A bill for an act

relating to capital improvements; authorizing spending to acquire and better public land and buildings and for other improvements of a capital nature with certain conditions; establishing new programs and modifying existing programs; authorizing the sale of state bonds; repealing and modifying previous appropriations; providing money to match and supplement federal disaster assistance; providing aid to local governments and individuals and for other disaster relief for damage caused by flooding, tornado, and fire in the state; appropriating money; amending Minnesota Statutes 2008, sections 12A.10; 12A.15, by adding a subdivision; 16A.641, by adding a subdivision; 16A.86, subdivision 2, by adding a subdivision; 134.45, by adding a subdivision; 135A.046, subdivision 2; 136F.98, subdivision 1; Laws 2000, chapter 492, article 1, section 5, subdivision 10; Laws 2005, chapter 20, article 1, section 23, subdivision 16, as amended; Laws 2006, chapter 258, sections 7, subdivision 7, as amended; 8, subdivision 2; 20, subdivision 7; 21, subdivisions 4, 5, 6, as amended; 23, subdivision 3, as amended; Laws 2008, chapter 179, sections 3, subdivisions 12, as amended, 21, 25; 7, subdivision 29; 8, subdivision 2; 15, subdivision 5; 21, subdivision 14; proposing coding for new law in Minnesota Statutes, chapter 84; repealing Minnesota Statutes 2008, sections 16A.86, subdivision 3; 116.156; 473.399, subdivision 4; Laws 2008, chapter 179, section 8, subdivision 3.

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

ARTICLE 1
CAPITAL IMPROVEMENTS

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, the appropriations in this act are available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

SUMMARY

University of Minnesota	$	51,500,000
Minnesota State Colleges and Universities		78,875,000
Education		5,780,000
Natural Resources		54,800,000
Board of Water and Soil Resources		500,000
Rural Finance Authority		35,000,000
Zoological Garden		3,000,000
Amateur Sports Commission		1,000,000
Military Affairs		3,602,000
Transportation		54,600,000
Metropolitan Council		22,600,000
Human Services		4,000,000
Veterans Affairs		2,500,000
Corrections		4,000,000
Employment and Economic Development		17,250,000
Housing Finance Agency		2,000,000
Minnesota Historical Society		2,165,000
Bond Sale Expenses		343,000
TOTAL	**$**	**343,515,000**
Bond Proceeds Fund (General Fund Debt Service)		279,777,000
Bond Proceeds Fund (User Financed Debt Service)		47,958,000
Maximum Effort School Loan Fund		5,780,000
State Transportation Fund		10,000,000

APPROPRIATIONS

Sec. 2. **UNIVERSITY OF MINNESOTA**

Subdivision 1. **Total Appropriation** **$ 51,500,000**

To the Board of Regents of the University of Minnesota for the purposes specified in this section.

Subd. 2. **Higher Education Asset Preservation and Replacement (HEAPR)** 25,000,000

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

Subd. 3. **Twin Cities Campus**

Bell Museum of Natural History	24,000,000

To complete design and to construct, furnish, and equip a new Bell Museum of Natural History on the St. Paul campus.

National Solar Rating and Certification Laboratory	2,150,000

To design, engineer, construct, furnish, and equip a solar rating and certification laboratory in the mechanical engineering building on the Minneapolis campus. The project includes installation and upgrading of utilities for the laboratory, acquisition and installation of a testing chamber, and accreditation of the laboratory.

Subd. 4. **West Central Research and Outreach Center, Morris**	350,000

To acquire and install at the West Central Research and Outreach Center in Morris demonstration solar thermal and photo voltaic systems, including system monitoring equipment.

Sec. 3. **MINNESOTA STATE COLLEGES AND UNIVERSITIES**

Subdivision 1. **Total Appropriation**	**$**	**78,875,000**

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)**	40,000,000

For the purposes specified in Minnesota Statutes, section 135A.046, including safety and statutory compliance, building envelope integrity, mechanical systems, and space restoration.

Subd. 3. **Lake Superior Community and Technical College**

Health and Science Center Addition	11,000,000

To complete design of and to construct, furnish, and equip an addition to the Health and Science Center and to renovate existing spaces.

Subd. 4. **Mesabi Range Community and Technical College, Eveleth**

Carpentry and Industrial Mechanical Technology and Shops	5,250,000

To construct, furnish, and equip shop space for the industrial mechanical technology and carpentry programs. This appropriation includes funding for renovation of existing space for ADA compliance.

Subd. 5. **Metropolitan State University**

Smart Classroom Center	5,700,000

To construct, furnish, and equip renovation of two floors of technology-enhanced classrooms and academic offices in the power plant building. This appropriation includes money to demolish the power plant annex to enable the new construction.

Subd. 6. **Minnesota State College, Southeast Technical - Aviation Training Center**

Notwithstanding Minnesota Statutes, section 136F.60, subdivision 5, the net proceeds of the sale or disposition of the Aviation Training Center in Winona operated by Minnesota State College - Southeast Technical, after paying all expenses incurred in selling the property and retiring any remaining debt attributable to the project, are appropriated to the board of trustees of the Minnesota State Colleges and Universities for use in a capital project at the Winona campus and need not be paid to the commissioner of finance, as would otherwise be required by Minnesota Statutes, section 16A.695, subdivision 3.

When the sale is complete and the sale proceeds have been applied as provided in this subdivision, Minnesota Statutes, section 16A.695, no longer applies to the property and the property is no longer state bond financed property.

Subd. 7. **North Hennepin Community College**

Center for Business and Technology	13,300,000

To construct, furnish, and equip an addition to the Center for Business and Technology and to renovate the center for classrooms and related space.

Subd. 8. **Systemwide Initiatives**

Classroom Renovation	3,625,000

To design, construct, furnish, and equip renovation of classroom and academic space. Excluding revenue from student tuition and fees, campuses may use nonstate money to increase the size of the projects. This appropriation may be used only at the following campuses: Central Lakes College, Brainerd; Minnesota State Community Technical College, Moorhead and Wadena; Minnesota West Community Technical College, Pipestone; Northland Community Technical College, Thief River Falls; Pine

Technical College, Pine City; and Rochester Community Technical College, Rochester.

Subd. 9. **Debt Service**

(a) The board shall pay the debt service on one-third of the principal amount of state bonds sold to finance projects authorized by this section, except for higher education asset preservation and replacement, and except that, 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. After each sale of general obligation bonds, the commissioner of finance shall notify the board of the amounts assessed for each year for the life of the bonds.

(b) The commissioner 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 finance by December 1 each year. If the board fails to make a payment when due, the commissioner of finance 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 finance 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. 10. **Unspent Appropriations**

(a) Upon substantial completion of a project authorized in this section and after written notice to the commissioner of finance, the Board of Trustees 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 and senate committees with jurisdiction over capital investment and higher education finance, and to the chairs of the house 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 higher education asset preservation and replacement under this subdivision, at the same campus as the project for which the original appropriation was made and the debt service requirement under subdivision 9 is reduced accordingly. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 4. **EDUCATION**

Independent School District No. 38, Red Lake	**$**	**5,780,000**

From the maximum effort school loan fund to the commissioner of education for a capital loan to Independent School District No. 38, Red Lake, as provided in Minnesota Statutes, sections 126C.60 to 126C.72, to design, construct, furnish, and equip renovation of existing facilities and construction of new facilities.

The project paid for with this appropriation includes a portion of the renovation and construction identified as Phase 4 in the review and comment performed by the commissioner of education under the capital loan provisions of Minnesota Statutes, section 126C.69. This portion includes renovation and construction of a single kitchen and cafeteria to serve the high school and middle school, a receiving area and dock and adjacent drives, utilities, and grading.

Before any capital loan contract is approved under this authorization, the district must provide documentation acceptable to the commissioner on how the capital loan will be used.

Sec. 5. **NATURAL RESOURCES**

Subdivision 1. **Total Appropriation** **$ 54,800,000**

To the commissioner of natural resources for the purposes specified in this section. The commissioner must allocate money appropriated in this section so as to maximize the use of all available federal money from the American Recovery and Reinvestment Act of 2009, Public Law 111-5, and any other federal funding.

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.

To the extent possible, a person conducting prairie restoration with state money must plant vegetation or sow seed only of ecotypes native to Minnesota, and preferably of the local ecotype, using a high diversity of species originating from as close to the restoration site as possible, and protect existing native prairies from genetic contamination.

Subd. 2. **Statewide Asset Preservation** 1,000,000

For the renovation of state-owned facilities operated by the commissioner of natural resources that can be substantially completed in calendar year 2009, as determined by the commissioner of natural resources, to be spent in accordance with new Minnesota Statutes, section 84.946, including renovation of buildings for energy efficiency, roof replacements, replacement of well and water treatment systems, road resurfacing, major culvert replacement and erosion control, water access rehabilitation, trail resurfacing and widening, and bridge replacement and rehabilitation. 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.

Subd. 3. **Flood Hazard Mitigation Grants** 53,800,000

For the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161.

This appropriation includes money to maximize federal funds for projects in Ada, Breckenridge, and Roseau. Any money remaining from this appropriation is for the following projects as prioritized by the commissioner based on need:

(a) Ada

(b) Agassiz Valley

(c) Albert Lea

(d) Argyle

(e) Austin

(f) Bois de Sioux Watershed District, North Ottawa project

(g) Breckenridge

(h) Browns Valley

(i) Crookston

(j) Granite Falls

(k) Hay Creek-Norland

(l) Inver Grove Heights

(m) Manston Slough

(n) Moorhead

(o) Oakport Township

$12,000,000 is for the Oakport Township project.

(p) Red Path

(q) Roseau

(r) Shell Rock River Watershed

(s) Spring Brook

(t) Stillwater

(u) St. Paul

$3,800,000 is for a grant to the City of St. Paul to acquire land for and to predesign, design, construct, furnish, and equip river park development and redevelopment infrastructure in National Great River Park along the Mississippi River in St. Paul. This appropriation is not subject to the match requirements of Minnesota Statutes, section 103F.161, but it is not available until the commissioner determines that at least $2,500,000 is committed to the project from nonstate sources.

(v) St. Vincent

(w) Two Rivers

(x) Any other project in a community in the Red River basin affected by the 2009 flood

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

To the extent that the cost of a project in Ada, Breckenridge, Browns Valley, Crookston, Granite Falls, Moorhead, Oakport Township, Roseau, St. Vincent, or any other community affected by the April 2009 flooding in the Red River basin exceeds two percent of the median household income in the municipality multiplied by the number of households in the municipality, this appropriation is also for the local share of the project.

Sec. 6. **BOARD OF WATER AND SOIL RESOURCES**

RIM Conservation Reserve **$** **500,000**

To the Board of Water and Soil Resources to acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands, restore and enhance rivers and streams, riparian lands, and associated uplands in order to protect soil and water quality, support fish and wildlife habitat, reduce flood damages, and other public benefits. The board must allocate money appropriated in this section so as to maximize the use of available federal funds. The provisions of Minnesota Statutes, section 103F.515, apply to this appropriation, except that the board may establish alternative payment rates for easements and practices to establish restored native prairies and to protect uplands. To the extent possible, prairie restorations conducted with money appropriated in this section must plant vegetation or sow seed only of ecotypes native to Minnesota, and preferably of the local ecotype, using a high diversity of species originating from as close to the restoration site as possible, and protect existing native prairies from genetic contamination. Of this appropriation, up to ten percent may be used to implement the program.

Sec. 7. **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 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. 8. **MINNESOTA ZOOLOGICAL GARDEN**

Asset Preservation and Improvement	**$**	**3,000,000**

To the Minnesota Zoological Garden to design and construct capital asset preservation improvements and betterments to infrastructure and exhibits at the Minnesota Zoo.

Sec. 9. **AMATEUR SPORTS COMMISSION**

National Sports Center - Blaine	**$**	**1,000,000**

To the Minnesota Amateur Sports Commission for asset preservation at the National Sports Center in Blaine, to be spent in accordance with Minnesota Statutes, section 16B.307.

Sec. 10. **MILITARY AFFAIRS**

Asset Preservation	**$**	**3,602,000**

To the adjutant general for asset preservation improvements and betterments of a capital nature at military affairs facilities, to be spent in accordance with Minnesota Statutes, section 16B.307. The adjutant general must allocate money appropriated in this section so as to maximize the use of all available federal funding.

This appropriation may be used for life safety improvements, to correct code deficiencies, for Americans with Disabilities Act alterations, and to improve energy efficiency at existing National Guard Training and Community Centers at Hastings, Hutchinson, Red Wing, and Winona; and to match federal stimulus money for backup heating and electricity improvements at Bemidji, Brainerd, Duluth, Inver Grove Heights, Jackson, Northeast Minneapolis, Rosemount, and St. Peter.

Sec. 11. **TRANSPORTATION**

Subdivision 1. **Total Appropriation**	**$**	**54,600,000**

To the commissioner of transportation for the purposes specified in this section. The commissioner must allocate money appropriated in this section so as to maximize the use of all available federal money from the American Recovery and Reinvestment Act of 2009, Public Law 111-5, and any other federal funding.

Subd. 2. **Local Bridge Replacement and Rehabilitation** 10,000,000

This appropriation is 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.

Political subdivisions may use grants made under this subdivision to construct or reconstruct bridges, including but not limited to:

(1) matching federal-aid grants to construct or reconstruct key bridges;

(2) paying the costs of preliminary engineering and environmental studies authorized under Minnesota Statutes, section 174.50, subdivision 6a;

(3) paying the costs to abandon an existing bridge that is deficient and in need of replacement, but where no replacement will be made;

(4) paying the costs to construct a road or street to facilitate the abandonment of an existing bridge determined by the commissioner to be deficient, if the commissioner determines that construction

of the road or street is more economical than replacement of the existing bridge; and

(5) paying up to $300,000 of the cost to construct a bridge over both a trunk highway and rail corridor in a city of less than 5,000 population when the commissioner determines a bridge is needed to improve safety.

Subd. 3. **Rail Service Improvement**	3,000,000

For the rail service improvement program to be spent for the purposes set forth in Minnesota Statutes, section 222.50, subdivision 7.

Subd. 4. **Minnesota Valley Railroad Track Rehabilitation**	4,000,000

For a grant to the Minnesota Valley Regional Railroad Authority to rehabilitate up to 95 miles of railroad track from Norwood-Young America to Hanley Falls. A grant under this subdivision 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.

Subd. 5. **Intercity Passenger Rail Projects**	26,000,000

To implement capital improvements and betterments for intercity passenger rail projects as identified in the statewide freight and passenger rail plan under Minnesota Statutes, section 174.03, subdivision 1b, which are determined to be eligible for USDOT funding. Notwithstanding any law to the contrary, a portion or phase of an intercity passenger rail project may be accomplished with one or more state appropriations, and an intercity passenger rail project need not be completed with any one appropriation. Capital improvements and betterments include preliminary engineering, design, engineering, environmental analysis and mitigation, acquisition of land and right-of-way, and construction.

Subd. 6. **Port Development Assistance**		3,000,000

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

Subd. 7. **Alexandria Aircraft Surveillance Facility**		2,000,000

To acquire land for, and to design and construct, a surveillance tower and associated equipment, an emergency backup power system, and a structure to house equipment.

Subd. 8. **Bigfork Airport Runway**		1,700,000

For a grant to the city of Bigfork to extend and reconstruct a runway.

Subd. 9. **Duluth Airport Terminal**		4,900,000

For a grant to the city of Duluth to predesign, design, construct, furnish, and equip phase one of the new terminal facilities at the Duluth International Airport as that phase of the terminal facilities project is described for purposes of grant funding received from the Federal Aviation Administration.

Sec. 12. **METROPOLITAN COUNCIL**

Subdivision 1. **Total Appropriation**	**$**	**22,600,000**

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

Subd. 2. **Transit Capital Improvement Program**	21,000,000

(a) To the Metropolitan Council. $8,500,000 is for the state's share of costs for the Central Corridor light rail line for one or more of the following activities: preliminary engineering, final design, property acquisition, including improvements and betterments of a capital nature, relocation of utilities owned by public entities, and construction.

(b) Any remaining money from this appropriation is to implement one or more of the following capital improvements, which are not listed in a ranked order of priority. The council shall determine project priorities after consultation with the Counties Transit Improvement Board, and other stakeholders, as appropriate. The council shall seek geographic balance in the allotment of this appropriation where possible and maximize the use of all available federal money from the American Recovery and Reinvestment Act of 2009, Public Law 111-5, and any other available federal money.

(1) Bottineau Boulevard Transit Way

For a grant to the Hennepin County Regional Railroad Authority for environmental work for Bottineau Transit Way corridor from the Hiawatha light rail and Northstar intermodal transit station in downtown Minneapolis to the vicinity of the Target development in northern Brooklyn Park or the Arbor Lakes retail area in Maple Grove.

(2) Cedar Avenue Bus Rapid Transit

For a grant to the Dakota County Regional Rail Authority to acquire real property and construct roadway improvements for shoulder running bus lanes on County State-Aid Highway 23 in Apple Valley and Lakeville for the Cedar Avenue Bus Rapid Transit Way (BRT) in Dakota County.

(3) I-94 Corridor Transit Way

(i) For a grant to Washington County Regional Rail Authority for environmental work and preliminary engineering of transportation and transit improvements, including busways, park-and-rides, or rail transit, in the marked Interstate Highway 94 corridor.

(ii) To acquire property and construct transportation and transit improvements, including busways, park-and-rides, or rail transit, in the marked Interstate Highway 94 corridor.

(4) Red Rock Corridor Transit Way

To design, construct, and furnish park-and-ride lots for the Red Rock Corridor Transit Way between Hastings and Minneapolis via St. Paul, and any extension between Hastings and Red Wing.

(5) Riverview Corridor Transit Way

For a grant to the Ramsey County Regional Railroad Authority for environmental work and preliminary engineering for bus rapid transit in the Riverview corridor between the east side of St. Paul and the Minneapolis-St. Paul International Airport and the Mall of America.

(6) Robert Street Corridor Transit Way

To design and construct new passenger shelters and a bus layover facility, including rest rooms, break areas, and a passenger shelter, in the Robert Street Corridor Transit Way along or parallel to U.S. Highway 52 and Robert Street from within the city of St. Paul to Dakota County Road 42 in Rosemount.

(7) Rush Line Corridor Transit Way

For a grant to the Ramsey County Regional Railroad Authority to acquire land for, design, and construct park-and-ride or park-and-pool lots located along the Rush Line Corridor along I-35E/I-35 and Highway 61 from the Union Depot in downtown St. Paul to Hinckley.

(8) Southwest Corridor Transit Way

To prepare an environmental impact statement (EIS) and for preliminary engineering for the Southwest Transit Way Corridor, from the Hiawatha light rail in downtown Minneapolis to the vicinity of the Southwest Station transit hub in Eden Prairie. The Metropolitan Council may grant a portion of this appropriation to the Hennepin County Regional Railroad Authority for the EIS work.

(9) Union Depot

For a grant to the Ramsey County Regional Railroad Authority to acquire land and structures, to renovate structures, and for design, engineering, and construction to revitalize Union Depot for use as a multimodal transit center in St. Paul. The center must be designed so that it facilitates a potential future connection of high-speed rail to Minneapolis.

(c) Of this amount, $313,000 is for preliminary engineering and final design for betterments in the State Capitol area related to the Central Corridor light rail transit project. This money is not included in the Central Corridor light rail transit project budget.

Subd. 3. **Metropolitan Regional Parks Capital Improvements**

(a) **Northtown Rail Yard Bridge**		600,000

For a grant to the city of Minneapolis to acquire land for, and to predesign and design a bridge for, St. Anthony Parkway over the Northtown Rail Yard.

(b) **Veterans Victory Memorial Parkway**		1,000,000

For a grant to the city of Minneapolis to better the Veterans of World War I Victory Memorial Parkway portion of the Grand Rounds Scenic Byway.

Sec. 13. **HUMAN SERVICES**

Subdivision 1. **Total Appropriation**	**$**	**4,000,000**

To the commissioner of administration, or another named agency, for the purposes specified in this section. The commissioner must allocate money appropriated in this section so as to maximize the use of all available federal funding.

Subd. 2. **Asset Preservation**		2,000,000

For asset preservation improvements and betterments of a capital nature at Department of Human Services facilities statewide, in accordance with Minnesota Statutes, section 16B.307. The commissioner may give first priority to installing a summer boiler system for the Minnesota sex offender program at Moose Lake and to making capital improvements at the St. Peter Regional Treatment Center that will increase energy efficiency and reduce operating costs.

Subd. 3. **Early Childhood Learning and Child Protection Facilities**		2,000,000

To the commissioner of human services for grants to construct and rehabilitate facilities for programs under Minnesota Statutes, section 256E.37.

Sec. 14. **VETERANS AFFAIRS**

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

To the commissioner of administration for the purposes specified in this section. The commissioner must allocate money appropriated in this section so as to maximize the use of all available federal funding.

Subd. 2. **Asset Preservation**		1,000,000

For asset preservation improvements and betterments of a capital nature at veterans homes statewide, to be spent in accordance with Minnesota Statutes, section 16B.307. Of this, $600,000 is for HVAC replacement and foundation waterproofing in building 4 at the Minneapolis Veterans Home, and $350,000 is for roof replacement projects at the Hastings Veterans Home.

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

Of this amount, up to $500,000 is to acquire land located in Redwood County and northeastern Minnesota for publicly owned veterans cemeteries, to be operated by the commissioner of veterans affairs. The commissioner also must seek donations of land for the cemeteries. The balance of the appropriation is to predesign and design the cemeteries. Federal reimbursement of predesign and design costs is appropriated to the commissioner for asset preservation of veterans homes statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Sec. 15. **CORRECTIONS**

Asset Preservation	**$**	**4,000,000**

To the commissioner of administration for improvements and betterments of a capital nature at Minnesota correctional facilities statewide, in accordance with Minnesota Statutes, section 16B.307.

Sec. 16. **EMPLOYMENT AND ECONOMIC DEVELOPMENT**

Subdivision 1. **Total Appropriation**	**$**	**17,250,000**

To the commissioner of employment and economic development or other named agency for the purposes specified in this section.

Subd. 2. **Redevelopment Account**		750,000

For the purposes of the redevelopment account in Minnesota Statutes, section 116J.571, for a grant to St. Louis County to design, construct, and install public water and sewer and related infrastructure from the city of Chisholm to the regional competition and exhibit center notwithstanding the requirements of Minnesota Statutes, sections 116J.571 to 116J.575, relating to eligible costs. This appropriation is not available until the commissioner determines that at least an equal amount is committed to the project.

Subd. 3. **Mankato - Civic Center Expansion** 6,500,000

For a grant to the city of Mankato for its Civic Center expansion, including to prepare a site for and to design, construct, furnish, and equip the Southern Minnesota Women's Hockey Exposition Center for use by Minnesota State University, Mankato. The Minnesota State Colleges and Universities may lease land on the campus of Minnesota State University, Mankato, to the city of Mankato on which to construct the Exposition Center.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed to the project from nonstate sources.

Subd. 4. **Minneapolis - Shubert Performing Arts and Education Center** 2,000,000

For a grant to the city of Minneapolis to construct, furnish, and equip the Shubert Theater and an associated atrium to create the Minnesota Shubert Performing Arts and Education Center. This appropriation is added to the appropriation in Laws 2006, chapter 258, section 21, subdivision 17, paragraph (b).

Subd. 5. **Olmsted County - Steam Line Extension**	5,000,000

For a grant to Olmsted County to design and construct approximately 1.25 miles of a new steam pipeline from the Olmsted Waste-to-Energy Facility to the Rochester Community and Technical College Campus, supplying steam heat and cooling from a renewable energy source.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from Olmsted County.

Subd. 6. **St. Cloud - Civic Center Expansion**	3,000,000

For a grant to the city of St. Cloud to acquire land for and to design, construct, furnish, and equip phase 1 of an expansion of the St. Cloud Civic Center. The expansion includes approximately 66,000 square feet of new space and a 300-stall parking ramp. This appropriation is added to the appropriation in Laws 2008, chapter 179, section 21, subdivision 14.

This appropriation is not available until the commissioner of finance determines that at least $3,000,000 is committed to the project from nonstate sources.

Sec. 17. **HOUSING FINANCE AGENCY**	**$**	**2,000,000**

To the Housing Finance Agency to finance the rehabilitation of public housing under Minnesota Statutes, section 462A.202, subdivision 3a. "Public housing" means housing for low-income persons and households financed by the federal government and owned and operated by cities and counties. Eligible cities and counties must have a public housing assessment system rating of standard or above. The priority in Minnesota Statutes, section 462A.202, subdivision 3a, for projects that increase the supply of affordable housing does not apply to this appropriation. Priority must be given to proposals that maximize federal or local resources to finance the capital costs.

Sec. 18. **MINNESOTA HISTORICAL SOCIETY**

Historic Sites Asset Preservation	**$**	**2,165,000**

To the Minnesota Historical Society for capital improvements and betterments at state historic sites, buildings, landscaping at historic buildings, exhibits, markers, and monuments, to be spent in accordance with Minnesota Statutes, section 16B.307. Notwithstanding that section, up to $527,000 may be used to design projects eligible for future funding and up to $100,000 may be used for a grant to the city of Inver Grove Heights to design and renovate the west bank bridge and bridge approach to historic Mississippi River bridge JAR 5600, commonly known as the Rock Island Bridge, located between Inver Grove Heights and St. Paul Park in Dakota and Washington Counties. The design for utilizing the bridge infrastructure along the west bank of the Mississippi River must require connections with any local, regional, or state trails, and incorporate walking trails and fishing pier concepts, along with any park development in the area.

The society shall determine other project priorities as appropriate based on need.

Sec. 19. **BOND SALE EXPENSES** $ 343,000

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

Sec. 20. **BOND SALE SCHEDULE.**

The commissioner of finance shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2011, no more than $1,085,281,000 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 finance 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. 21. **BOND SALE AUTHORIZATION.**

Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from the bond proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to $327,735,000 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. 2. **Maximum effort school loan fund.** To provide the money appropriated in this act from the maximum effort school loan fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to $5,780,000 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. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the maximum effort school loan fund.

Subd. 3. **Transportation fund bond proceeds account.** To provide the money appropriated in this act from the state transportation fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to $10,000,000 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. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Sec. 22. Minnesota Statutes 2008, section 16A.641, is amended by adding a subdivision to read:

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

EFFECTIVE DATE. This section is effective the day following final enactment and expires July 1, 2011.

Sec. 23. Minnesota Statutes 2008, section 16A.86, subdivision 2, is amended to read:

Subd. 2. **Budget request.** A political subdivision that requests an appropriation of state money for a local capital improvement project is encouraged to submit the request to the commissioner of finance by July 15 of an odd-numbered year to ensure its full consideration. The requests must be submitted in the form and with the supporting documentation required by the commissioner of finance. All requests timely received by the commissioner must be ~~forwarded~~ submitted to the legislature, along with ~~agency requests~~ the governor's recommendations, whether or not the governor recommends that a request be funded, by the deadline established in section 16A.11, subdivision 1.

Sec. 24. Minnesota Statutes 2008, section 16A.86, is amended by adding a subdivision to read:

Subd. 3a. **Information provided.** All requests for state assistance under this section must include the following information:

(1) the name of the political subdivision that will own the capital project for which state assistance is being requested;

(2) the public purpose of the project;

(3) the extent to which the political subdivision has or expects to provide local, private, user financing, or other nonstate funding for the project;

(4) a list of the bondable activities that the project encompasses; examples of bondable activities are public improvements of a capital nature for land acquisition, predesign, design, construction, and furnishing and equipping for occupancy;

(5) whether the project will require new or additional state operating subsidies;

(6) whether the governing body of the political subdivision requesting the project has passed a resolution in support of the project and has established priorities for all projects within its jurisdiction for which bonding appropriations are requested when submitting multiple requests; and

(7) if the project requires a predesign under section 16B.335, whether the predesign has been completed at the time the capital project request is submitted, and whether the political subdivision has submitted the project predesign to the commissioner of administration for review and approval.

Sec. 25. **[84.946] NATURAL RESOURCES ASSET PRESERVATION AND REPLACEMENT (NRAPR).**

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

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

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

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

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

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

Sec. 26. Minnesota Statutes 2008, section 134.45, is amended by adding a subdivision to read:

Subd. 8. **Sale of public library funded with state bond proceeds.** If the commissioner of education and the local or regional governmental entity that owns a public library that has been improved with state bond proceeds under this section determines that the library is no longer usable or needed for the purposes for which the grant of state bond funds was made, the owner of the public library may sell the property in the manner authorized by law for the sale of other property owned by that jurisdiction for its fair market value. The sale must be approved by the commissioner of finance. Notwithstanding section 16A.695, subdivision 3, clause (2), the net proceeds must be applied as follows: first, to pay the state the amount of state bond proceeds used to acquire or better the property; and second, any remaining amount must be paid to the local or regional governmental owner of the property sold. When the sale is complete and the sale

<u>proceeds have been applied as provided in this subdivision, section 16A.695 no longer applies to the property and the property is no longer state bond financed property.</u>

EFFECTIVE DATE. <u>This section is effective the day following final enactment and applies to the sale of public library property on or after that date.</u>

Sec. 27. Minnesota Statutes 2008, section 135A.046, subdivision 2, is amended to read:

Subd. 2. **Standards.** Capital budget expenditures for Higher Education Asset Preservation and Replacement (HEAPR) projects must be for one or more of the following: code compliance including health and safety, Americans with Disabilities Act requirements, hazardous material abatement, access improvement, or air quality improvement; <u>building energy efficiency improvements using current best practices;</u> or building or infrastructure repairs necessary to preserve the interior and exterior of existing buildings; or renewal to support the existing programmatic mission of the campuses. Up to ten percent of an appropriation awarded under this section may be used for design costs for projects eligible to be funded from this account in anticipation of future funding from the account.

Sec. 28. Minnesota Statutes 2008, section 136F.98, subdivision 1, is amended to read:

Subdivision 1. **Issuance of bonds.** The Board of Trustees of the Minnesota State Colleges and Universities or a successor may issue revenue bonds under sections 136F.90 to 136F.97 whose aggregate principal amount at any time may not exceed $200,000,000, and payable from the revenue appropriated to the fund established by section 136F.94, and use the proceeds together with other public or private money that may otherwise become available to acquire land, and to acquire, construct, complete, remodel, and equip structures or portions thereof to be used for dormitory, residence hall, student union, food service, parking purposes, or for any other similar revenue-producing building or buildings of such type and character as the board finds desirable for the good and benefit of the state <u>colleges and</u> universities. Before issuing the bonds or any part of them, the board shall consult with and obtain the advisory recommendations of the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee about the facilities to be financed by the bonds.

Sec. 29. Laws 2000, chapter 492, article 1, section 5, subdivision 10, is amended to read:

Subd. 10. **Minnesota Planetarium**	1,000,000

For a grant to ~~the city of Minneapolis~~ Hennepin County to predesign and design a new Minnesota planetarium located in conjunction with the Minneapolis downtown library, and to update the design as necessary. Any remaining money may be used for construction. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 31, 2012.

Sec. 30. Laws 2005, chapter 20, article 1, section 23, subdivision 16, as amended by Laws 2008, chapter 179, section 58, is amended to read:

Subd. 16. **Minneapolis**

(a) Minnesota Planetarium	22,000,000

For a grant to Hennepin County to complete design and to construct, furnish, and equip a new Minnesota planetarium and space discovery center in conjunction with the Minneapolis downtown library. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 31, 2012.

(b) Heritage Park

Any unspent balance remaining on December 31, 2004, in the appropriation made by Laws 2000, chapter 492, article 1, section 22, subdivision 10, for a grant to the city of Minneapolis, may be used by the city for improvements to the Heritage Park project.

(c) Minnesota Shubert Center	1,000,000

For a grant to the city of Minneapolis to predesign and design and provide for related capital costs for an associated atrium to create the Minnesota Shubert Center.

Sec. 31. Laws 2006, chapter 258, section 7, subdivision 7, as amended by Laws 2008, chapter 179, section 60, is amended to read:

Subd. 7. **Lake Superior safe harbors** 3,000,000

To design and construct capital improvements to public accesses and small craft harbors on Lake Superior in accordance with Minnesota Statutes, sections 86A.20 to 86A.24, and in cooperation with the United States Army Corps of Engineers.

This appropriation may be used to develop the harbor of refuge, public access, and marina at Two Harbors and is added to the appropriations in Laws 1998, chapter 404, section 7, subdivision 24; and Laws 2000, chapter 492, article 1, section 7, subdivision 21, as amended by Laws 2005, chapter 20, article 1, section 42. Notwithstanding those laws, the commissioner ~~may~~ shall proceed with construction of the Two Harbors project ~~by providing up to $1,500,000 to complete the design specifications and environmental work currently underway. The commissioner may spend the remaining money for the project upon securing an agreement with the U.S. Army Corps of Engineers that commits federal expenditures of at least $4,000,000 to the project~~.

Sec. 32. Laws 2006, chapter 258, section 8, subdivision 2, is amended to read:

Subd. 2. **Closed Landfill Program** 10,800,000

To design and construct remedial systems and acquire land at landfills throughout the state in accordance with the closed landfill program under Minnesota Statutes, section 115B.39 to 115B.42.

$3,650,000 is to design and construct remedial systems at the Albert Lea Landfill, including relocating and incorporating waste from the former Albert Lea Dump owned by the City of Albert Lea pursuant to Minnesota Statutes, section 115B.403, which action may be taken by the Pollution Control Agency notwithstanding the provisions of Minnesota Statutes, section 115B.403, paragraphs (a) and (b). Any money remaining after completion of the remedial system may be used by the city of Albert Lea to provide sewer and water service to the site and to replace the public park betterments and improvements that were removed to construct the remedial system.

Sec. 33. Laws 2006, chapter 258, section 20, subdivision 7, is amended to read:

Subd. 7. **Minnesota correctional facility - Stillwater**

Segregation Unit	19,580,000

To complete design and to construct, furnish, and equip a new 150-bed segregation unit and reconstruct the old segregation unit.

Sec. 34. Laws 2006, chapter 258, section 21, subdivision 4, is amended to read:

Subd. 4. **~~Central Iron Range Sanitary Sewer District~~ Hibbing Wastewater Treatment Facilities**	2,500,000

To the Public Facilities Authority for a grant to the ~~Central Iron Range Sanitary~~

~~Sewer District to design, construct, and equip an expansion of wastewater treatment at Hibbing's South Wastewater Treatment Plant,~~ city of Hibbing for mercury treatment facilities at the south wastewater treatment plant~~, and sanitary sewer lines to connect Hibbing, Chisholm, and Buhl to use the upgrades at the plant~~ and wastewater infrastructure improvements. This appropriation is not available until the authority determines that at least an equal amount is committed to the project from nonstate sources.

Sec. 35. Laws 2006, chapter 258, section 21, subdivision 5, is amended to read:

Subd. 5. **Greater Minnesota Business Development Infrastructure Grant Program**	7,750,000

For grants under Minnesota Statutes, section 116J.431.

$250,000 is for a grant to Polk County to build approximately one mile of ten-ton road to provide access to a ~~new~~ proposed ethanol plant outside of the city of Erskine.

$1,400,000 is for a grant to the city of LaCrescent for public infrastructure made necessary by the reconstruction of a highway and a bridge.

Sec. 36. Laws 2006, chapter 258, section 21, subdivision 6, as amended by Laws 2008, chapter 179, section 65, is amended to read:

Subd. 6. **Redevelopment Account**	9,000,000

For purposes of the redevelopment account under Minnesota Statutes, section 116J.571.

$800,000 is for a grant to the city of Worthington to remediate contaminated soil and redevelop the site of the former Campbell Soup factory. This grant is exempt from the requirements of Minnesota Statutes, sections 116J.572 to 116J.575. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of the bond proceeds for this project are available until December 31, 2012.

$250,000 is for a grant to the city of Winona to predesign facilities for a multipurpose events center and arena to be used for the Shakespeare Festival, Beethoven Festival, and Winona State University events. This grant is exempt from the requirements of Minnesota Statutes, sections 116J.572 to 116J.575.

Sec. 37. Laws 2006, chapter 258, section 23, subdivision 3, as amended by Laws 2008, chapter 179, section 68, is amended to read:

Subd. 3. **Historic Fort Snelling Museum and Visitor Center**	1,100,000

To predesign and design the historic Fort Snelling Museum and Visitor Center and other site improvements to revitalize historic Fort Snelling.

Sec. 38. Laws 2008, chapter 179, section 3, subdivision 12, as amended by Laws 2008, chapter 365, section 17, is amended to read:

Subd. 12. **Metropolitan State University**

(a) **Smart Classroom Center**	4,980,000

To construct, furnish, and equip renovation of two floors of technology-enhanced classrooms and academic offices in the power plant building. This appropriation includes money to demolish the power plant annex to enable the new construction. *

(The preceding text beginning "(a) Smart Classroom Center" was indicated as vetoed by the governor.)

(b) **Law Enforcement Training Center** 13,900,000

To compete design of and to construct, furnish, and equip, in cooperation with Minneapolis Community and Technical College, a colocated Law Enforcement Training Center on the campus of Hennepin Technical College in Brooklyn Park. Excluding revenue from student tuition and fees, the board may use up to $2,000,000 of funds from each college or university, or other nonstate money for the remainder of the cost of design and construction of this project.

Sec. 39. Laws 2008, chapter 179, section 3, subdivision 21, is amended to read:

Subd. 21. **Owatonna College and University Center**

Property Acquisition 3,500,000

To acquire the Owatonna College and University Center Building in Steele County, including the purchase of adjacent vacant land and for capital improvements to the property.

Sec. 40. Laws 2008, chapter 179, section 3, subdivision 25, is amended to read:

Subd. 25. **St. Cloud State University**

(a) **Brown Science Hall Renovation** 14,800,000

To complete design of and to construct, furnish, and equip a renovation of Brown Hall for classrooms, science laboratories, and other instructional and ancillary spaces. This appropriation includes funding to reglaze the existing skyway from the building and to construct a new skyway to Centennial Hall.

This appropriation may also be used to complete design and construction drawings for the Science and Engineering Lab authorized in paragraph (b) and to demolish building number 801.

(b) **Science and Engineering Lab** 900,000

To design an integrated science and engineering laboratory and student and academic support building.

Sec. 41. Laws 2008, chapter 179, section 7, subdivision 29, is amended to read:

Subd. 29. **Trail Connections** 697,000

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

$225,000 is for a grant to Clara City to design and construct a walking path in Clara City.

$100,000 is for a grant to the city of Mora for construction of pedestrian and bicycle trails, bridge restoration and renovation, and other improvements of a capital nature for the Spring Lake Trail, located in the city of Mora.

$372,000 is for a grant to ~~the city of Rockville~~ Stearns County to design and construct the Rocori Trail from Richmond through Cold Spring to Rockville, connecting with the Glacial Lakes Trail, the Beaver Island Trail, and the Lake Wobegon Trail.

For any project listed in this subdivision that the commissioner determines is not ready to proceed, the commissioner may allocate that project's money to another trail connection project in this subdivision. The chairs of the house and senate committees with jurisdiction over the environment and natural resources and legislators from the affected legislative districts must be notified of any changes.

Sec. 42. Laws 2008, chapter 179, section 8, subdivision 2, is amended to read:

Subd. 2. **Albert Lea Landfill**	2,500,000

For a grant to the city of Albert Lea to construct remedial systems at the Albert Lea landfill. This includes relocating and incorporating waste from the former Albert Lea dump owned by the city of Albert Lea under Minnesota Statutes, section 115B.403, which action may be taken by the Pollution Control Agency notwithstanding the provisions of Minnesota Statutes, section 115B.403, paragraphs (a) and (b).

The appropriation in this subdivision is added to the amounts for the city of Albert Lea landfill funding in Laws 2006, chapter 258, section 8, subdivision 2. <u>Any money remaining after completion of the remedial system may be used by the city of Albert Lea to provide sewer and water service to the site and to replace the public park betterments and improvements that were removed to construct the remedial system.</u>

Sec. 43. Laws 2008, chapter 179, section 15, subdivision 5, is amended to read:

Subd. 5. **Marshall - Minnesota Emergency Response and Industry Training Center**	300,000

For a grant to the city of Marshall to predesign Phase 2 of the Minnesota Emergency Response and Industry Training (MERIT) Center, including a wind energy training area, an ethanol fuels training area, and other training facilities, and to design, construct, and equip the wind energy and ethanol fuel training facilities.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources. The match may include in-kind contributions.

Sec. 44. Laws 2008, chapter 179, section 21, subdivision 14, is amended to read:

Subd. 14. **St. Cloud Civic Center Expansion** 2,000,000

For a grant to the city of St. Cloud to acquire land ~~for~~, prepare a site, demolish existing structures, and ~~for pre-engineering, engineering,~~ to pre-engineer, engineer, and design ~~for~~ an expansion of the St. Cloud Civic Center. The expansion includes approximately 66,000 square feet of new space and a 300-stall parking ramp. This appropriation is not available until the commissioner of finance determines that at least $2,000,000 is committed to the project from nonstate sources.

Sec. 45. **DEMOLITION OF ROCK ISLAND BRIDGE PROHIBITED FOR TWO YEARS.**

The Department of Transportation, Dakota County, or any other public body is prohibited from demolishing or otherwise removing all or any portion of JAR 5600, commonly known as the Rock Island Bridge, or causing its demolition or removal.

EFFECTIVE DATE. This section is effective the day following final enactment and expires two years following its effective date.

Sec. 46. **APPROPRIATIONS MADE ONLY ONCE.**

If any appropriation made in this act is also enacted finally in another act during the 2009 regular session, the appropriation must be given effect only once.

Sec. 47. **REPEALER.**

Minnesota Statutes 2008, sections 16A.86, subdivision 3; 116.156; and 473.399, subdivision 4, and Laws 2008, chapter 179, section 8, subdivision 3, are repealed.

Sec. 48. **EFFECTIVE DATE.**

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

ARTICLE 2
DISASTER RELIEF

Section 1. **DISASTER RELIEF APPROPRIATION SUMMARY.**

The amounts shown in this section summarize direct appropriations made in this article.

SUMMARY

Public Safety	$	9,180,000
Board of Water and Soil Resources		2,000,000
Education		173,000
Employment and Economic Development		200,000
Housing Finance		2,700,000
Revenue		250,000
Human Services		200,000
Transportation		2,900,000
Bond Sale Expenses		10,000
TOTAL	**$**	**17,613,000**
General Fund		10,303,000
Bond Proceeds Fund		4,405,000
Trunk Highway Fund Bond Proceeds Account		2,705,000
Trunk Highway Fund		200,000

Sec. 2. **DISASTER RELIEF APPROPRIATIONS.**

Subdivision 1. **Appropriations.** The sums shown in the column under "Appropriations" are appropriated from the bond proceeds fund to be spent to acquire and to better publicly owned land and buildings and other public improvements of a capital nature, and from other named funds, for relief as specified in this article from the flooding and storms that occurred on or after March 16, 2009, in the areas in Minnesota designated under presidential Declaration of an Emergency FEMA-3304-EM and Presidential Declaration of a Major Disaster FEMA-1830-DR, whether included in the original declarations or added later by federal government action, referred to in this article as "the area included in DR-1830." The appropriations included in this article are available through June 30, 2011, except that appropriations of bond proceeds or for capital improvements are available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642. The appropriations in this article are onetime.

Subd. 2. **Transfers.** If there is a shortage of money for a program funded in this article, for the flood hazard mitigation program under Minnesota Statutes, section 103F.161, or in the money available for state and local match under Minnesota Statutes, section 12.221, unused general fund money appropriated for any other program or project in this article may be transferred for assistance in the disaster area, to another program or project funded in this article or in article 1, section 5, subdivision 3. Appropriation transfers must be used to cover unmet needs in a program or project under this article or article 1, section 5, subdivision 3. The commissioner of finance must approve all transfers under this section and must report each transfer to the chairs of the senate Finance Committee and house of representatives Ways and Means Committee.

		APPROPRIATIONS
Sec. 3. **PUBLIC SAFETY**		
Subdivision 1. **Total Appropriations**	**$**	**9,180,000**
To the commissioner of public safety. The amounts that may be spent for each purpose are specified in the following subdivisions.		
Subd. 2. **State Match for Individual Assistance**		26,000
For the state match for federal disaster assistance to individuals under Minnesota Statutes, section 12.221. This appropriation is from the general fund.		
Subd. 3. **State and Local Match**		9,154,000

Appropriations by Fund	
General	5,254,000
Bond Proceeds	3,900,000

For the state and local match for federal disaster assistance to state agencies and other eligible applicants under Minnesota Statutes, section 12.221.

The appropriation from the bond proceeds fund is available to fund 100 percent of the state and local match obligations for publicly owned capital improvement projects incurred through the receipt of federal disaster assistance.

Sec. 4. **BOARD OF WATER AND SOIL RESOURCES**

Subdivision 1. **Total Appropriation** **$ 2,000,000**

To the Board of Water and Soil Resources. The amounts that may be spent for each purpose are specified in the following subdivisions.

The board may transfer appropriations within this section and may adjust the technical and administrative assistance portion of the appropriation to leverage federal or other nonstate money or to address high priority needs identified in local water management, emergency preparedness, or hazard mitigation plans.

Subd. 2. **Reinvest in Minnesota (RIM) Conservation Easements** 500,000

To acquire conservation easements from landowners on marginal lands in the area included in DR-1830 that were damaged by the storms and floods of March and April

2009 to restore wetlands and protect soil and water quality and to support fish and wildlife habitat as provided in Minnesota Statutes, section 103F.515.

Subd. 3. **Erosion, Sediment, and Water Quality Control Cost-Share Program** 1,000,000

From the general fund to install, repair, or rehabilitate erosion and sediment control projects in the area included in DR-1830 that were damaged by the storms and floods of March and April 2009 to restore and protect soil and water quality and to support fish and wildlife habitat.

Subd. 4. **Red River Basin Commission Grant** 500,000

(a) From the general fund for grants, contracts, or agreements with the Red River Basin Commission or its members to develop, in consultation and cooperation with all boards and commissions involved with water management and flood prevention and control in the Red River basin, a comprehensive plan of action to address, mitigate, and respond to flooding and related water quality and land conservation issues in the Red River watershed. The plan must take into account previous federal, state, provincial, regional, and local assessments and make specific recommendations for floodplain management goals and outcomes for the Red River basin including structural and nonstructural measures, wetland restoration, water storage allocations by major watershed, and designation of roles and responsibilities and time frames for implementation. The commission shall report progress on goals and outcomes to the legislature by January 15, 2010.

(b) Any remaining money may be used to implement the plan. Up to five percent of this appropriation may be used by the board for technical and administrative oversight.

(c) This appropriation is contingent on the state of North Dakota contributing at least an equal amount in a grant to the Red River Basin Commission.

Subd. 5. **Waivers Authorized**

(a) The board may waive the provisions of Minnesota Statutes, sections 103B.3369 and 103C.501, and Minnesota Rules, chapter 8400, in the area included in DR-1830 on land damaged by the disaster. The waiver applies to all existing and future contracts to address critical conservation problems resulting from the disaster that are funded in whole or in part with state money, to the extent that combined federal and state funding does not exceed 100 percent. All existing state grant agreements in the disaster area are extended, as provided in law.

(b) The payment maximums for improvements to the land under Minnesota Statutes, section 103F.515, subdivision 6, paragraph (a), clause (1), are waived for easements acquired in the area included in DR-1830 on land damaged by the disaster.

Sec. 5. **EDUCATION**

Subdivision 1. **Total Appropriation**	**$**	**173,000**

From the general fund to the commissioner of education for additional costs and loss of pupil units relating to the floods of March and April 2009. The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Disaster Enrollment Impact Aid** 127,000

For disaster enrollment impact aid under Minnesota Statutes, section 12A.06, subdivision 1, calculated at a rate of $5,946 per pupil in average daily membership lost during fiscal year 2009.

Subd. 3. **Disaster Relief Facilities Grants** 15,000

For disaster relief facilities grants under Minnesota Statutes, section 12A.06, subdivision 2.

Subd. 4. **Disaster Relief Operating Grants** 13,000

For disaster relief operating grants under Minnesota Statutes, section 12A.06, subdivision 3.

Subd. 5. **Pupil Transportation Grants** 18,000

For pupil transportation grants under Minnesota Statutes, section 12A.06, subdivision 4.

Sec. 6. **EMPLOYMENT AND ECONOMIC DEVELOPMENT**

Minnesota Investment Fund **$** **200,000**

From the general fund to the commissioner of employment and economic development for transfer to the Minnesota investment fund for grants to local units of government for locally administered grant or loan programs for businesses and nonprofit organizations directly and adversely affected by the flood. Assistance under this section is not limited to businesses. Payments may be made for property damage and cleanup.

Criteria and requirements must be locally established with the approval of the commissioner. For the purposes of this appropriation, Minnesota Statutes, sections 116J.8731, subdivisions 3, 4, 5, and 7; 116J.993; 116J.994; and 116J.995, are waived. Businesses that receive grants or loans from this appropriation must set goals for jobs retained and wages paid within the area included in DR-1830.

Before any grants under this section are awarded to a local unit of government, the commissioner of employment and economic development shall report to the chairs and ranking minority members of the senate Finance Committee and house of representatives Ways and Means Committee the criteria and requirements to be used by local units of government in the grant or loan programs they will administer.

Sec. 7. **HOUSING FINANCE**

Economic Development and Housing Challenge Program	**$**	**2,700,000**

From the general fund to the Housing Finance Agency for transfer to the housing development fund for the economic development and housing challenge program under Minnesota Statutes, section 462A.33, for assistance in the area included in DR-1830, Individual Assistance Declaration. The maximum loan amount per housing structure is $30,000. Within the limits of available appropriations, the agency may increase the maximum amount if the cost of repair or replacement of the residential property exceeds the total of the maximum loan amount and any assistance available from FEMA, other federal government agencies including the Small Business Administration, and private insurance and flood insurance benefits.

For assistance under this section, the requirements of Minnesota Statutes, section 462A.33, subdivisions 3 and 5, and Minnesota Rules, part 4900.3632, are waived.

Sec. 8. **REVENUE**

City Flood Loss Aid	**$**	**250,000**

From the general fund to the commissioner of revenue to pay flood loss aid to cities under section 16.

Sec. 9. **HUMAN SERVICES**

Medical Assistance Providers	**$**	**200,000**

From the general fund to the commissioner of human services for payments to medical assistance providers under Minnesota Statutes, section 12A.10.

Sec. 10. **TRANSPORTATION**

Subdivision 1. **Total Appropriation**	**$**	**2,900,000**

To the commissioner of transportation. The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Infrastructure Operation and Maintenance**	200,000

From the trunk highway fund.

Subd. 3. **State Trunk Highways and Bridges**	2,700,000

From the bond proceeds account in the trunk highway fund for the reconstruction and repair of trunk highways and trunk highway bridges that are located in the area included in DR-1830 and that suffered flood-related damage in 2009.

Sec. 11. **NATURAL RESOURCES**

Any existing state grant agreement of the commissioner of natural resources in the disaster area may be extended for up to two years.

Sec. 12. **BOND SALE EXPENSES**	**$**	**10,000**

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

Appropriations by Fund	
Bond proceeds	5,000
Trunk highway bond proceeds	5,000

Sec. 13. **BOND SALE AUTHORIZATIONS.**

Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this article from the bond proceeds fund, the commissioner of finance, at the request of the commissioner of public safety, shall sell and issue bonds of the state in an amount up to $4,405,000 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. 2. **Trunk highway fund.** To provide the money appropriated in this article from the bond proceeds account in the trunk highway fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to $2,705,000 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 amount requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the trunk highway fund.

Sec. 14. Minnesota Statutes 2008, section 12A.10, is amended to read:

12A.10 HUMAN SERVICES.

Subdivision 1. **Costs eligible for payment.** Notwithstanding the limitations of section 12A.01 and the requirement in section 12A.03 that all appropriations must be used to assist with recovery, the commissioner may pay parties under contract, provider agreement, or other arrangement with the commissioner as of the date of ~~the~~ a natural disaster, or the date when action was taken in anticipation of a possible natural disaster or other event that threatens the health and safety of individuals served by a program that receives funding from medical assistance for the costs of evacuation, transportation, ~~or~~ medical ~~or~~, remedial, or personal care services provided to vulnerable residents. Costs eligible for payment under this section are those necessary to ensure the health and safety of medical assistance recipients during and up to 60 days following the disaster. ~~To the extent allowed under the state's Medicaid state plan, the commissioner shall pay these costs from the medical assistance account.~~ Only costs that are not already paid for by another source are eligible. The commissioner may make payments for documented incremental costs incurred by a party, may determine an estimate of the costs at the sole discretion of the commissioner, or may use a combination of these two methods. If after receiving payment from the commissioner for a documented cost, the provider is able to acquire payment from another source for that cost, the provider shall reimburse the commissioner in the amount paid.

Subd. 2. **Payment in residential program.** In a residential program, the commissioner shall make payment under this section based on an allocation of costs as determined under subdivision 1 between medical assistance recipients and all other residents. The allocation must not be done in a nursing facility. In a nursing facility the commissioner shall pay all of the costs determined under subdivision 1.

Subd. 3. **Source of payment.** The commissioner shall pay costs under this section using money appropriated for medical assistance and shall seek federal cost sharing to the extent permitted under the Medicaid state plan or under waivers granted by the federal Centers for Medicare and Medicaid Services.

Sec. 15. Minnesota Statutes 2008, section 12A.15, is amended by adding a subdivision to read:

Subd. 3. **Waiver of Contract Approval Procedures.** State and federal disaster assistance distributed by the commissioner of public safety is not subject to the contract approval procedures of chapter 16A, 16B, or 16C, or any other law. The commissioner of public safety may adopt internal procedures to administer and monitor these aids and grants.

Sec. 16. **2009 FLOOD LOSS; CITY REPLACEMENT AID.**

Subdivision 1. **Flood net tax capacity loss.** The county assessor of each qualified county shall compute a hypothetical city taxable net tax capacity for each city in the county based upon market values for assessment year 2010 and the class rates that were in effect for assessment year 2009. The amount, if any, by which the assessment year 2009 total taxable net tax capacity of the city exceeds the hypothetical taxable net tax capacity of the city is the city's "flood net tax capacity loss." A county assessor of a qualified county that contains a city that has a flood net tax capacity loss that exceeds five percent of its assessment year 2009 total taxable net tax capacity shall certify the city's flood net tax capacity loss to the commissioner of revenue by August 1, 2009.

As used in this section, a "qualified county" is a county located within the area included in DR-1830.

Subd. 2. **Flood loss aid.** In 2010, each city with a flood net tax capacity loss equal to or greater than five percent of its assessment year 2009 total taxable net tax capacity is entitled to flood loss aid equal to the flood net tax capacity loss times the city's average local tax rate for taxes payable in 2009.

Subd. 3. **Duties of commissioner.** The commissioner of revenue shall determine each city's aid amount under this section. The commissioner shall notify each eligible city of its flood loss aid amount by August 15, 2009. The commissioner shall make payments to each city after July 1, and before July 20, 2010.

Subd. 4. **Optional city expenditure.** A city that receives aid under this section may choose to expend a portion of the aid received for repair of county roads located within the city.

Subd. 5. **Appropriation.** The amount necessary to pay the aid amounts under this section in fiscal year 2011, for calendar year 2010, is appropriated to the commissioner of revenue from the general fund.

Sec. 17. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 3
HUGO TORNADO RELIEF

Section 1. **GRANT.**

The sum of $350,000 is appropriated from the general fund to the commissioner of employment and economic development for a grant to the city of Hugo for the cost of debris clearance and other disaster costs resulting from damage caused by the May 25, 2008, tornado. This is a onetime appropriation and is available until expended.

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

ARTICLE 4
ST. CHARLES SCHOOL DISTRICT RELIEF

Section 1. **DECLINING PUPIL AID; ST. CHARLES SCHOOL DISTRICT.**

For fiscal years 2010 and 2011 only, Independent School District No. 858, St. Charles, is eligible for declining pupil unit aid equal to the lesser of $242,000 or the product of $5,124 and the number of adjusted pupil units lost during that year as a result of the April 2009 fire. Notwithstanding Minnesota Statutes, section 126C.13, the amounts required under this section are included in the general education aid payments for the district. The district must provide the commissioner of education documentation of the students lost as a result of the fire.

APPENDIX
Article locations in H0855-4

16A.86 CAPITAL PROJECT GRANTS TO POLITICAL SUBDIVISIONS.

Subd. 3. **Evaluation.** (a) The commissioner shall evaluate all requests from political subdivisions for state assistance based on the following criteria:

(1) the political subdivision has provided for local, private, and user financing for the project to the maximum extent possible;

(2) the project helps fulfill an important state mission;

(3) the project is of regional or statewide significance;

(4) the project will not require new or any additional state operating subsidies;

(5) the project will not expand the state's role in a new policy area;

(6) state funding for the project will not create significant inequities among local jurisdictions;

(7) the project will not compete with other facilities in such a manner that they lose a significant number of users to the new project;

(8) the governing bodies of those political subdivisions primarily benefiting from the project have passed resolutions in support of the project and have established priorities for all projects within their jurisdictions for which bonding appropriations are requested when submitting multiple requests; and

(9) if a predesign that meets the requirements of section 16B.335 has been completed and is available at the time the project request is submitted to the commissioner of finance, the applicant has submitted the project predesign to the commissioner of administration.

(b) The commissioner's evaluation of each request, including whether it meets each of the criteria in paragraph (a), must be submitted to the legislature along with the governor's recommendations under section 16A.11, subdivision 1, whether or not the governor recommends that the request be funded.

116.156 CLOSED LANDFILL CLEANUP REVENUE BONDS.

Subdivision 1. **Bonding authority.** (a) The commissioner of finance, if requested by the commissioner of the Pollution Control Agency, shall sell and issue state revenue bonds for the following purposes:

(1) to take actions related to hazardous substances, pollutants, or contaminants at and from qualified landfill facilities as provided in section 115B.42, subdivision 2;

(2) to pay the costs of issuance, debt service, and bond insurance or other credit enhancements and to fund reserves; and

(3) to refund bonds issued under this section.

(b) The amount of bonds that may be issued for the purposes of paragraph (a), clause (1), may not exceed $25,000,000. The amount of bonds that may be issued for the purposes of paragraph (a), clauses (2) and (3), is not limited.

Subd. 2. **Procedure.** The commissioner of finance may sell and issue the bonds on the terms and conditions the commissioner of finance determines to be in the best interests of the state. The bonds may be sold at public or private sale. The commissioner of finance may enter any agreements or pledges the commissioner of finance determines necessary or useful to sell the bonds that are not inconsistent with this section. Sections 16A.672 to 16A.675 apply to the bonds. The proceeds of the bonds issued under this section must be credited to a special bond proceeds account in the remediation fund and are appropriated to the commissioner of the Pollution Control Agency for the purposes specified in subdivision 1.

Subd. 3. **Revenue sources.** The debt service on the bonds is payable only from the following sources:

(1) the motor vehicle transfer fee under section 115A.908; and

(2) other revenues pledged to the payment of the bonds.

Subd. 4. **Refunding bonds.** The commissioner of finance may issue bonds to refund outstanding bonds issued under subdivision 1, including the payment of any redemption premiums on the bonds and any interest accrued or to accrue to the first redemption date after delivery of the refunding bonds. The proceeds of the refunding bonds may, in the discretion of the commissioner of finance, be applied to the purchases or payment at maturity of the bonds to be refunded, or the redemption of the outstanding bonds on the first redemption date after delivery of the refunding bonds and may, until so used, be placed in escrow to be applied to the purchase, retirement, or redemption. Refunding bonds issued under this subdivision must be issued and secured in the manner provided by the commissioner of finance.

Subd. 5. **Not a general or moral obligation.** Bonds issued under this section are not public debt, and the full faith, credit, and taxing powers of the state are not pledged for their payment. The bonds may not be paid, directly in whole or in part from a tax of statewide application on any class of property, income, transaction, or privilege. Payment of the bonds is limited to the revenues explicitly authorized to be pledged under this section. The state neither makes nor has a moral obligation to pay the bonds if the pledged revenues and other legal security for them is insufficient.

Subd. 6. **Trustee.** The commissioner of finance may contract with and appoint a trustee for bondholders. The trustee has the powers and authority vested in it by the commissioner of finance under the bond and trust indentures.

Subd. 7. **Pledges.** Any pledge made by the commissioner of finance is valid and binding from the time the pledge is made. The money or property pledged and later received by the commissioner of finance is immediately subject to the lien of the pledge without any physical delivery of the property or money or further act, and the lien of any pledge is valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the commissioner of finance, whether or not those parties have notice of the lien or pledge. Neither the order nor any other instrument by which a pledge is created need be recorded.

Subd. 8. **Bonds; purchase and cancellation.** The commissioner of finance, subject to agreements with bondholders that may then exist, may, out of any money available for the purpose, purchase bonds of the commissioner of finance at a price not exceeding (1) if the bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date thereon, or (2) if the bonds are not redeemable, the redemption price applicable on the first date after the purchase upon which the bonds become subject to redemption plus accrued interest to that date.

Subd. 9. **State pledge against impairment of contracts.** The state pledges and agrees with the holders of any bonds that the state will not limit or alter the rights vested in the commissioner of finance to fulfill the terms of any agreements made with the bondholders, or in any way impair the rights and remedies of the holders until the bonds, together with interest on them, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the bondholders, are fully met and discharged. The commissioner of finance may include this pledge and agreement of the state in any agreement with the holders of bonds issued under this section.

473.399 TRANSIT WAYS; LIGHT RAIL TRANSIT AND COMMUTER RAIL IN THE METROPOLITAN AREA.

Subd. 4. **Expenditure of state funds.** No state funds may be expended by the Metropolitan Council to study a particular light rail transit or commuter rail facility unless the funds are appropriated in legislation that identifies the route, including the origin and destination.

Laws 2008, chapter 179, section 8, subdivision 3

Sec. 8. POLLUTION CONTROL AGENCY

Subd. 3.**Closed Landfill Cleanup Revenue Bonds** 25,000,000

From the bond proceeds account in the remediation fund under new Minnesota Statutes, section 116.156.

This appropriation is for action at qualified closed landfill facilities in Albert Lea, Mille Lacs County, Washington County, the Western Lake Superior Sanitary District, and other locations as determined by the commissioner of the Pollution Control Agency.

If the dig and fill option is chosen for remediation of the Washington County landfill, the landfill must have a triple liner.

By January 15, 2009, the commissioner of the Pollution Control Agency shall report to the house and senate Finance Committees and divisions with jurisdiction over the environment on whether the remediation fund needs additional revenue in order to provide timely cleanup of closed landfills in the state without depleting the remediation fund. If the fund needs additional revenue, the commissioner shall include in the report recommendations for revenue sources and amounts that will meet that need.