A bill for an act
relating to capital improvements; authorizing the sale and issuance of state bonds; appropriating money for flood hazard mitigation grants.

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

Section 1. **FLOOD HAZARD MITIGATION GRANTS; APPROPRIATION.**

Subdivision 1. **Appropriation.** (a) $55,000,000 is appropriated from the bond proceeds fund to the commissioner of natural resources for the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161.

(b) Project priorities shall be determined by the commissioner as appropriate, based on need.

(c) This appropriation includes money for the following county and municipal projects as prioritized by the commissioner: Ada, Afton, Austin, Borup, Breckenridge, Clay County, Climax, Crookston, Felton, Georgetown, Granite Falls, Halstad, Inver Grove Heights, Montevideo, Moorhead, Nielsville, Oakport Township, Oslo, Perley, Roseau, Rushford, and Shelly.

(d) This appropriation includes money for the following Red River watershed districts: Springbrook, Two Rivers Watershed District; Hay Creek-Norland, Roseau Watershed District; Brandt-Angus, Middle-Snake-Tamarac Rivers Watershed District; Grand Marais, Red Lake Watershed District; Red Path, Bois de Sioux Watershed District; North Ottawa, Bois de Sioux Watershed District; Shelly and Felton, Wild Rice Watershed District; and Climax and Neilsville, Sand Hill River Watershed District.

(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 the municipality multiplied by the number of households in the municipality, this appropriation is also for the local share of the project.

(g) This appropriation includes money for the following Wild Rice Watershed District projects:

(1) for property acquisitions originally approved by the Federal Emergency Management Agency for acquisition cost share and then later denied; and

(2) for river stability acquisitions.

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

(i) The match required for a project funded under paragraph (g), clause (2), is an amount equal to 50 percent.

(j) This appropriation includes money for the following Clay County projects:

(1) for property acquisition in Clay County; and

(2) for flood mitigation infrastructure in Clay County to protect the Clay County government campus.

(k) The match required for a project funded under paragraph (j), clause (1), is an amount equal to two percent of the median household income in the township multiplied by the number of households in the township in which the project is located.

(l) The match required for a project funded under paragraph (j), clause (2), is an amount equal to 12.5 percent of the cost of the project.

Subd. 2. **Bond sale.** To provide the money appropriated in this section from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to $55,000,000 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.

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