond sale authorization in Laws 2010, chapter 189, section 26, subdivision 1, is reduced by the same amount.

(b) The uncommitted amount of the appropriation in Laws 2010, chapter 189, section 16, subdivision 4, paragraph (b), for Como Zoo, estimated to be $11,000,000, is canceled. The bond sale authorization in Laws 2010, chapter 189, section 26, subdivision 1, is reduced by the same amount.

(c) The uncommitted amount of the appropriation in Laws 2010, chapter 189, section 16, subdivision 4, paragraph (f), for the Rock Island bridge park and trail, estimated to be $1,000,000, is canceled. The bond sale authorization in Laws 2010, chapter 189, section 26, subdivision 1, is reduced by the same amount.

Subd. 5. **Must not obligate bond appropriations.** No money may be committed, encumbered, or spent for a project included in this section. Notwithstanding the cancellation amounts listed in this section, the amount canceled for each project listed in this section, and the corresponding bond sale authorization reduction, is the amount actually uncommitted as of July 1, 2011.

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

Sec. 2. **STATE DEBT REFUNDING; SAVINGS.**

Subdivision 1. **Debt service reduction for biennium, savings.** The purpose of this section is to reduce the amount appropriated from the general fund under Minnesota Statutes, section 16A.641, subdivision 10, to pay debt service on outstanding general obligation bonds of the state during fiscal years 2012 and 2013 by at least $60,000,000. The commissioner of management and budget must determine that this amount has been achieved by including all bond appropriation cancellations and corresponding bond sale authorization reductions enacted during the 2011 legislative session, savings achieved by the sale and issuance of refunding bonds as provided in subdivision 2, and, if necessary, additional cancellations as provided in subdivision 3.

Subd. 2. **Refunding; estimated general fund savings.** The commissioner of management and budget must issue and sell refunding bonds for state general obligation bonds that are eligible for refunding under federal tax laws if the interest rate savings to the state are greater than the costs associated with the issuance and sale of the refunding bonds. The commissioner must implement this subdivision in a time frame that will reduce the amount of the appropriation from the general fund authorized in Minnesota Statutes, section 16A.641, subdivision 10, in fiscal years 2012 and 2013.

Subd. 3. **Additional cancellations.** If cancellation of bond appropriations and bond sale authorization reductions enacted during the 2011 legislative session and the sale of refunding bonds under subdivision 2 do not reduce the debt service appropriation from the general fund by at least $60,000,000, the commissioner of management and budget must make additional cancellations of appropriations for projects funded with state general obligation bond proceeds and reduce the corresponding bond sale authorizations by the same amount, so that the total amount of reduced debt service together with other savings achieved, will reduce the debt service appropriation from the general fund for fiscal years 2012 and 2013 by at least $60,000,000.

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