State of Minnesota

HOUSE OF REPRESENTATIVES

H. F. No. 622

EIGHTY-NINTH SESSION

02/05/2015
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HF622 THIRD ENGROSSMENT

REVISOR

JSK

H0622-3

02/05/2015

Author by Torkelson, Haussman and Moran

A bill for an act

relating to capital investment; authorizing spending to acquire and better public
land and buildings and other improvements of a capital nature with certain
conditions; modifying previous appropriations; establishing new programs and
modifying existing programs; authorizing the sale and issuance of state bonds;
appropriating money; amending Minnesota Statutes 2014, sections 13.6905, by
adding a subdivision; 13.7411, by adding a subdivision; 85.34, subdivision 1;
115E.042; 116J.431, subdivisions 1, 6; 160.18, by adding a subdivision; 174.52,
subdivision 2; 219.015; 299A.55; 446A.072; 446A.073, as amended; 446A.081,
subdivision 9; 446A.12, subdivision 1; 462A.37, by adding a subdivision;
Minnesota Statutes 2015 Supplement, sections 16A.967; 162.145, subdivision
3; 462A.37, subdivision 5; Laws 2002, chapter 393, section 22, subdivision
6, as amended; Laws 2012, chapter 293, section 7, subdivision 3; Laws 2014,
chapter 294, article 1, sections 7, subdivision 15; 17, subdivisions 6, 12; Laws
2015, First Special Session chapter 5, article 1, sections 10, subdivision 3; 19;
proposing coding for new law in Minnesota Statutes, chapter 219; repealing
Minnesota Statutes 2014, section 123A.446.

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

ARTICLE 1

APPROPRIATIONS

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

Article 1 Section 1. 1
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. Unless otherwise specified in this act, money appropriated in
this act for activities under Minnesota Statutes, sections 16B.307, 84.946, and 135A.046,
should not be used for projects that can be financed within a reasonable time frame under
Minnesota Statutes, section 16B.322 or 16C.144. Unless otherwise specified, general fund
appropriations in this act are onetime and are in fiscal year 2017.

APPROPRIATIONS

Sec. 2. UNIVERSITY OF MINNESOTA

Subdivision 1. Total Appropriation

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>To the Board of Regents of the University of Minnesota for the purposes specified in this section.</td>
<td>$81,567,000</td>
</tr>
<tr>
<td>Subd. 2. Higher Education Asset Preservation and Replacement (HEAPR)</td>
<td>50,000,000</td>
</tr>
<tr>
<td>To be spent in accordance with Minnesota Statutes, section 135A.046.</td>
<td></td>
</tr>
<tr>
<td>Subd. 3. Chemical Sciences and Advanced Materials Science Building</td>
<td>27,167,000</td>
</tr>
<tr>
<td>To design, construct, furnish, and equip a new laboratory building on the Duluth campus, including classrooms and research and undergraduate instructional laboratories.</td>
<td></td>
</tr>
<tr>
<td>Subd. 4. Twin Cities - Plant Growth Research Facility</td>
<td>4,400,000</td>
</tr>
<tr>
<td>To demolish the existing biological sciences greenhouse and to predesign, design, construct, furnish, and equip a greenhouse to support learning and research on the St. Paul campus.</td>
<td></td>
</tr>
<tr>
<td>Subd. 5. University Share</td>
<td></td>
</tr>
<tr>
<td>Except for the appropriation for HEAPR, the appropriations in this section are intended to</td>
<td></td>
</tr>
</tbody>
</table>

Article 1 Sec. 2.
cover approximately two-thirds of the cost of
each project. The remaining costs must be
paid from university sources.

Subd. 6. Unspent Appropriations

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

Sec. 3. MINNESOTA STATE COLLEGES
AND UNIVERSITIES

Subdivision 1. Total Appropriation $ 107,487,000

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

Subd. 2. Higher Education Asset Preservation
and Replacement (HEAPR) 35,000,000

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

Subd. 3. Hibbing Community College 9,958,000

To demolish Building G and connecting
links or portions thereof, and to construct,
renovate, furnish, and equip buildings, links, and entry spaces on the campus.

Subd. 4. **Minnesota State Community and Technical College**

(a) **Fergus Falls campus**

To design, renovate, furnish, and equip a new Center for Student and Workforce Success (CSWS) that integrates the Regional Workforce Center. The board must enter into a lease agreement with the commissioner of employment and economic development, or partners of the commissioner, for use of the workforce center subject to Minnesota Statutes, section 16A.695. The board must use nonstate money for the remainder of the cost of the renovation.

(b) **Wadena campus**

To design, renovate, furnish, and equip the relocation of the current library to underutilized space and converting the vacated space into a centralized student services center.

Subd. 5. **Northland Community and Technical College, East Grand Forks**

To design, renovate, furnish, and equip science and radiological lab space on the East Grand Forks campus.

Subd. 6. **Riverland Community College, Albert Lea**

To design, construct, furnish, and equip the renovation and expansion of the Trade and Industrial Education Center on the Albert Lea campus of Riverland Community College.

Subd. 7. **South Central College, North Mankato**
To design, renovate, renew, furnish, and equip laboratory, classroom and office spaces on the North Mankato campus.

Subd. 8. **St. Cloud State University**

To construct, renovate, furnish, and equip Eastman Hall for the relocation of consolidated student health services and academic programs.

Subd. 9. **Winona State University, Education Village, Phase 2**

To complete design, construct, renovate, furnish, and equip Phase 2 of the Education Village project, including the renovation of Cathedral and Wabasha Halls and Wabasha Rec, and remove obsolete portions of Wabasha Rec and the Annex building between Cathedral School and Wabasha Rec.

Subd. 10. **Debt Service**

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

(b) The board need not pay debt service on bonds sold to finance HEAPR. Where a nonstate match is required, the debt service is due on a principal amount equal to one-third of the total project cost, less the match committed before the bonds are sold.
(c) The commissioner of management and
budget shall reduce the board's assessment
each year by one-third of the net income
from investment of general obligation bond
proceeds in proportion to the amount of
principal and interest otherwise required to
be paid by the board. The board shall pay its
resulting net assessment to the commissioner
of management and budget by December
1 each year. If the board fails to make
a payment when due, the commissioner
of management and budget shall reduce
allotments for appropriations from the
general fund otherwise available to the board
and apply the amount of the reduction to
cover the missed debt service payment. The
commissioner of management and budget
shall credit the payments received from the
board to the bond debt service account in
the state bond fund each December 1 before
money is transferred from the general fund
under Minnesota Statutes, section 16A.641,
subdivision 10.

Subd. 11. Unspent Appropriations

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

(b) The unspent portion of an appropriation for a project in this section that is complete is available for HEAPR under this subdivision, at the same campus as the project for which the original appropriation was made and the debt service requirement under subdivision 10 is reduced accordingly. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 4. EDUCATION

Subdivision 1. Total Appropriation $18,070,000

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

Subd. 2. Library Construction Grants $2,000,000

For library construction grants under Minnesota Statutes, section 134.45.

Subd. 3. Grand Rapids - Myles Reif Center $500,000

From the general fund for a grant to Independent School District No. 318, Grand Rapids, to cover cost overruns for the Myles Reif Center for the Performing Arts project in Grand Rapids. This appropriation is added to and is for the same purposes as the project in Laws 2014, chapter 294, article 1, section 21, subdivision 8. This appropriation does not require a nonstate contribution.

Subd. 4. Olmsted County - Dyslexia Institute of Minnesota $1,500,000
For a grant to Olmsted County to acquire land for, and to predesign, design, construct, furnish, and equip a facility in Olmsted County to support the local, regional, and national literacy work of the Dyslexia Institute of Minnesota, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources.

Subd. 5. Red Lake - Independent School District No. 38 Facility Projects 14,070,000

(a) This appropriation is from the maximum effort school loan fund for a capital loan to Independent School District No. 38, Red Lake, as provided in Minnesota Statutes, sections 126C.60 to 126C.72. This appropriation is to complete design and construction of a connection structure between the Red Lake Early Learning Childhood Center and Red Lake Elementary School; renovations to various classrooms, labs, and support rooms; updating of mechanical systems; and expansion of the cafeteria. Before any capital loan contract is approved under this subdivision, the district must provide documentation acceptable to the commissioner of education on how the capital loan will be used.

(b) The commissioner of administration may provide project management services to assist the Department of Education with oversight of the project. No money for construction may be distributed by the commissioner of education to the recipient
9.1 school district until bids have been received
9.2 on 100 percent of the construction documents
9.3 and satisfactory documentation has been
9.4 submitted to the commissioner of education
9.5 indicating the project can be fully completed
9.6 with money available for the project.
9.7 (c) Notwithstanding the timelines in
9.8 Minnesota Statutes, section 126C.69,
9.9 subdivision 11, Independent School District
9.10 No. 38, Red Lake, must submit the question
9.11 authorizing the borrowing of money for the
9.12 facilities to voters of the district after the first
9.13 general election after the effective date of
9.14 this section.

Sec. 5. MINNESOTA STATE ACADEMIES

9.16 Subdivision 1. Total Appropriation $ 2,050,000

9.17 To the commissioner of administration for
9.18 the purposes specified in this section.

9.19 Subd. 2. Asset Preservation 2,000,000

9.20 For capital asset preservation improvements
9.21 and betterments on both campuses of the
9.22 Minnesota State Academies, to be spent in
9.23 accordance with Minnesota Statutes, section

9.25 Subd. 3. Minnesota State Academies Security
9.26 Corridor 50,000

9.27 For predesign for a safety corridor on the
9.28 Minnesota State Academy for the Deaf
9.29 campus.

Sec. 6. NATURAL RESOURCES

9.31 Subdivision 1. Total Appropriation $ 68,211,000

9.32 (a) To the commissioner of natural resources
9.33 for the purposes specified in this section.
(b) 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. Natural Resources Asset Preservation

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

Subd. 3. Flood Hazard Mitigation

(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.

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

(c) Project priorities shall be determined by the commissioner as appropriate and based on need.
(d) This appropriation includes funding for
the Cedar River Watershed District, and
$750,000 for the city of Browns Valley
project and $1,800,000 for the city of
Ortonville project.

(e) 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.

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

Subd. 4. **Dam Renovation, Repair, Removal**
9,000,000

To renovate or remove publicly owned dams.
The commissioner shall determine project
priorities as appropriate under Minnesota
Statutes, sections 103G.51 and 103G.515.

Of this appropriation:

$500,000 is for emergencies on state-owned
dams;

$3,600,000 is for a grant to the city of
Lanesboro for repair of the Lanesboro dam
and notwithstanding the match requirements
in Minnesota Statutes, section 103G.511,
does not require a nonstate contribution.

This includes funding for repairs of the
hydropower system;

$2,500,000 is for repairs of the Lake Bronson
dam;
$500,000 is for a grant to the city of Pelican
Rapids for engineering work for the Pelican
Rapids dam;

$200,000 is for a grant to the city of Norway
Lake for engineering work on the Norway
Lake dam;

$200,000 is for a grant to Yellow Medicine
County for the Canby R-6 impoundment dam;

$100,000 is for a grant to St. Louis County
for the Little Stone Lake dam; and

$1,400,000 is for state dams at Brawner,
West Leaf Lake, Collinwood, Grindstone
River, and Sullivan.

If the commissioner determines that a project
is not ready to proceed, this appropriation
may be used for other projects on the
commissioner's priority list.

Subd. 5, **Reforestation and Stand Improvement** 1,000,000

To provide for reforestation and stand
improvement on state forest lands to meet
the reforestation requirements of Minnesota
Statutes, section 89.002, subdivision 2,
including purchasing native seeds and native
seedlings, planting, seeding, site preparation,
and protection on state lands administered
by the commissioner.

Subd. 6, **Trail Development** 11,490,000

$2,590,000 is for the Glacial Lakes Trail,
to complete an approximately six and
one-quarter mile trail connection between
New London and Sibley State Park, and
repair of the bicycle trail in Sibley State Park.

$3,600,000 is for acquisition and
development in the Cuyuna Country State
Recreation Area, including the Cuyuna Mountain Bike System.

$3,300,000 is to design, develop, and complete the Heartland State Trail from Detroit Lakes to Frazee.

$2,000,000 is for acquisition and development of the Gitchi-Gami State Trail, Grand Marais to Cascade State Park, and through the town of Tofte.

Subd. 7. **Champlin Mill Pond**

For a grant to the city of Champlin to dredge and remove sediment and for other capital improvements of the Champlin Mill Pond necessary to improve water quality, restore fish habitat, and provide other public benefits.

Subd. 8. **Lake County - Prospectors ATV Trail System**

For a grant to Lake County for construction, including bridges, of the Prospectors ATV Trail System linking the communities of Ely, Babbitt, Embarrass, and Tower; Bear Head Lake and Lake Vermilion-Soudan Underground Mine State Parks; the Taconite State Trail; and the Lake County Regional ATV Trail System. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from other sources.

Subd. 9. **Unspent Appropriations**

The unspent portion of an appropriation for a project in this section that is complete, upon written notice to the commissioner of management and budget, 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.

Sec. 7. POLLUTION CONTROL AGENCY

Subdivision 1. **Total Appropriation** $21,155,000

To the commissioner of the Pollution Control Agency for the purposes specified in this section.

Subd. 2. **St. Louis River Cleanup** $12,705,000

To design and implement contaminated sediment management actions identified in the St. Louis River remedial action plan to restore water quality in the St. Louis River Area of Concern. The agency shall enter into partnership agreements with federal agencies, where possible, to complete this project work by December 31, 2020.

Subd. 3. **Redwood-Cottonwood Rivers Joint Powers - Lake Redwood Reclamation and Enhancement Project** $7,800,000

For a grant to the Redwood-Cottonwood Rivers control area, a joint powers entity, to predesign, design, construct, and equip the reservoir reclamation and enhancement of the 66-acre Lake Redwood Reservoir, to remove approximately 650,000 cubic yards of sediment and increase its depth from approximately 2.8 feet to approximately 20 feet in order to secure renewable energy capacity of the hydroelectric dam which is impeded by lack of water capacity, reduce the flow of pollutants to the Minnesota Article 1 Sec. 7.
River, and increase fish habitat and enhance recreational opportunities.

Subd. 4. Closed Landfill Cleanup

To design and construct remedial systems and acquire land at closed landfills throughout the state in accordance with the closed landfill program under Minnesota Statutes, sections 115B.39 to 115B.42. The agency must follow the agency priorities, which includes a construction project at the waste disposal engineering (WDE) site in Anoka County.

Subd. 5. Capital Assistance Program

(a) This appropriation is for the solid waste capital assistance grant program under Minnesota Statutes, section 115A.54.

(b) Of this appropriation, $9,250,000 is for a grant to Polk County to complete a regional integrated solid waste management system. An additional renewable energy component shall not be mandated as a requirement of this project to qualify for funding under this section.

Sec. 8. BOARD OF WATER AND SOIL RESOURCES

Subdivision 1. Total Appropriation $ 20,000,000

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

Subd. 2. Reinvest in Minnesota (RIM) Reserve Program 10,000,000

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

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

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

Subd. 3. **Local Government Roads Wetland Replacement Program** 5,000,000

To acquire land or permanent easements and to restore, create, enhance, and preserve wetlands to replace those wetlands drained or filled as a result of the repair, reconstruction, replacement, or rehabilitation of existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m). The board may vary the priority order of Minnesota Statutes, section 103G.222, subdivision 3, paragraph (a), to implement an in-lieu fee agreement approved by the U.S. Army Corps of Engineers under section 404 of the Clean Water Act. The purchase price paid for acquisition of land or perpetual easement
must be a fair market value as determined by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, nonprofit organizations, fee title owners, or other qualified private entities to acquire wetland replacement credits in accordance with Minnesota Rules, chapter 8420.

Sec. 9. AGRICULTURE

Subdivision 1. Total Appropriations $ 2,824,000

To the commissioner of agriculture for the purposes specified in this section.

Subd. 2. Agriculture Lab 2,218,000
From the general fund for equipment and instruments for the agriculture laboratory. This appropriation is available until June 30, 2022.

Subd. 3. AURI 606,000
From the general fund for a grant to Agricultural Utilization Research Institute (AURI) for construction of a development kitchen, sensory lab, and safety and security upgrades at AURI’s Crookston facility and for communications and information technology upgrades at the Crookston, Marshall, and Waseca facilities.

Sec. 10. RURAL FINANCE AUTHORITY $ 35,000,000
For the purposes set forth in the Minnesota Constitution, article XI, section 5, paragraph (h), to the Rural Finance Authority to purchase participation interests in or to make direct agricultural loans to farmers under Minnesota Statutes, chapter 41B. This
appropriation is from the bond proceeds
account in the rural finance administration
fund and is for the beginning farmer program
under Minnesota Statutes, section 41B.039;
the loan restructuring program under
Minnesota Statutes, section 41B.04; the
seller-sponsored program under Minnesota
Statutes, section 41B.042; the agricultural
improvement loan program under Minnesota
Statutes, section 41B.043; and the livestock
expansion loan program under Minnesota
Statutes, section 41B.045. All debt service
on bond proceeds used to finance this
appropriation must be repaid by the Rural
Finance Authority under Minnesota Statutes,
section 16A.643. Loan participations
must be priced to provide full interest
and principal coverage and a reserve for
potential losses. Priority for loans must be
given first to basic beginning farmer loans,
second to seller-sponsored loans, and third to
agricultural improvement loans.

Sec. 11. MINNESOTA ZOOLOGICAL
GARDEN

Subdivision 1. Total Appropriation $4,000,000

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

Subd. 2. Asset Preservation 4,000,000

For capital asset preservation improvements
and betterments to infrastructure and
exhibits at the Minnesota Zoo, to be spent in
accordance with Minnesota Statutes, section
16B.307. Notwithstanding the specified
uses of money under Minnesota Statutes,
section 16B.307, the board may use this
appropriation to replace buildings that are poor in condition, outdated, and no longer support the work of the Minnesota Zoo and to construct and renovate trails and roads on the Minnesota Zoo site.

Sec. 12. ADMINISTRATION

Subdivision 1. Total Appropriation

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

Subd. 2. Capitol Complex - Physical Security Upgrades

For the design, construction, and equipping required to upgrade the physical security elements and systems for the buildings listed below, their attached tunnel systems, and their surrounding grounds, and parking facilities as identified in the 2014 Minnesota State Capitol Complex Physical Security Study conducted by Miller Dunwiddie Architecture. Work includes but is not limited to the installation of bollards, blast protection, infrastructure security screen walls, door access controls, emergency call stations, security kiosks, locking devices, and traffic control. This appropriation includes money for work associated with the following buildings: Administration, Centennial, Judicial, Ag/Health Lab, Minnesota History Center, Minnesota History Center Loading Dock, Capitol Complex Power Plant and Shops, Stassen, State Office, and Veterans Service.

Subd. 3. Centennial Parking Ramp
To complete design and for structural repairs
to the Centennial parking ramp, including
removal of the top deck green space to
provide additional parking capacity, repairing
damaged post-tension cables, and installation
of a deck surface protection coating.

Subd. 4. Capital Asset Preservation and
Replacement Account

To be spent in accordance with Minnesota
Statutes, section 16A.632.

Subd. 5. Capitol Complex Monuments and
Memorials

To design and complete critical repairs to the
Peace Officers and Roy Wilkins memorials
located on the Capitol complex.

Subd. 6. Granite Falls - Pioneer Public
Television

From the general fund to provide an
equipment grant to Pioneer Public Television
as part of the station's construction of a
new facility in Granite Falls, Minnesota.
The money may be used to purchase and
install equipment necessary to the station's
operation. This appropriation does not
require a nonstate contribution.

Sec. 13. MN.IT

To the commissioner of administration
to predesign, design, construct, renovate,
furnish, and equip existing state data
center facilities at the Bureau of Criminal
Apprehension's Maryland Avenue office
building and at the Department of Revenue's
Stassen Office Building for the purpose
of decommissioning and repurposing into
usable space.
Sec. 14. MILITARY AFFAIRS $ 2,500,000

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.

Sec. 15. PUBLIC SAFETY $ 3,521,000

To the commissioner of administration to design and construct a joint emergency railroad and pipeline emergency response training facility at Camp Ripley, including the construction of stations and capital infrastructure needed for mock disaster training.

Sec. 16. TRANSPORTATION

Subdivision 1. Total Appropriation $ 281,045,000

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

Subd. 2. Local Bridge Replacement and Rehabilitation 149,446,000

From the bond proceeds account in the state transportation fund to match federal money and to replace or rehabilitate local deficient bridges as provided in Minnesota Statutes, section 174.50.

Subd. 3. Local Road Improvement Fund Grants 137,200,000

(a) From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for grants under Minnesota Statutes, section 174.52, subdivision 2, for construction and reconstruction of local roads with statewide

Article 1 Sec. 16.
or regional significance under Minnesota Statutes, section 174.52, subdivision 4, or for grants to counties to assist in paying the costs of rural road safety capital improvement projects on county state-aid highways under Minnesota Statutes, section 174.52, subdivision 4a.

(b) This appropriation includes money for a grant to the city of Baxter for 50 percent of total project cost for the acquisition of land or interests in land, environmental analysis and environmental cleanup, predesign, design, engineering, and construction of improvements to Cypress Drive, including expansion to a four-lane divided urban roadway, between Excelsior Road and College Road.

(c) Of this amount, $1,000,000 is for a grant to the town of Appleton in Swift County for upgrades to an existing township road to provide for a paved, ten-ton capacity township road extending between marked Trunk Highways 7 and 119.

(d) Of this amount, $25,000,000 is for a grant to Hennepin County for design, right-of-way acquisition, engineering, and construction of public improvements related to the Interstate Highway 35W and Lake Street access project and related improvements within the Interstate Highway 35W corridor. This appropriation is not available until the commissioner of management and budget determines that an amount sufficient to complete the project has been committed to the project.
(e) Of this amount, $20,500,000 is for a grant to Ramsey County for preliminary and final design, environmental documentation, and construction of the interchange of marked Interstate Highway 694 and Rice Street in Ramsey County.

(f) Of this amount, $700,000 is for a grant to Redwood County for paving Nobles Avenue as the main access road to a new State Veterans Cemetery to be located in Paxton Township.

(g) Of this amount, $9,000,000 is for a grant to Anoka County to complete the design, land acquisition, engineering, and construction of County State-Aid Highway 23, known as Lake Drive, County State-Aid Highway 54, known as West Freeway Drive, and to Hornsby Street in the city of Columbus to support the interchange project as noted in paragraph (a).

(h) Of this amount, $3,246,000 is for a grant to the city of Blaine to predesign, design, and reconstruct 105th Avenue in the vicinity of the National Sports Center in Blaine. The reconstruction will include changing the street from five lanes to four lanes with median, turn lanes, sidewalk, trail, landscaping, lighting, and consolidation of access driveways. This appropriation is not available until the commissioner of management and budget determines that at least $3,000,000 is committed to the project from sources available to the city, including municipal state aid and county turnback funds.
Subd. 4. Rail Grade Separations

(a) $14,762,000 is for a grant to the city of Red Wing for environmental analysis, design, engineering, removal of an existing structure, and construction of a rail grade crossing separation at Sturgeon Lake Road.

(b) $11,987,000 is for a grant to Anoka County for environmental analysis, design, engineering, removal of an existing structure, and construction of a rail grade crossing separation at Anoka County State-Aid Highway 78, known as Hanson Boulevard, in Coon Rapids.

Subd. 5. Railroad Warning Devices

To design, construct, and equip new rail grade crossing warning safety devices at active highway-rail grade crossings, or to replace active highway-rail grade warning safety devices that have reached the end of their useful life.

Subd. 6. Minnesota Valley Regional Rail Authority

For a grant to the Minnesota Valley Regional Rail Authority for the rehabilitation of a portion of the railroad track between Winthrop and Hanley Falls. The grant under this subdivision may also be used for any required environmental documentation and remediation, predesign, design, and rehabilitation or replacement of bridges with new bridges or culverts between Winthrop and Hanley Falls. A grant under this section is in addition to any grant, loan, or loan guarantee for this project made by the commissioner under Minnesota Statutes.
sections 222.46 to 222.62. This appropriation is in addition to the appropriations in Laws 2006, chapter 258, section 16, subdivision 6; Laws 2008, chapter 179, section 16, subdivision 5; Laws 2009, chapter 93, article 1, section 11, subdivision 4; Laws 2010, chapter 189, section 15, subdivision 5; and Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 4.

Subd. 7. Hugo - Short Line Railway

For a grant to Minnesota Commercial Railway for construction of repairs and other capital improvements to approximately 6.5 miles of railroad track described as that portion of the Minnesota Commercial Railway main running lead, between M & D Junction in White Bear Lake and the end of the track in Hugo. This appropriation must be used for the purposes set forth in the Minnesota Constitution, article XI, section 5, clause (i), to improve and rehabilitate railroad rights-of-way and other rail facilities, whether public or private. This appropriation does not require a nonstate match.

Subd. 8. International Falls-Koochiching County Airport Commission

(a) From the state airports fund for a grant to the International Falls-Koochiching County Airport Commission for the following improvements to the Falls International Airport:

(1) demolition of the existing terminal building;

(2) rehabilitation;
(3) site preparation, including utilities and civil work;

(4) design, construction, furnishing, and equipping Phase II of the new terminal building, including a Transportation Safety Administration office, weather office, conference room, circulation corridor, airport administration offices, U.S. Customs and Border Protection storage rooms, offices, restrooms, passenger-processing area, wet-hold room, interview room, search room, precustoms and postcustoms passenger waiting areas, and vestibule; and

(5) associated appurtenances of a capital nature.

(b) After completion of the improvements under paragraph (a), any unspent money from this appropriation may be used by the International Falls-Koochiching County Airport Commission for a commercial airline apron expansion project at the Falls International Airport.

(c) This appropriation does not require a nonstate contribution or match.

Subd. 9. Grand Rapids Pedestrian Bridge

For a grant to the city of Grand Rapids to design the construction of a bridge over the Mississippi River for pedestrian and bicycle use to provide a safe alternative route to the existing marked Trunk Highway 169 vehicle bridge, and to serve as a connection to existing trail systems on each side of the river. This appropriation is not available until the commissioner determines that an equal
amount has been committed to the project from nonstate sources.

Subd. 10. **Port Development Assistance** $5,000,000

For grants under Minnesota Statutes, chapter 457A. Any improvements made with the proceeds of these grants must be publicly owned.

Sec. 17. **METROPOLITAN COUNCIL**

Subdivision 1. **Total Appropriation** $35,350,000

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

Subd. 2. **Metro Orange Line BRT** 12,100,000

Up to $12,100,000, but an amount that is no more than ten percent of the total project cost, is for the Metropolitan Council, or for the Metropolitan Council to make grants to political subdivisions, for design, acquisition of right-of-way, engineering, and construction of capital improvements along the I-35W corridor for completion of the Metro Orange Bus Rapid Transit (BRT) Line.

Subd. 3. **Mall of America Station** 8,750,000

For design and construction of improvements to the Mall of America Station on the Hiawatha Corridor light rail transit line, subject to Minnesota Statutes, section 16A.695. The Metropolitan Council must consult with the city of Bloomington throughout the design and construction process.

Subd. 4. **Metropolitan Cities Inflow and Infiltration Grants** 2,500,000
For grants to cities within the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, for capital improvements in municipal wastewater collection systems to reduce the amount of inflow and infiltration to the Metropolitan Council's metropolitan sanitary sewer disposal system. Grants from this appropriation are for up to 50 percent of the cost to mitigate inflow and infiltration in the publicly owned municipal wastewater collection systems. To be eligible for a grant, a city must be identified by the council as a contributor of excessive inflow and infiltration in the metropolitan disposal system or have a measured flow rate within 20 percent of its allowable council-determined inflow and infiltration limits. The council must award grants based on applications from cities that identify eligible capital costs and include a timeline for inflow and infiltration mitigation construction, pursuant to guidelines established by the council.

Subd. 5. St. Paul - Como Zoo

For a grant to the city of St. Paul for predesign, design, and engineering of Phase I of the renovation of seal and sea lion habitat at the Como Zoo. The renovated habitat will support the zoo education programs. This appropriation is not available until the commissioner of management and budget determines that at least $1,100,000 is committed to the project from nonstate sources.

Sec. 18. HEALTH $ 2,335,000
From the general fund in fiscal year 2017 to
the commissioner of health for equipment
and instruments for the public health
laboratory. Notwithstanding Minnesota
Statutes, section 16A.642, this appropriation
is available until June 30, 2022.

Sec. 19. HUMAN SERVICES

Subdivision 1. Total Appropriation $ 72,271,000

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

Subd. 2. Minnesota Security Hospital - St.
Peter 57,611,000

To complete design, remodel, construct,
furnish, and equip the second phase of the
two-phase project to remodel existing and to
develop new residential, program, activity,
and ancillary facilities for the Minnesota
Security Hospital on the upper campus of the
St. Peter Regional Treatment Center. This
does not include construction of a new 48-bed
transitional housing unit. This appropriation
includes money to: demolish, renovate, and
remodel existing space; construct new space;
address fire and life safety; and other building
code deficiencies; replace or renovate
interior finishes; purchase furnishings,
fixtures, and equipment; replace or renovate
the Minnesota Security Hospital building's
HVAC, plumbing, electrical, security, and life
safety systems; tuck-point; replace windows
and doors; design and abate asbestos and
hazardous materials; and complete site work
necessary to support the programmed use
of the facilities on the St. Peter Regional
Treatment Center upper campus.

Subd. 3. **Child and Adolescent Behavioral Health Services**

To purchase land in or near the city of Willmar for, and to predesign, design, construct, furnish, and equip, a 16-bed psychiatric hospital facility of approximately 17,500 to 18,000 square feet that will house the Child and Adolescent Behavioral Health Services (CABHS) program. The facility shall include space for single bedrooms, bathing and toilets, dining, living, group and treatment rooms, education space, visitation, clinic/professional staff, operations staff, patient storage, operations storage, food preparation, HVAC/telecommunications/data equipment, a small area for indoor recreation, and a secure outdoor activity space. The property for the facility will provide for staff and visitor parking, outdoor activities, and appropriate side, front, and rear setbacks.

Subd. 4. **Anoka Metro Regional Treatment Center Safety and Security Renovations**

To provide security upgrades of a capital nature at the Anoka Metro Regional Treatment Center campus, including but not limited to control centers, electronic monitoring and perimeter security equipment, new or updated security fencing, and other building security renovations. This appropriation includes money for: predesign, design, furnishing, fixtures, and equipment; construction of safety and security improvements to courtyards on residential treatment units; securely enclosing the

Article 1 Sec. 19.
nursing station on Unit G; and installing a
campus-wide closed-circuit television video
security system, a facility-wide personal
duress alarm system, a key control system,
and an electronic access control system.

Subd. 5. Regional Medical Examiner's Facility  2,680,000

For a grant to Hennepin County to design an
approximately 67,000 square foot regional,
state-of-the-art medical examiner's facility.
The facility shall: (1) provide forensic
death investigation and autopsy services
for Dakota, Hennepin, and Scott Counties
with the flexibility to accommodate future
partner counties and agencies; (2) serve as a
teaching facility for the state, on the science
of forensic pathology; and (3) be located in
the city of Bloomington as a site that best
supports access needs for the three founding
counties and reasonable scene response times
for the geographic service area.

Subd. 6. Hennepin County - Perspectives
Family Center  600,000

From the general fund to the commissioner
of human services in fiscal year 2017 for a
grant to Hennepin County to predesign and
design the expansion and renovation of the
existing Perspectives Family Center facility
in St. Louis Park, subject to Minnesota
Statutes, section 16A.695. The expanded
and renovated facility must be used to
promote the public welfare by providing
any or all of the following programs and
services: (1) supportive housing programs
for homeless women and their children;
(2) mental and chemical health programs;
(3) employment services; (4) academic, social skills, and nutritional programs for homeless and at-risk children; (5) an all-day therapeutic early childhood development program for homeless and at-risk children; and (6) a culturally sensitive safe and nurturing environment for at-risk children to meet with their nonresidential parents. This appropriation is not available until the commissioner of management and budget has determined that at least an equal amount has been expended or committed to the project from nonstate sources. Nonstate money spent on the project since May 1, 2015, shall be included in the determination of nonstate commitments to the project.

Subd. 7. Minneapolis - The Family Partnership

From the general fund for a grant to the Family Partnership in Minneapolis to predesign and design a facility to provide mental health, early childhood education, and other services to support children and families. This appropriation is not available until at least an equal amount of money is committed from nonstate resources. This appropriation is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

Subd. 8. St. Paul - Dorothy Day Opportunity Center

For a grant to the city of St. Paul to predesign, design, construct, furnish, and equip an opportunity center to serve as an integrated one-stop delivery system connecting persons at risk of becoming homeless, and persons at
working to move up and out of homelessness,
and to provide services that improve
their health, income, housing stability, or
well-being, subject to Minnesota Statutes,
section 16A.695. This appropriation may be
used to acquire property for these purposes.
This appropriation is not available until the
commissioner of management and budget has
determined that at least an equal amount has
been committed to the project from nonstate
sources. This appropriation is in addition to
the appropriation in Laws 2014, chapter 294,
article 1, section 18, subdivision 9.

Sec. 20. VETERANS AFFAIRS $ 5,000,000
To the commissioner of administration
for asset preservation improvements and
betterments of a capital nature at the veterans
homes in Minneapolis, Hastings, Fergus
Falls, Silver Bay, and Luverne, to be spent in
accordance with Minnesota Statutes, section
16B.307.

Sec. 21. CORRECTIONS
Subdivision 1. Total Appropriation $ 40,900,000
To the commissioner of administration for
the purposes specified in this section.
Subd. 2. Asset Preservation 20,000,000
For asset preservation improvements and
betterments of a capital nature at Minnesota
correctional facilities statewide, to be spent
in accordance with Minnesota Statutes,
section 16B.307.
Subd. 3. Minnesota Correctional Facility - St.
Cloud 19,000,000
To construct and equip a new intake unit and
a loading dock with a secure connection to
a new central warehouse at the Minnesota Correctional Facility – St. Cloud.

Subd. 4. Minnesota Correctional Facility - Moose Lake

To expand and renovate the outdated master control center to improve security and efficiency at the Minnesota Correctional Facility - Moose Lake. The renovation includes updating fire alarm panels and mechanical and electrical systems and improving visibility of the visiting area.

Subd. 5. Unspent Appropriations

The unspent portion of an appropriation for a Department of Corrections project in this section that is complete, upon written notice to the commissioner of management and budget, is available for asset preservation under Minnesota Statutes, section 16B.307.

Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 22. EMPLOYMENT AND ECONOMIC DEVELOPMENT

Subdivision 1. Total Appropriation $ 67,050,000

To the commissioner of employment and economic development for the purposes specified in this section.

Subd. 2. Transportation Economic Development

7,000,000

For grants under Minnesota Statutes, section

116J.436.

Subd. 3. Greater Minnesota Business Development Public Infrastructure Grants

12,000,000
For grants under Minnesota Statutes, section 35.1 116J.431.

Subd. 4. **Innovative Business Development Public Infrastructure Grants** 2,500,000

For grants under Minnesota Statutes, section 35.2 116J.435.

Subd. 5. **Bemidji - Regional Dental Facility** 4,500,000

For a grant to the city of Bemidji to acquire land for and to predesign, design, construct, renovate, furnish, and equip a regional dental facility in Bemidji, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner of management and budget has determined that at least $4,500,000 has been committed to the project from nonstate sources. The value of the land purchased or acquired by the city after January 1, 2016, for this facility shall count toward the nonstate match.

Subd. 6. **Hennepin County - Hennepin Center for the Arts** 5,000,000

For a grant to Hennepin County for improvements and betterments of a capital nature to renovate the historic Hennepin Center for the Arts, subject to Minnesota Statutes, section 16A.695. This appropriation is available after the commissioner of management and budget determines that $3,000,000 has been committed to complete the project from nonstate sources.

Subd. 7. **Litchfield - Phase 2 Power Generation Improvements** 3,000,000

For a grant to the city of Litchfield to design and construct electrical generation improvements in the city of Litchfield.
to expand the current standby capacity,
including replacement of two old generators.

This appropriation is not available until the
commissioner of management and budget
determines that at least an equal amount
is committed to the project from nonstate
sources.

Subd. 8. **Madelia** 98,000

For a grant to the city of Madelia for repair
and replacement of a capital nature of public
infrastructure damaged by a fire in Madelia
in February 2016. This appropriation does
not require a nonstate contribution.

Subd. 9. **Minneapolis - Norway House** 5,000,000

From the general fund for a grant to
the Norway House to acquire land and
predesign, design, construct, furnish, and
equip a conference and event center at 913
East Franklin Avenue and adjacent property
in Minneapolis to celebrate the culture of
Norway and American Norwegians. This
appropriation is not available until at least
an equal amount is committed from nonstate
sources. Land purchased for this expansion
project shall count toward the nonstate match.

Subd. 10. **Minneapolis - Pioneers and Soldiers**
**Cemetery Restoration** 1,029,000

For a grant to the city of Minneapolis to
restore the historic steel and limestone pillar
fence along Cedar Avenue and Lake Street,
install a new steel fence and pillars along 21st
Avenue South, and install a waterproofing
system for preservation of the fence and
pillars, at the Pioneer and Soldiers Cemetery.

This appropriation is available after the
commissioner of management and budget
determines that $394,000 is committed from
nonstate sources.

Subd. 11. Red Wing - River Town Renaissance

For a grant to the city of Red Wing to
complete removal and replacement of
approximately 250 lineal feet of the harbor
retaining wall; to design, construct, furnish,
and equip the renovation of the historic
T.B. Sheldon Performing Arts Theater; and
docking facilities, levee wall extension, and
levee promenade improvements at Levee
Park. This appropriation is not available
until the commissioner of management and
budget determines that an amount sufficient
to complete the project has been committed
from nonstate sources.

Subd. 12. St. James - Public Infrastructure

For a grant to the city of St. James. Of
this amount, $2,193,000 is for engineering,
right-of-way acquisition, and reconstruction
of streets, sidewalks, storm water and
sanitary sewer, water mains, lighting,
utilities, and other capital improvements of
publicly owned infrastructure required for
the reconstruction of marked Trunk Highway
4 in the city of St. James, and $1,250,000
is to replace the storm sewer drain which
serves St. James Lake and the entire southern
section of the City of St. James.

Subd. 13. St. Paul - Science Museum of
Minnesota Building Preservation

For a grant to the city of St. Paul for
predesign, design, and construction work
38.1 to replace water-damaged elements of the
38.2 Science Museum of Minnesota's exterior
38.3 envelope and some resultant interior damage
38.4 caused by latent design and construction
38.5 defects, subject to Minnesota Statutes, section
38.6 16A.695. This appropriation is not available
38.7 until the commissioner of management and
38.8 budget determines that an equal amount has
38.9 been committed to the project from nonstate
38.10 sources. Capital costs paid by the Science
38.11 Museum of Minnesota since January 1, 2014,
38.12 relating to the water intrusion damage, shall
38.13 count towards the match requirement.
38.15 Museum of American Art
38.16 For a grant to the St. Paul Port Authority
38.17 to design, construct, furnish, and equip
38.18 improvements for the Minnesota Museum
38.19 of American Art for the historic Pioneer
38.20 Endicott Building renovation. The project
38.21 shall include galleries and education
38.22 facilities, art storage, access to the St. Paul
38.23 skyway, museum loading, and other capital
38.24 improvements required for a museum and
38.25 related education facility. The appropriation
38.26 shall be available upon a determination by
38.27 the commissioner that at least $8,500,000
38.28 of nonstate funds have been raised for the
38.29 project and there are sufficient funds to
38.30 complete the overall project.
38.31 Sec. 23. PUBLIC FACILITIES AUTHORITY
38.32 Subdivision 1. Total Appropriation
38.33 $ 154,226,000
38.34 To the Public Facilities Authority for the
38.35 purposes specified in this section.
38.36 Subd. 2. State Match for Federal Grants
38.37 17,000,000
To match federal grants for the clean water revolving fund under Minnesota Statutes, section 446A.07, and the drinking water revolving fund under Minnesota Statutes, section 446A.081. This appropriation must be used for qualified capital projects.

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

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

(b) $51,500,000 is for wastewater projects listed on the Pollution Control Agency's project priority list in the fundable range under the clean water revolving fund program.

(c) $18,500,000 is for drinking water projects listed on the commissioner of health's project priority list in the fundable range under the drinking water revolving fund program.

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

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

For grants to eligible municipalities under the point source implementation grants program under Minnesota Statutes, section 446A.073. This appropriation must be used for qualified capital projects.
Subd. 5. Big Lake Area Sanitary District - Sewer System and Force Main

For a grant to the Big Lake Area Sanitary District to construct a pressure sewer system and force main to convey sewage to the Western Lake Superior Sanitary District connection in the city of Cloquet. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources. This appropriation is in addition to the appropriation in Laws 2014, chapter 294, article 1, section 22, subdivision 4.

Subd. 6. Dennison - Sewage Treatment System Improvements

For a grant to the city of Dennison to predesign, design, and construct a new lift station and make sewage pond improvements. This appropriation does not require a nonstate contribution.

Subd. 7. East Grand Forks

For a grant to the city of East Grand Forks to design and construct wastewater infrastructure improvements interconnecting the wastewater system of East Grand Forks to the wastewater treatment system in Grand Forks, North Dakota. This appropriation may not be used for improvements outside the state. This appropriation is in addition to grants under Minnesota Statutes, section 446A.072. A nonstate match is not required.

Subd. 8. Koochiching County - Voyageurs National Park Clean Water Project

For a grant to the Koochiching County - Voyageurs National Park Clean Water Project
(a) For a grant to Koochiching County to acquire land or interests in land, and to design, engineer, construct, and equip sanitary sewage systems and facilities to implement a portion or portions of the Voyageurs National Park clean water project comprehensive plan. This appropriation is available after the commissioner of management and budget determines that $4,500,000 is committed from nonstate sources.

(b) This appropriation is in addition to the appropriation in Laws 2014, chapter 294, article 1, section 22, subdivision 7. Notwithstanding the match requirement in Laws 2014, chapter 294, article 1, section 22, subdivision 7, the nonstate match required for this appropriation and the 2014 appropriation for a grant to Koochiching County is 25 percent of the state grant amounts. Any money remaining from this appropriation after completion of the projects in paragraph (a) is available for grants to Koochiching County or St. Louis County to be used for other projects described in the comprehensive plan.

Subd. 9. Lilydale - Highway 13 Storm Water Conveyance

From the general fund for a grant to the city of Lilydale to design, acquire, construct, and install a storm water sewer and drop structure along Trunk Highway 13 in Lilydale that will be large enough to effectively collect water from springs and storm water runoff from above the road and safely convey the water to below the bluff. The city must coordinate this project with the Department
of Transportation's Trunk Highway 13
project. The appropriation and project also
include capital repairs and improvements
to existing drainage structures along the
Big Rivers Regional Trail at the base of the
bluff. This appropriation does not require a
nonstate contribution.

Subd. 10. Oronoco - Wastewater Collection
and Treatment Facilities

From the general fund for a grant to the
city of Oronoco to commission a study to
evaluate options for solving the wastewater
infrastructure needs for the region including
the city of Oronoco, the city of Pine Island,
or the city of Rochester. This appropriation
does not require a nonstate match.

Sec. 24. MINNESOTA HOUSING FINANCE
AGENCY

For transfer to the housing development
fund to finance the costs of rehabilitation to
preserve public housing under Minnesota
Statutes, section 462A.202, subdivision
3a. For purposes of this section, "public
housing" means housing for low-income
persons and households financed by the
federal government and owned and operated
by the public housing authorities and
agencies formed by cities and counties.
Public housing authorities receiving a public
housing assessment composite score of 80
or above or an equivalent designation are
eligible to receive funding. Priority must be
given to proposals that maximize federal or
local resources to finance the capital costs.
The priority in Minnesota Statutes, section
43.1 462A.202, subdivision 3a, for projects to
increase the supply of affordable housing and
the restrictions of Minnesota Statutes, section
462A.202, subdivision 7, do not apply to this
appropriation.

43.6 Sec. 25. MINNESOTA HISTORICAL
SOCIETY

43.8 Subdivision 1. Total Appropriation $ 2,500,000

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

43.11 Subd. 2. Historic Sites Asset Preservation $ 2,500,000

43.12 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.

43.19 Sec. 26. BOND SALE EXPENSES

43.20 Subdivision 1. Total Appropriation $ 1,070,000

43.21 To the commissioner of management and
budget for the purposes specified in this
section.

43.24 Subd. 2. Bond Proceeds Fund $ 1,070,000

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

43.28 Sec. 27. BOND SALE AUTHORIZATION.

43.29 Subdivision 1. Bond proceeds fund. 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 $1,242,558 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.

Subd. 2. Transportation fund. To provide the money appropriated in this act from
the state transportation fund, the commissioner of management and budget shall sell and
issue bonds of the state in an amount up to $231,446,000 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.

Subd. 3. Maximum effort school loan fund. To provide the money appropriated
in this act from the maximum effort school loan fund, the commissioner of management
and budget shall sell and issue bonds of the state in an amount up to $14,070,000 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. 28. CANCELLATIONS; BOND SALE AUTHORIZATION REDUCTIONS.

(a) The remaining uncommitted appropriations from the bond proceeds fund in Laws
1990, chapter 610, are canceled and the bond sale authorization in Laws 1990, chapter
610, article 1, section 30, subdivision 1, as amended, is reduced by $3,129.

(b) The remaining uncommitted appropriations from the bond proceeds fund in
Laws 1994, chapter 643, are canceled and the bond sale authorization in Laws 1994,
chapter 643, section 31, subdivision 1, as amended, is reduced by $24,480.

(c) The remaining uncommitted appropriations from the bond proceeds fund in Laws
1997, Second Special Session chapter 2, are canceled and the bond sale authorization in
Laws 1997, Second Special Session chapter 2, section 12, as amended, is reduced by
$96,992.

(d) The remaining uncommitted appropriations from the bond proceeds fund in
Laws 1999, chapter 240, are canceled and the bond sale authorization in Laws 1999,
chapter 240, article 1, section 13, subdivision 1, as amended, is reduced by $212,472.

(e) The remaining uncommitted appropriations from the bond proceeds fund in Laws
2000, chapter 492, are canceled and the bond sale authorization in Laws 2000, chapter
492, article 1, section 26, subdivision 1, as amended, is reduced by $7,933,538.

(f) The remaining uncommitted appropriations from the bond proceeds fund in Laws
2002, chapter 393, are canceled and the bond sale authorization in Laws 2002, chapter
393, section 30, subdivision 1, as amended, is reduced by $188,471.

(g) The remaining uncommitted appropriations from the bond proceeds fund in Laws
2002, First Special Session chapter 1, are canceled and the bond sale authorization in Laws
2002, First Special Session chapter 1, section 9, subdivision 1, is reduced by $217,959.
(h) The remaining uncommitted appropriations from the trunk highway bond proceeds fund in Laws 2003, First Special Session chapter 19, article 3, are canceled and the bond sale authorization in Laws 2003, First Special Session chapter 19, article 3, section 2, is reduced by $201,530.

(i) The remaining uncommitted appropriations from the trunk highway bond proceeds fund in Laws 2003, First Special Session chapter 19, article 4, are canceled and the bond sale authorization in Laws 2003, First Special Session chapter 19, article 4, section 4, is reduced by $326,534.

(j) The remaining uncommitted appropriations from the bond proceeds fund in Laws 2005, chapter 20, are canceled and the bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, as amended, is reduced by $3,366,628.

(k) The $700,000 appropriation from the bond proceeds fund in Laws 2011, First Special Session chapter 12, section 13, subdivision 8, for St. Louis Park noise barriers, is canceled and the bond sale authorization in Laws 2011, First Special Session chapter 12, section 23, subdivision 1, is reduced by the same amount.

(l) The $2,285,000 appropriation from the bond proceeds fund in Laws 2012, First Special Session chapter 1, article 1, section 3, subdivision 2, to the commissioner of public safety for disaster relief, is canceled and the bond sale authorization in Laws 2012, First Special Session chapter 1, article 1, section 16, subdivision 1, is reduced by the same amount.

(m) $1,380,000 of the appropriation from the bond proceeds fund in Laws 2012, First Special Session chapter 1, article 1, section 6, to the Public Facilities Authority for disaster relief, is canceled and the bond sale authorization in Laws 2012, First Special Session chapter 1, article 1, section 16, subdivision 1, is reduced by the same amount.

(n) $2,335,000 of the appropriation from the bond proceeds fund in Laws 2012, First Special Session chapter 1, article 1, section 9, subdivision 2, to the commissioner of natural resources for disaster relief, is canceled, and the bond sale authorization in Laws 2012, First Special Session chapter 1, article 1, section 16, subdivision 1, is reduced by the same amount.

(o) The $300,000 appropriation from the general fund in Laws 2015, First Special Session chapter 5, article 1, section 14, subdivision 4, for Eagle's Healing Nest is canceled.

Sec. 29. Laws 2015, First Special Session chapter 5, article 1, section 19, is amended to read:

Sec. 19. **BOND SALE SCHEDULE.**
The commissioner of management and budget shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2017, no more than $1,267,459,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. During the biennium, before each sale of state general obligation bonds, the commissioner of management and budget shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 30. EFFECTIVE DATE.
Except as otherwise provided, this article is effective the day following final enactment.

ARTICLE 2
TRANSPORTATION FINANCE AND POLICY
Section 1. TRANSPORTATION CAPITAL IMPROVEMENT APPROPRIATIONS.
(a) The sums shown in the columns marked "Appropriations" are added to the appropriations in Laws 2015, chapter 75, article 1, to the commissioner of transportation for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2016" and "2017" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2016, or June 30, 2017, respectively.

(b) 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 of bond proceeds

Article 2 Section 1.
in this act are available until the project is completed or abandoned subject to Minnesota
Statutes, section 16A.642. Unless otherwise specified in this act, money appropriated in
this act for activities under Minnesota Statutes, sections 16B.307, 84.946, and 135A.046,
should not be used for projects that can be financed within a reasonable time frame under
Minnesota Statutes, section 16B.322 or 16C.144.

APPROPRIATIONS
Available for the Year
   Ending June 30
  2016  2017

Sec. 2. DEPARTMENT OF
TRANSPORTATION

Subdivision 1. Total Appropriation $20,000,000 $410,968,000

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

Subd. 2. Corridors of Commerce -0- 199,500,000

This is a onetime appropriation for the
corridors of commerce program under
Minnesota Statutes, section 161.088,
notwithstanding any requirements of that
section, for all the following projects, in
amounts as determined by the commissioner:

(1) construction of marked Trunk Highway
23 as a four-lane divided highway (i) from
the point where marked Trunk Highway
23 ceases as a four-lane divided highway
near the intersection with Kandiyohi County
State-Aid Highway 31, located east of New
London, to the point where marked Trunk
Highway 23 commences as a four-lane
divided highway, located southwest of
Paynesville, and (ii) from the point where
marked Trunk Highway 23 ceases as a
four-lane divided highway, located northeast
of Paynesville, to the point where marked
Trunk Highway 23 commences as a four-lane
48.1 divided highway, located southwest of
48.2 Richmond, provided that notwithstanding
48.3 Minnesota Statutes, section 16A.28, this
48.4 amount is available for seven years;
48.5 (2) construction and reconstruction of
48.6 marked Trunk Highway 14 as a four-lane
48.7 divided highway, from the interchange with
48.8 marked Interstate Highway 35 near the
48.9 city of Owatonna to the point near the city
48.10 of Dodge Center at which marked Trunk
48.11 Highway 14 constitutes a four-lane divided
48.12 highway, located southeast of the intersection
48.13 with marked Trunk Highway 56;
48.14 (3) right-of-way acquisition and construction
48.15 of an interchange at marked Trunk Highway
48.16 212 and Carver County Road 140 in the city
48.17 of Chaska, to support the development of
48.18 approximately 400 acres of property in the
48.19 city of Chaska's comprehensive plan;
48.20 (4) to add a third travel lane in each direction
48.21 of marked U.S. Highway 10 from the
48.22 interchange with Hanson Boulevard to the
48.23 interchange with Round Lake Boulevard in
48.24 the city of Coon Rapids;
48.25 (5) to acquire land, predesign, design, and
48.26 construct an interchange with related utilities
48.27 at the intersection of marked U.S. Highway
48.28 10, County Road 79, and County State-Aid
48.29 Highway 4, and to construct frontage roads
48.30 on both sides of marked U.S. Highway 10,
48.31 extending from the intersection of marked
48.32 U.S. Highway 10, County Road 79, and
48.33 County State-Aid Highway 4 to 85th Street;
48.34 (6) land acquisition in conjunction with
48.35 project development for expansion of marked
49.1 U.S. Highway 14 to a four-lane divided
49.2 highway between Nicollet and New Ulm; and
49.3 (7) a grant to Anoka County to complete
49.4 preliminary engineering, environmental
49.5 analysis, and final design for the improvement
49.6 of marked U.S. Highway 10 and associated
49.7 improvements.
49.8 Subd. 3. **State and Local Roads**
49.9 This is a onetime appropriation for all
49.10 of the following purposes, in amounts as
49.11 determined by the commissioner:
49.12 (1) the transportation economic development
49.13 program under Minnesota Statutes, section
49.14 174.12;
49.15 (2) the small cities assistance program under
49.16 Minnesota Statutes, section 162.145;
49.17 (3) the safe routes to school program under
49.18 Minnesota Statutes, section 174.40;
49.19 (4) the safety improvement study for the
49.20 interchange of signed Interstate Highways
49.21 94, 694, and 494, as provided in this article;
49.22 (5) design, engineering, environmental
49.23 analysis, and construction of improvements
49.24 to Cliff Road in the vicinity of marked
49.25 Interstate Highway 35W;
49.26 (6) grants to the city of Virginia and the city
49.27 of Virginia Public Utilities Commission to
49.28 acquire land for and to predesign, design,
49.29 construct, furnish, and equip relocated
49.30 public utilities, including sanitary and storm
49.31 water sewers and water, electrical, and gas
49.32 utilities, and to demolish and remove old
49.33 utility infrastructure, all associated with the
49.34 relocation of marked trunk highway 53.
provided that a nonstate contribution is not required;

(7) a grant to the city of Moorhead to construct and complete phase 1 of the grade separated rail crossings project in the vicinity of 21st Street South in the city of Moorhead, and for preliminary engineering and environmental assessment of phase 2, the grade separated rail crossing in the vicinity of 11th Street South in the city of Moorhead, provided that a nonstate contribution is not required;

(8) town roads under Minnesota Statutes, section 162.081;

(9) county state-aid highways under Minnesota Statutes, chapter 162; and

(10) municipal state-aid streets under Minnesota Statutes, chapter 162.

Subd. 4. **State Road Construction**

<table>
<thead>
<tr>
<th>20,000,000</th>
<th>98,833,000</th>
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This is a onetime appropriation from the trunk highway fund for (1) state road construction;

(2) for State Project No. 2514-122, consisting of engineering and reconstruction of the segment of marked U.S. Highway 61 in Red Wing from westerly of Old West Main Street to easterly of Potter Street, which is for trunk highway costs in excess of the engineer's estimate and associated program delivery;

and (3) a grant to the city of Cambridge for final design, environmental analysis, right-of-way acquisition, land acquisition, corridor mapping, construction engineering, and construction for the improvement of marked Trunk Highway 95 and associated improvements.
51.1 Subd. 5. **Trunk Highway Projects**  
62,000,000

51.2 For all of the projects specified in
51.3 subdivisions 6 to 8, in amounts as determined
51.4 by the commissioner.

51.5 Subd. 6. **Hennepin County - U.S. Highway 12**

51.6 From the bond proceeds account in the
51.7 trunk highway fund for projects, including
51.8 preliminary and final design, engineering,
51.9 environmental analysis, right-of-way
51.10 acquisition, construction, and reconstruction
51.11 on marked U.S. Highway 12 as follows:
51.12 (1) realignment at the intersections with
51.13 Hennepin County State-Aid Highway 92;
51.14 (2) realignment and safety improvements
51.15 at the intersection with Hennepin County
51.16 State-Aid Highway 90; and
51.17 (3) safety median improvements from the
51.18 interchange with Wayzata Boulevard in
51.19 Wayzata to approximately one-half mile east
51.20 of the interchange with Hennepin County
51.21 State-Aid Highway 6.

51.22 Subd. 7. **Anoka County - I-35 Interchange in Columbus**

51.23 From the bond proceeds account in the
51.24 trunk highway fund for a grant to Anoka
51.25 County to: (1) complete the design, land
51.26 acquisition, engineering, and construction of
51.27 an interchange at the intersection of marked
51.28 Interstate Highway 35, marked Trunk
51.29 Highway 97, and County State-Aid Highway
51.30 23, and (2) realign and make associated
51.31 improvements to County State-Aid Highway
51.32 54, known as West Freeway Drive, in the
51.33 city of Columbus.
Subd. 8. **I-94/Brockton Lane Interchange**

From the bond proceeds account in the trunk highway fund for the I-94/Brockton Lane Interchange Project to construct an interchange and auxiliary lanes on marked Interstate Highway 94 east of the Hennepin County State-Aid Highway 101 (Brockton Lane) overpass in the city of Dayton.

Subd. 9. **Trunk Highway Bonds - Debt Service 2017**

From the trunk highway fund for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget shall transfer the deficiency amount under the statutory open appropriation, and notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance and the chairs of the senate Committee on Finance and the house of representatives Committee on Ways and Means of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.

Subd. 10. **Airports**

This is a onetime appropriation from the state airports fund for the following purposes:

1. $4,985,000 for a grant to the city of Rochester to design, rehabilitate, demolish, and expand portions of the existing passenger terminal building at the Rochester International Airport, provided that this amount also includes money to remodel, construct, furnish,
and equip the existing passenger terminal building and associated appurtenances to meet the United States Customs and Border Protection and Transportation Security Administration standards for safety, security, and processing time to accommodate domestic and international flights. The capital improvements paid for with this appropriation may be used as the local contribution required by Minnesota Statutes, section 360.305, subdivision 4. This appropriation is not available until the commissioner of management and budget has determined that at least an equal amount has been committed to the project from nonstate sources. Work that may be completed with this appropriation includes but is not limited to (i) site preparation including utilities, site civil work, testing, and construction administration services, (ii) the relocation, modification, and addition of airline ticket counters, baggage claim devices, public spaces, offices, restrooms, support space, break rooms, lockers, equipment storage, communications, hallways, building signage, medical visitor rooms, special needs accommodations, hold rooms, secure storage, equipment maintenance area, and building engineering and technology systems, (iii) improvements needed outside the terminal to remove, restore, and tie into adjacent utilities, sidewalks, driveways, parking lots, and aircraft aprons, and (iv) the construction of covered exterior equipment storage;

(2) $5,900,000 to provide the federal match to design and construct runway infrastructure

Article 2 Sec. 2.
at the Duluth International and Sky Harbor
Airports in accordance with Minnesota Statutes, section 360.017. For the purposes of this clause, the commissioner may waive the requirements of Minnesota Statutes, section 360.305, subdivision 4, paragraph (b). This appropriation is for costs incurred after March 1, 2016, and is available until and must be encumbered by June 30, 2017. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources; and (3) $250,000 to conduct an air transport optimization planning study for the St. Cloud Regional Airport, which must be comprehensive and market-based, using economic development and air service expertise to research, analyze, and develop models and strategies that maximize the return on investments made to enhance the use and impact of the St. Cloud Regional Airport.

Subd. 11. Minnesota Rail Service Improvement -0- 1,000,000

This is a onetime appropriation from the rail service improvement account in the special revenue fund to the commissioner of transportation for a grant to the city of Grand Rapids to fund rail planning studies, design, and preliminary engineering relating to the construction of a freight rail line located in the counties of Itasca, St. Louis, and Lake to serve local producers and shippers. The city of Grand Rapids shall collaborate with the Itasca Economic Development Corporation
and the Itasca County Regional Railroad
Authority in the activities funded with the
proceeds of this grant. This appropriation is
available until June 30, 2019.

Sec. 3. BOND SALE AUTHORIZATION.

Subdivision 1. Trunk highway bonds. To provide the money appropriated in
this act from the bond proceeds account in the trunk highway fund, the commissioner
of management and budget shall sell and issue bonds of the state in an amount up to
$62,062,000 in the manner, upon the terms, and with the effect prescribed by Minnesota
Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section
11, at the times and in the amounts requested by the commissioner of transportation. The
proceeds of the bonds, except accrued interest and any premium received from the sale of
the bonds, must be deposited in the bond proceeds account in the trunk highway fund.

Sec. 4. Minnesota Statutes 2014, section 160.18, is amended by adding a subdivision
to read:

Subd. 4. Appeal process. (a) Notwithstanding chapter 14 and section 14.386,
the commissioner shall establish a concise, expedited process through which an owner
or occupant of property abutting a trunk highway may appeal a denial or revocation of
an access permit. The owner or occupant must initiate an appeal no later than 30 days
after the date the commissioner issues written notice of the denial or revocation of an
access permit. The process must provide the owner or occupant and the Department of
Transportation the opportunity to present information in support of their positions.

(b) The hearing must be conducted by an administrative law judge assigned by the
chief administrative law judge. The administrative law judge shall maintain a transcript of
the hearing and shall keep a record of all documents and data submitted at the hearing.
Within 30 days of the conclusion of the hearing, the administrative law judge shall
transmit to the commissioner the record of the proceedings along with a report and
recommendation based on the record made in the informal hearing. The commissioner
shall make a written decision regarding the access permit.

(c) Section 15.99 does not apply to matters using the appeal process in this
subdivision.

Sec. 5. Minnesota Statutes 2015 Supplement, section 162.145, subdivision 3, is
amended to read:
Subd. 3. Administration. (a) Subject to funds made available by law, the
commissioner shall allocate all funds as provided in subdivision 4 and. By June 1 of a
year in which aid is provided, the commissioner of transportation shall notify certify to the
commissioner of revenue the amount to be paid to each eligible city.
(b) Following notification from the commissioner of transportation, the
commissioner of revenue shall distribute the specified funds to cities in the same manner
as local government aid under chapter 477A. An appropriation to the commissioner of
transportation under this section is available to the commissioner of revenue for the
purposes specified in this paragraph.
(c) Notwithstanding other law to the contrary, in order to receive distributions under
this section, a city must conform to the standards in section 477A.017, subdivision 2. A
city that receives funds under this section must make and preserve records necessary to
show that the funds are spent in compliance with subdivision 45.

EFFECTIVE DATE. This section is effective for aids payable in 2016.

Sec. 6. Minnesota Statutes 2014, section 219.015, is amended to read:

219.015 STATE RAIL SAFETY INSPECTOR INSPECTION PROGRAM.
Subdivision 1. Positions established; duties. (a) The commissioner of transportation
shall establish three state rail safety inspector positions in the Office of Freight and
Commercial Vehicle Operations of the Minnesota Department of Transportation. On or
after July 1, 2015, and the commissioner may establish a fourth up to six state rail safety
inspector position inspection program positions following consultation with railroad
companies. The commissioner shall apply to and enter into agreements with the Federal
Railroad Administration (FRA) of the United States Department of Transportation
to participate in the federal State Rail Safety Participation Program for training and
certification of an inspector under authority of United States Code, title 49, sections 20103,
(b) A state rail safety inspector shall may inspect mainline track, secondary
track, and yard and industry track; inspect railroad right-of-way, including adjacent or
intersecting drainage, culverts, bridges, overhead structures, and traffic and other public
crossings; inspect yards and physical plants; inspect train equipment; review and enforce
safety requirements; review maintenance and repair records; and review railroad security
measures.
(c) A state rail safety inspector may perform, but is not limited to, the duties
described in the federal State Rail Safety Participation Program. An inspector may train,
be certified, and participate in any of the federal State Rail Safety Participation Program
disciplines, including: track, signal and train control, motive power and equipment,
operating practices compliance, hazardous materials, and highway-rail grade crossings.

(d) To the extent delegated by the Federal Railroad Administration and authorized
by the commissioner, an inspector may issue citations for violations of this chapter, or to
ensure railroad employee and public safety and welfare.

Subd. 2. Railroad company assessment; account; appropriation. (a) As provided
in this subdivision, the commissioner shall annually assess railroad companies that are
(1) defined as common carriers under section 218.011; (2) classified by federal law
or regulation as Class I Railroads, Class I Rail Carriers, Class II Railroads, or Class II
Carriers; and (3) operating in this state.

(b) The assessment must be by a division of calculated to allocate state rail
safety inspector inspection program costs in equal proportion between proportionally
among carriers based on route miles operated in Minnesota, assessed in equal amounts
for 365 days of the calendar year at the time of assessment. The commissioner shall
assess include in the assessment calculation all program or additional position start-up
or re-establishment costs; all related costs of initiating the state rail safety inspector
inspection program, including but not limited to inspection, administration, supervision,
travel, equipment, and training; and costs of ongoing state rail inspector duties.

(c) The assessments collected under this subdivision must be deposited in a special
account in the special revenue fund, to be known as the state rail safety inspection account,
which is established in the special revenue fund. The account consists of funds as provided
by this subdivision, and any other money donated, allotted, transferred, or otherwise
provided to the account. Money in the account is appropriated to the commissioner for
the establishment and ongoing responsibilities of the state rail safety inspector inspection
program.

Subd. 3. Work site safety coaching program. The commissioner may exempt a
common carrier not federally classified as Class I from violations for a period of up to
two years if the common carrier applies for participation in a work site safety coaching
program, such as the "MNSharp" program administered by the Minnesota Department of
Labor and Industry, and the commissioner determines such participation to be preferred
enforcement for safety or security violations.

Subd. 4. Appeal. Any person aggrieved by an assessment levied under this section
may appeal within 90 days any assessment, violation, or administrative penalty to the
Office of Administrative Hearings, with further appeal and review by the district court.

EFFECTIVE DATE. This section is effective the day following final enactment.
Sec. 7. INTERSTATE 94 WIRE ROPE SAFETY BARRIERS.

The commissioner of transportation must install wire rope safety barriers or another equivalent safety device along the center median of the segment of marked Interstate Highway 94 between Huron Boulevard and Cretin Avenue that does not currently have a concrete median, wire rope safety barrier, or other equivalent safety device installed.

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

Sec. 8. TRANSPARENT NOISE BARRIER.

The commissioner of transportation must include transparent panels as part of noise barrier construction in the area of the interchange at marked Interstate Highway 694 and marked Interstate Highway 35E.

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

Sec. 9. CORRIDORS OF COMMERCE PROJECT SELECTION.

Notwithstanding the requirements of Minnesota Statutes, section 161.088, subdivisions 3 to 5, the commissioner of transportation must include that segment of marked U.S. Highway 212 from Chaska to Montevideo as an eligible highway in the next project solicitation and selection process undertaken for the corridors of commerce program under that section.

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

Sec. 10. INTERSTATE 94/694/494 INTERCHANGE SAFETY IMPROVEMENT STUDY.

The commissioner of transportation must conduct a safety improvement study for the interchange of signed Interstate Highways 94, 694, and 494 in the cities of Woodbury and Oakdale. At a minimum, the study must provide specific recommendations to improve the safety of the interchange and include cost estimates for each recommended improvement. The commissioner must report the findings and recommendations of the study to the legislative committees having jurisdiction over transportation policy and finance within 180 days after the effective date of this section.

EFFECTIVE DATE. This section is effective the day following final enactment.
ARTICLE 3

MISCELLANEOUS

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

16A.967 LEWIS AND CLARK APPROPRIATION BONDS.

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

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

(1) money appropriated by law from the general fund in any biennium for debt service due with respect to obligations described in subdivision 2, paragraph (e);

(2) proceeds of the sale of obligations described in subdivision 2, paragraph (e);

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

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

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

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

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

(e) Appropriation bonds may be sold and issued in amounts that, in the opinion of
the commissioner, are necessary to provide sufficient money, not to exceed $19,000,000
net of costs of issuance, for the purposes as provided under paragraph (a), and pay debt
service including capitalized interest, costs of issuance, costs of credit enhancement, or
make payments under other agreements entered into under paragraph (e).

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

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

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

(f) The appropriation bonds are not subject to chapter 16C.
Subd. 2a. **Project authorization.** Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient money to the Public Facilities Authority under subdivision 7, paragraph (a), not to exceed $19,000,000 net of costs of issuance, for the purposes as provided under this subdivision, and pay debt service including capitalized interest, costs of issuance, costs of credit enhancement, or make payments under other agreements entered into under subdivision 2, paragraph (d). The bonds authorized by this subdivision are for the purposes of financing the land acquisition, design, engineering, and construction of facilities and infrastructure necessary to complete Phase 2 of the Lewis and Clark Regional Water System project, including completion of the pipeline to Magnolia; extension of the project to the Lincoln-Pipestone Rural Water System connection near Adrian; and engineering, design, and easement acquisition for the final phase of the project to Worthington. No bonds shall be sold under this subdivision until the commissioner determines that a nonstate match of at least $9,000,000 is committed to this project phase. Upon completion of Phase 2, the unspent unencumbered portion of the appropriation in this subdivision is available for the purposes of subdivision 2b.

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

Subd. 3. **Form; procedure.** (a) Appropriation bonds may be issued in the form of bonds, notes, or other similar instruments, and in the manner provided in section 16A.672. In the event that any provision of section 16A.672 conflicts with this section, this section shall control.
(b) Every appropriation bond shall include a conspicuous statement of the limitation established in subdivision 6.

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

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

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

Subd. 4. Refunding bonds. The commissioner may issue appropriation bonds for the purpose of refunding any appropriation bonds then outstanding, including the payment of any redemption premiums on the bonds, any interest accrued or to accrue to the redemption date, and costs related to the issuance and sale of the refunding bonds. The proceeds of any refunding bonds may, in the discretion of the commissioner, be applied to the purchase or payment at maturity of the appropriation bonds to be refunded, to the redemption of the outstanding appropriation bonds on any redemption date, or to pay interest on the refunding bonds and may, pending application, be placed in escrow to be applied to the purchase, payment, retirement, or redemption. Any escrowed proceeds, pending such use, may be invested and reinvested in obligations that are authorized investments under section 11A.24. The income earned or realized on the investment may also be applied to the payment of the appropriation bonds to be refunded or interest or premiums on the refunded appropriation bonds, or to pay interest on the refunding bonds. After the terms of the escrow have been fully satisfied, any balance of the proceeds and any investment income may be returned to the general fund or, if applicable, the special appropriation Lewis and Clark bond proceeds fund for use in any lawful manner. All refunding bonds issued under this subdivision must be prepared, executed, delivered, and secured by appropriations in the same manner as the appropriation bonds to be refunded.

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

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

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

(3) personal representatives, guardians, trustees, and other fiduciaries.
Subd. 6. **No full faith and credit; state not required to make appropriations.** The appropriation bonds are not public debt of the state, and the full faith, credit, and taxing powers of the state are not pledged to the payment of the appropriation bonds or to any payment that the state agrees to make under this section. Appropriation bonds shall not be obligations paid directly, in whole or in part, from a tax of statewide application on any class of property, income, transaction, or privilege. Appropriation bonds shall be payable in each fiscal year only from amounts that the legislature may appropriate for debt service for any fiscal year, provided that nothing in this section shall be construed to require the state to appropriate money sufficient to make debt service payments with respect to the appropriation bonds in any fiscal year. Appropriation bonds shall be canceled and shall no longer be outstanding on the earlier of (1) the first day of a fiscal year for which the legislature shall not have appropriated amounts sufficient for debt service, or (2) the date of final payment of the principal of and interest on the appropriation bonds.

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

1. to the commissioner, Public Facilities Authority for a grant to the Lewis and Clark Joint Powers Board for payment of capital expenses for the purposes provided by paragraph (a), 2a; and

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

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

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

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

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

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

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

Sec. 2. Minnesota Statutes 2014, section 85.34, subdivision 1, is amended to read:

Subdivision 1. Upper bluff; lease terms. The commissioner of natural resources with the approval of the Executive Council may lease for purposes of restoration, preservation, historical, recreational, educational, and commercial use and development, that portion of Fort Snelling State Park known as the upper bluff consisting of officer's row, area J, the polo grounds, the adjacent golf course, and all buildings and improvements located thereon, all lying within an area bounded by Minneapolis-St. Paul International Airport, Trunk Highways numbered 5 and 55, and Bloomington Road. The lease or leases shall be in a form approved by the attorney general and for a term of not to exceed 99 years. The lease or leases may provide for the provision of capital improvements or other performance by the tenant or tenants in lieu of all or some of the payments of rent that would otherwise be required. Notwithstanding the continuing ownership of the upper bluff by the state, any lease of one or more buildings improved with state general obligation bond proceeds that exceeds 50 years shall be treated as a sale of the buildings for purposes of section 16A.695, subdivision 3. Any disposition proceeds payable to the commissioner upon execution of any lease relating to state bond financed buildings at the upper bluff shall be applied in accordance with the requirements of section 16A.695, subdivision 3, and used to pay, redeem, or defease state general obligation bonds issued for purposes of improving those buildings. Any lease revenues paid to the commissioner subsequent to the payment, redemption, or defeasance of state general obligation bonds shall be used by the commissioner as further described in this section.
Sec. 3. Minnesota Statutes 2014, section 116J.431, subdivision 1, is amended to read:

Subdivision 1. **Grant program established; purpose.** (a) The commissioner shall make grants to counties or cities to provide up to 50 percent of the capital costs of public infrastructure necessary for an eligible economic development project. The county or city receiving a grant must provide for the remainder of the costs of the project, either in cash or in kind. In-kind contributions may include the value of site preparation other than the public infrastructure needed for the project.

(b) The purpose of the grants made under this section is to keep or enhance jobs in the area, increase the tax base, or to expand or create new economic development.

(c) In awarding grants under this section, the commissioner must adhere to the criteria under subdivision 4.

(d) If the commissioner awards a grant for less than 50 percent of the project, the commissioner shall provide the applicant and the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over economic development finance a written explanation of the reason less than 50 percent of the capital costs were awarded in the grant.

Sec. 4. Minnesota Statutes 2014, section 116J.431, subdivision 6, is amended to read:

Subd. 6. **Maximum grant amount.** A county or city may receive no more than $1,000,000 $2,000,000 in two years for one or more projects.

Sec. 5. Minnesota Statutes 2014, section 174.52, subdivision 2, is amended to read:

Subd. 2. **Trunk highway corridor projects Local cost-share assistance account.** A trunk highway corridor projects local cost-share assistance account is established in the local road improvement fund. Money in the account is annually appropriated to the commissioner of transportation for expenditure as specified in this section. Money in the account must be used as grants or loans to statutory or home rule charter cities, towns, and counties to assist in paying the local share of trunk highway projects that have local costs that are directly or partially related to the trunk highway improvement and that are not funded or are only partially funded with other state and federal funds. The commissioner shall determine the amount of the local share of costs eligible for assistance from the account.

Sec. 6. [219.016] **HAZARDOUS MATERIALS RAIL SAFETY ACCOUNT AND GRANT PROGRAM.**
Subdivision 1. Purpose. A hazardous materials rail safety program is established for
the purpose of reducing the risks associated with transporting hazardous material by rail.

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

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

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

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

(1) whether the crossing was identified as a potential candidate for grade separation
in MnDOT's crude by rail grade crossing study (Improvements to Highway Grade
Crossings and Rail Safety, December 2014);
(2) roadway traffic volumes and speeds;
(3) train volumes and speeds;
(4) adjacent land use;
(5) crash history;
(6) use of the crossing by emergency vehicles;
(7) use of the crossing by vehicles carrying hazardous materials;
(8) local financial contributions to the project; and
(9) private financial contributions to the project.

Sec. 7. Minnesota Statutes 2014, section 446A.072, is amended to read:

446A.072 WASTEWATER WATER INFRASTRUCTURE FUNDING

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

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

(1) whose projects are listed on the Pollution Control Agency's project priority list or the commissioner of health's project priority list;

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

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

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

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

(1) calculate the essential project component percentage based on the portion of project costs necessary to convey or treat the existing wastewater flows and loadings or, for drinking water projects, to provide safe drinking water to meet existing needs, which must be multiplied by the total project cost to determine the eligible project cost for the program under this section; and

Article 3 Sec. 7.
(2) review and certify approved projects to the authority.

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

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

(b) For a governmental unit receiving a loan from the clean water revolving fund under section 446A.07, the authority may provide assistance under this section in the form of a grant if the average annual residential wastewater system cost after completion of the project would otherwise exceed 1.4 percent of the median household income of the project service area. In determining whether the average annual residential wastewater system cost would exceed 1.4 percent, the authority must consider the total costs associated with building, operating, and maintaining the wastewater system, including existing wastewater debt service, debt service on the eligible project cost, and operation and maintenance costs. Debt service costs for the proposed project are calculated based on the maximum loan term permitted for the clean water revolving fund loan under section 446A.07, subdivision 7. The amount of the grant is equal to 80 percent of the amount needed to reduce the average annual residential wastewater system cost to 1.4 percent of median household income in the project service area, to a maximum of $4,000,000 $5,000,000 per project or $15,000 $20,000 per existing connection, whichever is less, unless specifically approved by law. The eligible project cost is determined by multiplying the total project costs minus any other grants by the essential project component percentage calculated under subdivision 3, paragraph (c), clause (1). In no case may the amount of the grant exceed 80 percent of the eligible project cost.

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

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

Subd. 5b. Special-assessment deferral. A governmental unit receiving a loan
under subdivision 5a that levies special assessments to repay the loan under subdivision
5a or section 446A.07 may defer payment of such assessments under the provisions of
sections 435.192 to 435.195.

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

Subd. 7. Loan repayments. Notwithstanding the limitations set forth in section
475.54, subdivision 1, this subdivision shall govern the maturities and mandatory sinking
fund redemptions of the loans under this section. A governmental unit receiving a loan
under this section shall repay the loan in semiannual payment amounts determined by
the authority. The payment amount must be based on the average payments on the
governmental unit's clean water revolving fund loan or, if greater, the minimum amount
required to fully repay the loan by the maturity date. Payments must begin within one year
of the date of the governmental unit’s final payment on the clean water revolving fund
loan. The final maturity date of the loan under this section must be no later than 20 years
from the date of the first payment on the loan under this section and no later than 40 years
from the date of the first payment on the clean water revolving fund loan.

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

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

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

Subd. 12. System replacement fund. Each governmental unit receiving a loan or
grant under this section shall establish a system replacement fund and shall annually
deposit a minimum of $.50 per 1,000 gallons of flow for major rehabilitation or
replacement of the treatment wastewater or drinking water system, or replacement of
the treatment system at the end of its useful life. Money must remain in the account for the
life of the corresponding project loan from the authority or USDA/RECD, unless use of
the fund is approved in writing by the authority for major rehabilitation, expansion, or
replacement of the treatment wastewater or drinking water system. By March 1 each year
during the life of the loan, each recipient shall submit a report to the authority regarding
the amount deposited and the fund balance for the prior calendar year. A recipient is not
required to maintain a fund balance greater than the amount of the grant received. Failure
to comply with the requirements of this subdivision shall result in the authority assessing a
penalty fee to the recipient equal to one percent of the supplemental assistance amount for
each year of noncompliance. Failure to make the required deposit or pay the penalty fee as
required constitutes a default on the loan.
Subd. 14. **Consistency with land use plans.** A governmental unit applying for a project in an unsewered area shall include in its application to the authority a certification from the county in which the project is located that:
(1) the project is consistent with the county comprehensive land use plan, if the county has adopted one;
(2) the project is consistent with the county water plan, if the county has adopted one; and
(3) the county has adopted specific land use ordinances or controls so as to meet or exceed the requirements of Minnesota Rules, part 7080.0305.

Sec. 8. Minnesota Statutes 2014, section 446A.073, as amended by Laws 2015, First Special Session chapter 4, article 4, sections 127, 128, and 129, is amended to read:

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

Subdivision 1. **Program established.** When money is appropriated for grants under this program, the authority shall award grants up to a maximum of $2,000,000 to $7,000,000 governmental units to cover up to one-half 80 percent of the cost of water infrastructure projects made necessary by:
(1) a wasteload reduction prescribed under a total maximum daily load plan required by section 303(d) of the federal Clean Water Act, United States Code, title 33, section 1313(d);
(2) a phosphorus concentration or mass limit which requires discharging one milligram per liter or less at permitted design flow which is incorporated into a permit issued by the Pollution Control Agency;
(3) any other water quality-based effluent limit established under section 115.03, subdivision 1, paragraph (e), clause (8), and incorporated into a permit issued by the Pollution Control Agency that exceeds secondary treatment limits; or
(4) a total nitrogen concentration or mass limit of that requires discharging ten milligrams per liter or less for a land-based treatment system at permitted design flow.

Subd. 2. **Grant application.** Application for a grant must be made to the authority on forms prescribed by the authority for the total maximum daily load grant program, with additional information as required by the authority, including a project schedule and cost estimate for the work necessary to comply with the point source wasteload allocation requirements listed in subdivision 1. The Pollution Control Agency shall:
(1) in accordance with section 116.182, calculate the essential project component percentage, which must be multiplied by the total project cost to determine the eligible project cost; and
(2) review and certify to the authority those projects that have plans and
specifications approved under section 115.03, subdivision 1, paragraph (f).

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

Subd. 4. Grant approval. The authority must make a grant for an eligible project
only after:
(1) the applicant has submitted the as-bid cost for the water infrastructure project;
(2) the Pollution Control Agency has approved the as-bid costs and certified the
grant eligible portion of the project; and
(3) the authority has determined that the additional financing necessary to complete
the project has been committed from other sources.

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

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

Subd. 9. Other uses of fund. (a) The drinking water revolving loan fund may be
used as provided in the act, including the following uses:
(1) to buy or refinance the debt obligations, at or below market rates, of public water
systems for drinking water systems, where the debt was incurred after the date of enactment
of the act, for the purposes of construction of the necessary improvements to comply with
the national primary drinking water regulations under the federal Safe Drinking Water Act;
(2) to purchase or guarantee insurance for local obligations to improve credit market
access or reduce interest rates;
(3) to provide a source of revenue or security for the payment of principal and
interest on revenue or general obligation bonds issued by the authority if the bond
proceeds are deposited in the fund;
(4) to provide loans or loan guarantees for similar revolving funds established by a governmental unit or state agency;

(5) to earn interest on fund accounts;

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

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

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

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

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

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

(e) (b) Principal forgiveness or grants provided under paragraph (a), clause (9), may not exceed 25 percent of the eligible project costs as determined by the Department of Health for project components directly related to green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities, up to a maximum of $1,000,000.
(d) The authority may reduce the percentage of median household income at which a loan term could extend to 30 years under subdivision 8, paragraph (c), and at which principal forgiveness or grants could be provided under paragraph (b) if it determines that the federal money allotted to the state cannot be fully utilized without the reduction. If it determines that the reduction is necessary to fully utilize the federal money, the authority must effect the change through its approval of the annual intended use plan.

Sec. 10. Minnesota Statutes 2014, section 446A.12, subdivision 1, is amended to read:

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

Sec. 11. Minnesota Statutes 2014, section 462A.37, is amended by adding a subdivision to read:

Subd. 2c. Additional authorization. In addition to the amount authorized in subdivisions 2, 2a, and 2b, the agency may issue up to $35,000,000 in housing infrastructure bonds in one or more series to which the payments under this section may be pledged.

Sec. 12. Minnesota Statutes 2015 Supplement, section 462A.37, subdivision 5, is amended to read:

Subd. 5. Additional appropriation. (a) The agency must certify annually to the commissioner of management and budget the actual amount of annual debt service on each series of bonds issued under subdivisions 2a and 2b and 2c.
(b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure bonds issued under subdivision 2a remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed $6,400,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

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

(d) Each July 15, beginning in 2018 and through 2039, if any housing infrastructure bonds issued under subdivision 2c remain outstanding, the commissioner of management and budget must transfer to the housing infrastructure bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed $2,400,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

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

Sec. 13. Laws 2002, chapter 393, section 22, subdivision 6, as amended by Laws 2005, chapter 20, article 1, section 43, and Laws 2013, chapter 136, section 10, is amended to read:

Subd. 6. **Fergus Falls Regional Treatment Center**

To design, renovate, construct, furnish, and equip ancillary support and program facilities, including improvements to basic infrastructure, such as sanitary and storm sewer and water lines, public streets, curb, gutter, street lights, or sidewalks, to make improvements for building envelope and structural integrity for the purposes of stabilizing the buildings for sale, for hazardous materials abatement, and for...
demolition of all or portions of surplus,
nonfunctional, or deteriorated facilities
and infrastructure or to renovate surplus,
nonfunctional, or deteriorated facilities and
infrastructure to facilitate the redevelopment
of the Fergus Falls Regional Treatment
Center campus. If the property is sold or
transferred to a local unit of government, the
unspent portion of this appropriation may be
granted to the local unit of government that
acquires the campus for the purposes stated
in this subdivision.

Notwithstanding Minnesota Statutes, section
16A.642, the bond sale authorization and
appropriation of bond proceeds in this
subdivision are available until December 31,
2016 2018.

Sec. 14. Laws 2012, chapter 293, section 7, subdivision 3, is amended to read:

Subd. 3. Dam Repair, Reconstruction, and Removal 3,000,000
To renovate or remove publicly owned dams.
The commissioner shall determine project
priorities as appropriate under Minnesota
Statutes, sections 103G.511 and 103G.515.
Notwithstanding the match requirements
in Minnesota Statutes, section 103G.511,
a grant to the city of Lanesboro does not
require any nonstate match.

Sec. 15. Laws 2014, chapter 294, article 1, section 7, subdivision 15, is amended to read:

Subd. 15. Grant County Trail Grant 100,000
For a grant to Grant County for predesign,
acquisition, and or improvements for a trail
from the city of Elbow Lake to Pomme de
Terre Lake. The commissioner of natural resources may allocate any amount not needed to complete this project to state trail acquisition and improvements under Minnesota Statutes, section 85.015.

Sec. 16. Laws 2014, chapter 294, article 1, section 17, subdivision 6, is amended to read:

Subd. 6. Inver Grove Heights - Heritage Village Park 2,000,000

$1,500,000 of this appropriation is for a grant to the city of Inver Grove Heights and $500,000 of this appropriation is for a grant to Dakota County. This appropriation is for public infrastructure improvements and land acquisition in and adjacent to the Heritage Village Park, the Mississippi River Trail, and the Rock Island Swing Bridge. These improvements will include but are not limited to motor vehicle access, utility service, stormwater treatment, and trail and sidewalk connections. This appropriation is not available until the commissioner of management and budget has determined that at least an equal amount has been committed to the project from nonstate sources.

Sec. 17. Laws 2014, chapter 294, article 1, section 17, subdivision 12, is amended to read:

Subd. 12. West St. Paul - North Urban River to River Regional Trail Bridge Greenway 2,000,000

For a grant to the city of West St. Paul to predesign, design, and construct a pedestrian bridge for the North Urban Regional Trail as an overpass grade separated crossing of Robert Street in the area near Wentworth Avenue in West St. Paul for the River to River
Regional Greenway. This appropriation may also be used to acquire property or purchase rights-of-way needed for bridge construction. A nonstate match is not required.

Sec. 18. Laws 2015, First Special Session chapter 5, article 1, section 10, subdivision 3, is amended to read:

Subd. 3. Local Road Improvement Fund Grants

(a) From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for construction and reconstruction of local roads with statewide or regional significance under Minnesota Statutes, section 174.52, subdivision 4, or for grants to counties to assist in paying the costs of rural road safety capital improvement projects on county state-aid highways under Minnesota Statutes, section 174.52, subdivision 4a.

(b) This appropriation includes $850,000 for a grant to the city of Sandstone for predesign, design, engineering, and construction of a road extending south off of marked Trunk Highway 23 across from Lundorff Drive to the airport area, and including a bridge over Skunk Creek in Sandstone, in order to facilitate repurposing of an area of the airport into a business park. This appropriation is not available until the commissioner of management and budget determines that sufficient resources to complete the project are committed to it from other sources, including any funds made available from the commissioner of transportation.
(c) This appropriation includes $3,770,000 for a grant to Kandiyohi County for construction and reconstruction of local roads to facilitate the construction of highway-rail grade separations at U.S. Highway 12 and Minnesota Highway 40 as part of one or more of the following highway-rail intersections associated with the Willmar Wye project: U.S. Highway 12, marked Trunk Highway 40, and Kandiyohi County State-Aid Highway 55.

Sec. 19. NATIONAL SPORTS CENTER; LEASE.

Notwithstanding Minnesota Statutes, sections 16A.695, 16B.24, and 240A.03, subdivision 6, the Minnesota Amateur Sports Commission may lease for educational purposes that portion of property described as a portion of the property acquired by the commission pursuant to Laws 1987, chapter 400, section 8, subdivision 3, not currently needed for amateur sports purposes to Independent School District No. 16, Spring Lake Park. The lease shall be in a form approved by the attorney general and for a term not to exceed 99 years. The lease may provide for the provision of capital improvements or other performance by the tenant in lieu of all or some of the payments of rent that would otherwise be required. Any lease revenues paid to the commission are appropriated to the commission.

Sec. 20. REPORT ON FUTURE OF GLENSHEEN.

The Board of Regents of the University of Minnesota must develop a plan for the future of Glensheen, the historic Congdon estate in Duluth, in cooperation and consultation with the city of Duluth, the Minnesota Historical Society, and other interested parties. The plan must address facility ownership, a multiphased asset renewal plan, programmatic operations, and cultural interpretation. The plan must be submitted by January 16, 2017, to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education policy and finance, and capital investment, and as provided in Minnesota Statutes, section 3.195.

Sec. 21. COMMISSIONER OF ADMINISTRATION REPORT - FUNDING FOR ASSET PRESERVATION.
Subdivision 1. **Report.** By November 15, 2016, the commissioner of administration shall report to the chairs and ranking minority members of the committees in the senate with jurisdiction over finance and capital investment and in the house of representatives with jurisdiction over ways and means and capital investment, with recommendations for sustainable, reliable, predictable funding for preservation of capital assets owned by agencies.

Subd. 2. **Funding options and approaches.** The report shall assess the feasibility of implementing the following options and may include evaluation of other feasible options:

1. establishing a standing appropriation from the general fund to pay a portion of certified asset preservation needs;
2. establishing a standing appropriation from the bond proceeds fund, and authorizing the sale of general obligation bonds, to pay a portion of certified asset preservation needs;
3. dedicating a specified portion of fees collected by agencies to use for asset preservation; and
4. shifting asset preservation from the capital budget to the operating budget so that asset preservation is built into the base budget.

Evaluations should include a comparison to current law and practice.

Subd. 3. **Demolition.** The report shall evaluate whether the metrics and process used by each agency to recommend demolition of capital assets are comprehensive enough to reflect what is in the best interest of the state.

Subd. 4. **Definition.** "Agencies" as used in this section means all executive branch agencies, the Board of Regents of the University of Minnesota, and the Board of Trustees of Minnesota State Colleges and Universities.

Sec. 22. **REPEALER.**

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

Sec. 23. **EFFECTIVE DATE.**

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

**ARTICLE 4**

**RAIL TRANSPORTATION**

Section 1. Minnesota Statutes 2014, section 13.6905, is amended by adding a subdivision to read:
Subd. 34. Oil and other hazardous substances transportation data. Certain data on oil and other hazardous substances transportation by railroads are governed by section 219.925, subdivision 7.

Sec. 2. Minnesota Statutes 2014, section 13.7411, is amended by adding a subdivision to read:


Sec. 3. Minnesota Statutes 2014, section 115E.042, is amended to read:

115E.042 PREPAREDNESS AND RESPONSE FOR CERTAIN RAILROADS.

Subdivision 1. Application. In addition to the requirements of section 115E.04, a person who owns or operates railroad car rolling stock transporting a unit train must comply with this section.

Subd. 2. Training. (a) Each railroad must offer training to each fire department, and each local organization for emergency management under section 12.25, having jurisdiction along the route of unit trains routes over which oil and other hazardous substances are transported. Initial training under this subdivision must be offered to each fire department by June 30, 2016, and Refresher training must be offered to each fire department and local organization for emergency management at least once every three years thereafter after initial training under this subdivision.

(b) The training must address the general hazards of oil and hazardous substances, techniques to assess hazards to the environment and to the safety of responders and the public, factors an incident commander must consider in determining whether to attempt to suppress a fire or to evacuate the public and emergency responders from an area, and other strategies for initial response by local emergency responders. The training must include suggested protocol or practices for local responders to safely accomplish these tasks of identification of rail cars and their hazardous substance contents, responder safety issues, rail response tactics, public evacuation considerations, environmental contamination response, coordination of railroad response personnel and resources at an incident, and other protocols and practices for safe initial local response.

Subd. 3. Emergency response planning; coordination. Beginning June 30, 2015, (a) Each railroad must communicate at least annually with each county or city emergency manager, security qualified safety representatives of railroad employees governed by the Railway Labor Act, and a senior fire department officer of each fire department having...
jurisdiction along the route of a unit train routes over which oil and other hazardous substances are transported, to:

1. ensure coordination of emergency response activities between the railroad and local responders;
2. upon request, assist emergency managers to identify and assess local rail-specific threats, hazards, and risks; and
3. obtain information from emergency managers regarding specific local natural and technical hazards and threats in the local area that may impact rail operations or public safety.

(b) The coordination under paragraph (a), clauses (2) and (3), must include identification of increased risks and potential special responses due to high population concentration, critical local infrastructure, key facilities, significant venues, or sensitive natural environments.

(c) The commissioner of public safety shall compile and make available to railroads a listing of emergency managers and fire chiefs, which must include contact information.

Subd. 4. Response capabilities; time limits. (a) Following confirmation of a discharge, a railroad must deliver and deploy sufficient equipment and trained personnel to (1) contain and recover discharged oil or hazardous substances, and (2) to protect the environment and assist local public safety officials.

(b) Within 15 minutes of the arrival of local emergency responders on the scene of a rail incident involving oil or other hazardous substances, a railroad must assist the incident commander in determining the nature of hazardous substances known to have been released and hazardous substances transported on the train, by providing information that includes the chemical content of the hazardous substances, contact information for the shipper, and instructions for dealing with release of the material. A railroad may provide information through the train orders on board the train, facsimile, or electronic transmission.

(c) Within one hour of confirmation of a discharge, a railroad must provide a qualified company employee representative to advise the incident commander, help assess the situation, initiate railroad response actions as needed, and provide advice and recommendations to the incident commander regarding the response. The employee may be made available by telephone, and must be authorized to deploy all necessary response resources of the railroad.

(d) Within three hours of confirmation of a discharge, a railroad must be capable of delivering monitoring equipment and a trained operator to assist in protection of responder and public safety. A plan to ensure delivery of monitoring equipment and an operator to a discharge site must be provided each year to the commissioner of public safety.
83.1  *(d) (e)* Within three hours of confirmation of a discharge, a railroad must provide *(1)* qualified personnel at a discharge site to assess the discharge and to advise the incident commander, and *(2)* resources to assist the incident commander with ongoing public safety and scene stabilization.

83.5  *(e) (f)* A railroad must be capable of deploying containment boom from land across sewer outfalls, creeks, ditches, and other places where oil or hazardous substances may drain, in order to contain leaked material before it reaches those resources. The arrangement to provide containment boom and staff may be made by:

83.9  (1) training and caching equipment with local jurisdictions;

83.10  (2) training and caching equipment with a fire mutual-aid group;

83.11  (3) means of an industry cooperative or mutual-aid group;

83.12  (4) deployment of a contractor;

83.13  (5) deployment of a response organization under state contract; or

83.14  (6) other dependable means acceptable to the Pollution Control Agency.

83.15  *(g) (h)* Each arrangement under paragraph *(e) (f)* must be confirmed each year. Each arrangement must be tested by drill at least once every five years.

83.17  *(g) (h)* Within eight hours of confirmation of a discharge, a railroad must be capable of delivering and deploying containment boom, boats, oil recovery equipment, trained staff, and all other materials needed to provide:

83.20  (1) on-site containment and recovery of a volume of oil equal to ten percent of the calculated worst case discharge at any location along the route; and

83.22  (2) protection of listed sensitive areas and potable water intakes within one mile of a discharge site and within eight hours of water travel time downstream in any river or stream that the right-of-way intersects.

83.25  *(h) (i)* Within 60 hours of confirmation of a discharge, a railroad must be capable of delivering and deploying additional containment boom, boats, oil recovery equipment, trained staff, and all other materials needed to provide containment and recovery of a worst case discharge and to protect listed sensitive areas and potable water intakes at any location along the route.

Subd. 5. **Railroad drills Environmental response exercises.** *(a)* Each railroad must conduct at least one oil containment, recovery, and sensitive area protection drill exercises as follows: *(1)* at least one tabletop exercise every year; and *(2)* at least one full-scale exercise every three years. Each exercise must be at a location, date, and time and in the manner chosen by the Pollution Control Agency, and attended by safety representatives of railroad employees governed by the Railway Labor Act.
(b) To the extent feasible, the commissioner of the Pollution Control Agency shall coordinate each exercise with exercises required by federal agencies.

Subd. 6. Prevention and response plans; requirements, submission. (a) By June 30, 2015, a railroad shall submit the prevention and response plan required under section 115E.04, as necessary to comply with the requirements of this section, to the commissioner of the Pollution Control Agency on a form designated by the commissioner.

(b) By June 30 of every third year following a plan submission under this subdivision, or sooner as provided under section 115E.04 subdivision 2, a railroad must update and resubmit the prevention and response plan to the commissioner.

Subd. 7. Environmental response plan data. A prevention and response plan provided under this section is nonpublic data, as defined under section 13.02, subdivision 9.

Sec. 4. Minnesota Statutes 2014, section 219.015, is amended to read:

219.015 STATE RAIL SAFETY INSPECTOR INSPECTION PROGRAM.

Subdivision 1. Positions established; duties. (a) The commissioner of transportation shall establish three state rail safety inspector positions in the Office of Freight and Commercial Vehicle Operations of the Minnesota Department of Transportation. On or after July 1, 2015, and the commissioner may establish a fourth up to six state rail safety inspector positions following consultation with railroad companies. The commissioner shall apply to and enter into agreements with the Federal Railroad Administration (FRA) of the United States Department of Transportation to participate in the federal State Rail Safety Participation Program for training and certification of an inspector under authority of United States Code, title 49, sections 20103, 20105, 20106, and 20113, and Code of Federal Regulations, title 49, part 212.

(b) A state rail safety inspector shall may inspect mainline track, secondary track, and yard and industry track; inspect railroad right-of-way, including adjacent or intersecting drainage, culverts, bridges, overhead structures, and traffic and other public crossings; inspect yards and physical plants; inspect train equipment; review and enforce safety requirements; review maintenance and repair records; and review railroad security measures.

(c) A state rail safety inspector may perform, but is not limited to, the duties described in the federal State Rail Safety Participation Program. An inspector may train, be certified, and participate in any of the federal State Rail Safety Participation Program disciplines, including: track, signal and train control, motive power and equipment, operating practices compliance, hazardous materials, and highway-rail grade crossings.
(d) To the extent delegated by the Federal Railroad Administration and authorized by the commissioner, an inspector may issue citations for violations of this chapter, or to ensure railroad employee and public safety and welfare.

Subd. 2. Railroad company assessment; account; appropriation. (a) As provided in this subdivision, the commissioner shall annually assess railroad companies that are (1) defined as common carriers under section 218.011; (2) classified by federal law or regulation as Class I Railroads, Class I Rail Carriers, Class II Railroads, or Class II Carriers; and (3) operating in this state.

(b) The assessment must be by a division of calculated to allocate state rail safety inspector inspection program costs in equal proportion between proportionally among carriers based on route miles operated in Minnesota, assessed in equal amounts for 365 days of the calendar year at the time of assessment. The commissioner shall assess include in the assessment calculation all program or additional position start-up or re-establishment costs; all related costs of initiating the state rail safety inspector inspection program, including but not limited to inspection, administration, supervision, travel, equipment, and training; and costs of ongoing state rail inspector duties.

(c) The assessments collected under this subdivision must be deposited in a special account in the special revenue fund, to be known as the state rail safety inspection account, which is established in the special revenue fund. The account consists of funds as provided by this subdivision, and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account is appropriated to the commissioner for the establishment and ongoing responsibilities of the state rail safety inspector inspection program.

Subd. 3. Work site safety coaching program. The commissioner may exempt a common carrier not federally classified as Class I from violations for a period of up to two years if the common carrier applies for participation in a work site safety coaching program, such as the "MNSharp" program administered by the Minnesota Department of Labor and Industry, and the commissioner determines such participation to be preferred enforcement for safety or security violations.

Subd. 4. Appeal. Any person aggrieved by an assessment levied under this section may appeal within 90 days any assessment, violation, or administrative penalty to the Office of Administrative Hearings, with further appeal and review by the district court.

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

Sec. 5. [219.925] INCIDENT EMERGENCY RESPONSE; PREPAREDNESS AND INFORMATION.
Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms
have the meanings given them.

(b) "Emergency manager" means the director of a local organization for emergency
management under section 12.25.

(c) "Hazardous substance" has the meaning given in Code of Federal Regulations,
title 49, section 171.8.

(d) "Incident commander" means the official who has responsibility, following
National Incident Management System guidelines, for all aspects of emergency response
operations at an incident scene, including directing and controlling resources.

(e) "Oil" has the meaning given in section 115E.01, subdivision 8.

(f) "Rail carrier" means a railroad company that is:

1. defined as a common carrier under section 218.011;

2. classified by federal law or regulation as Class I Railroad, Class I Rail Carrier,
Class II Railroad, Class II Carrier, Class III Railroad, or Class III Carrier; and

3. operating in this state.

Subd. 2. **Traffic review.** Within ten business days of receiving a written request, a
rail carrier shall provide a traffic review to a requesting emergency manager or fire chief
having jurisdiction along the routes over which oil and other hazardous substances are
transported. The traffic review under this subdivision must include information on the
types and volumes of oil and other hazardous substance transported through the requester's
jurisdiction during the prior calendar year.

Subd. 3. **Emergency response planning; information sharing.** Upon written
request, a rail carrier shall provide to an emergency manager or fire chief having
jurisdiction along the routes over which oil and other hazardous substances are transported:

1. a complete copy of prevention and response plans submitted under section
115E.042, subdivision 6; and

2. a copy of the data and information, including risk assessment information, used
to develop the rail carrier's route analysis as required under Code of Federal Regulations,
title 49, section 172.820, or successor requirements.

Subd. 4. **Emergency response planning; coordination meetings.** (a) Within
30 days of receiving a written request, a rail carrier must be available to meet with a
requesting emergency manager or fire chief having jurisdiction along the routes over
which oil and other hazardous substances are transported, concerning emergency response
planning and coordination.

(b) At a meeting held under this subdivision, a rail carrier must provide:
(1) a review of the rail carrier's emergency response planning and capability, including railroad response timelines and resources to provide (i) technical advice and recommendations, (ii) trained response personnel, (iii) specialized equipment, and (iv) any other available resources to support an incident commander who conducts a public safety emergency response under the National Incident Management System; and

(2) inventory information on emergency response involving oil or other hazardous substance, consisting of:

(i) equipment owned by the rail carrier, including equipment type and location;

(ii) response personnel of the rail carrier, including contact information and location;

and

(iii) resources available to the rail carrier through contractual agreements.

Subd. 5. Real-time emergency response information. (a) The commissioner of public safety shall, through the Minnesota Fusion Center, receive and disseminate emergency response information as provided under section 7302 of the FAST Act of 2015, Public Law 114-94, and federal regulations adopted under that section.

(b) On and after July 1, 2017, all rail carriers subject to this section shall collectively provide to emergency responders, through an Internet-based format, the information on transportation of oil and other hazardous substances provided by rail carriers through a wireless communications device application on the effective date of this section.

Subd. 6. Public safety response exercises. (a) Each rail carrier must conduct one tabletop public safety emergency response exercise in each emergency management region in which the rail carrier transports oil and other hazardous substances. The exercises must be conducted by July 1, 2017, and July 1 every two years thereafter.

(b) Each rail carrier must conduct one full-scale exercise every four years.

(c) In a emergency management region in which more than one rail carrier operates, the rail carriers may conduct the exercises jointly or may alternate among rail carriers to conduct the exercise.

(d) To the extent feasible, the rail carriers shall coordinate the exercises among each other and with exercises under section 115E.042, subdivision 5.

Subd. 7. Transportation and response planning data. Any data provided under subdivisions 3 to 6 to an emergency manager, incident commander, emergency first responder, fire chief, or the commissioner of public safety are nonpublic data, as defined under section 13.02, subdivision 9.
Sec. 6. Minnesota Statutes 2014, section 299A.55, is amended to read:

### 299A.55 RAILROAD AND PIPELINE SAFETY INCIDENT PREPAREDNESS: OIL AND OTHER HAZARDOUS MATERIALS SUBSTANCES.

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

(b) "Applicable rail carrier" means a railroad company that is subject to an assessment under section 219.015, subdivision 2.

(c) "Hazardous substance" has the meaning given in section 115E.02, subdivision 8.


(d) "Oil" has the meaning given in section 115E.01, subdivision 8.

(e) "Pipeline company" means any individual, partnership, association, or public or private corporation who owns and operates pipeline facilities and is required to show specific preparedness under section 115E.03, subdivision 2.

Subd. 2. **Railroad and pipeline safety incident account.** (a) A railroad and pipeline safety incident account is created in the special revenue fund. The account consists of funds collected under subdivision 4 and funds donated, allotted, transferred, or otherwise provided to the account.

(b) $104,000. An amount necessary for environmental protection activities related to railroad discharge preparedness under section 115E.042 is annually appropriated from the railroad and pipeline safety incident account to the commissioner of the Pollution Control Agency for environmental protection activities related to railroad discharge preparedness under chapter 115E. Those purposes.

(c) Following the appropriation in paragraph (b), the remaining money in the account is annually appropriated to the commissioner of public safety for the purposes specified in subdivision 3.

Subd. 3. **Allocation of funds.** (a) Subject to funding appropriated for this subdivision, the commissioner shall provide funds for training and response preparedness related to (1) derailments, discharge incidents, or spills involving trains carrying oil or other hazardous substances, and (2) pipeline discharge incidents or spills involving oil or other hazardous substances.

(b) The commissioner shall allocate available funds as follows:

(i) $100,000 annually for emergency response teams; and

(ii) the remaining amount to the Board of Firefighter Training and Education under section 299N.02 and the Division of Homeland Security and Emergency Management.

(c) Prior to making allocations under paragraph (b), the commissioner shall consult with the Fire Service Advisory Committee under section 299F.012, subdivision 2.
The commissioner and the entities identified in paragraph (b), clause (2), shall prioritize uses of funds based on:

1. firefighter training needs;
2. community risk from discharge incidents or spills;
3. geographic balance; and
4. risks to the general public; and
5. recommendations of the Fire Service Advisory Committee.

The following are permissible uses of funds provided under this subdivision:

1. training costs, which may include, but are not limited to, training curriculum, trainers, trainee overtime salary, other personnel overtime salary, and tuition;
2. costs of gear and equipment related to hazardous materials readiness, response, and management, which may include, but are not limited to, original purchase, maintenance, and replacement;
3. supplies related to the uses under clauses (1) and (2); and
4. emergency preparedness planning and coordination;
5. public safety emergency response exercises under section 219.925, subdivision 6; and
6. public education and outreach, including but not limited to:
   i. informing and engaging the public regarding hazards of derailments and discharge incidents;
   ii. assisting in development of evacuation readiness;
   iii. undertaking public information campaigns; and
   iv. providing accurate information to the media on likelihood and consequences of derailments and discharge incidents.

Notwithstanding paragraph (b), clause (2), from funds in the railroad and pipeline safety incident account provided for the purposes under this subdivision, the commissioner may retain a balance in the account for budgeting in subsequent fiscal years.

Subd. 4. Assessments. (a) The commissioner of public safety shall annually assess $2,500,000 to railroad and pipeline companies based on the formula specified in paragraph (b). The commissioner shall deposit funds collected under this subdivision in the railroad and pipeline safety incident account under subdivision 2.

(b) The assessment for each railroad is 50 percent of the total annual assessment amount, divided in equal proportion between applicable rail carriers based on route miles operated in Minnesota. The assessment for each pipeline company is 50 percent of the total annual assessment amount, divided in equal proportion between companies based...
on the yearly aggregate gallons of oil and hazardous substance transported by pipeline
in Minnesota.

(c) The assessments under this subdivision expire July 1, 2017.

Sec. 7. REVISOR'S INSTRUCTION.

The revisor of statutes shall recodify Minnesota Statutes, section 115E.042,
subdivision 2, as Minnesota Statutes, section 219.925, subdivision 8, and Minnesota
Statutes, section 115E.042, subdivision 3, as Minnesota Statutes, section 219.925,
subdivision 4. The revisor shall correct any cross-references made necessary by this
recodification.
APPENDIX
Article locations in H0622-3

ARTICLE 1  APPROPRIATIONS .................................................................  Page.Ln 1.19
ARTICLE 2  TRANSPORTATION FINANCE AND POLICY ...........................  Page.Ln 46.15
ARTICLE 3  MISCELLANEOUS .................................................................  Page.Ln 59.1
ARTICLE 4  RAIL TRANSPORTATION .....................................................  Page.Ln 80.30
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.